

**Pension and Health Benefits Review Commission
Vote Results
May 6, 2011**

A-3830 (Polistina/Amodeo)

Mandates health insurance coverage for certain amino acid-based elemental formulas.

Motion: Recommend against enactment since it would mandate health benefits coverage and increase cost.

Discussion: The bill would expand coverage of amino acid based formula for the treatment of esophilic disorder to all covered members regardless of age when determined by the covered patient's physician to be medically necessary. The SHBP/SEHBP already covers amino acid-based elemental formulas for infants up to 12 months old. These formulas usually do not require a prescription and can be purchased over-the-counter. The SHBP/SEHBP excludes coverage for over-the-counter drugs, or drugs that do not require a prescription written by a licensed practitioner. If enacted it would set a precedent by expanding the plans cover to over-the-counter treatments. The bill has an estimated additional first year cost of \$1.9 million annually that would likely increase as the formulas are covered.

A-3854 (Milam/Riley/Stender)

Extends period for requested medical exam for disability benefits under PFRS to every two years until 55 years of age.

Motion: Recommend enactment and support additional legislation to include PERS and TPAF and to require earnings test for PFRS disability retirees.

Discussion: The Commission supports this bill since it may serve to mitigate the award of disability pensions when a member is not truly "totally and permanently" disabled. It will mandate that members who collect either an ordinary or accidental disability allowance are required under the age of 55 to submit to a medical examination once a year for at least five years and thereafter, if deemed necessary by the retirement system, every two years. Currently, members receiving accidental disability benefits are not required for a reexamination after the initial medical examination of the member to determine if eligible for the benefits. In addition, the Commission would support additional legislation to include PERS and TPAF and to require an annual earnings test for PFRS members that are collecting a disability retirement.

S-2786 (Norcross)

Provides one-year opportunity to purchase certain military time for service credit in State-administered retirement system by certain veterans.

Motion: Recommend against enactment since it exceeds federal USERRA mandates that New Jersey follows, enhances benefits and creates an additional unfunded liability in the State-administered retirement systems.

Discussion: The bill pertains to certain employment and benefit protections provided by the federal Uniformed Services Employment and Reemployment rights

Act of 1994 (USERRA) to employees who leave their jobs for active military service. USERRA provides benefit protection to an employee who leaves public employment after October 13, 1994 to serve in the uniformed services and then returns to public employment within time frames specified in the law, normally within 90 days of the end of the uniformed service. USERRA requires an employer to treat an employee's time in the uniformed services as if the employee had never left public employment for the purposes of vesting and/or determining eligibility for retirement and health benefits.

Provisions of the New Jersey Administrative Code, N.J.A.C. 17:1-3.10 were adopted to comply with USERRA. New Jersey Administrative Code does provide a public employee the ability to receive credit for otherwise eligible military time served prior to October 13, 1994, but the public employee must make the election within one year following the date of return to employment or the date pension contributions are certified. This bill would provide public employees an additional one year to make the election. In addition it provides another opportunity only to public employees who had otherwise eligible military service rendered prior to the USERRA's effective date, while ignoring public employees who rendered otherwise qualified USERRA military service after its effective date. The enactment of this bill could create demands to provide another opportunity for public employees with post-October 13, 1994 military service whose period to elect to purchase this service has also expired.

S-2716 (Beck/Oroho)

Suspends pension of any retired public employee who resumes public employment with compensation more than \$15,000.

Motion: Recommend enactment with the recommendation to leave the \$15,000 annual compensation limit in the aggregate for all public employment.

Discussion: The Commission supports the objective of the bill to curtail double-dipping by both receiving a public pension and a public salary simultaneously. Under the bill, retirees of all public retirement systems who become reemployed in public positions paying more than \$15,000, outside the current exceptions, will have their retirement benefit suspended and until the person is no longer employed by a public employer in a position with compensation more than \$15,000. There were issues raised that the bill may not address all the existing exceptions in State pension laws that allow the receipt of a public pension while still in public employment. In addition, the bill does not state that the annual compensation of \$15,000 can only be obtained through one public employer. An employee could work for several different municipalities and make just under the \$15,000 compensation limit with several different employers.