

(e) Any overpayment of Medicare Part B premiums by the State shall be deducted from the retiree's retirement allowance or from any retirement or death benefit due the retiree's beneficiary or estate.

New Rule, R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Former N.J.A.C. 17:9-5.5, "Local employer resolution; Chapter 88, P.L. 1974; Chapter 54, P.L. 1979", recodified to N.J.A.C. 17:9-5.4. Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

Rewrote the section.

#### 17:9-5.6 Refunds rejected

Any request for refund not specified in N.J.A.C. 17:9-3.5 and 5.5 shall be denied. For example, a member and spouse or eligible domestic partner may be employed in the same or in different locations, each location participating in the State Health Benefits Program and both having family coverage, or both having member and spouse or domestic partner coverage; in spite of the apparent duplication of coverage, neither of the covered employees would be eligible for a refund. Or, the spouse or eligible domestic partner carries only single employee coverage under the State program while the member is covered by a plan in private industry where the employer pays for employee and dependent coverage; no refund would be payable since both would have to have been in public employment covered by the SHBP. Or, if one spouse or eligible domestic partner applies for Medicare reimbursement for the member and spouse or eligible domestic partner, the other shall not receive duplicate reimbursement.

Amended by R.1973 d.8, eff. January 4, 1973.

See: 4 N.J.R. 282(a), 5 N.J.R. 59(b).

Amended by R.1976 d.313, eff. October 8, 1976.

See: 8 N.J.R. 443(c), 8 N.J.R. 539(a).

Recodified from N.J.A.C. 17:9-5.9 and amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Amended N.J.A.C. references and neutralized gender references. Former N.J.A.C. 17:9-5.6, (Reserved), was deleted.

Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

Substituted "SHBP" for "State program" in the third sentence; inserted "or eligible domestic partner" following "spouse" throughout.

#### Case Notes

County was not entitled to a refund of health care benefit premiums erroneously paid on behalf of terminated employees or employees who were eligible for lower premiums. *Essex County v. State Health Benefits Commission*, 93 N.J.A.R.2d (TYP) 317.

#### 17:9-5.7 Retroactive charges; payment due

Retroactive charges covering the entire period of retroactivity will be calculated on the basis of the charge in effect on the subscriber's effective date of coverage.

R.1975 d.159, eff. June 9, 1975.

See: 7 N.J.R. 118(e), 7 N.J.R. 349(b).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

"premiums" was changed to "charges".

Recodified from N.J.A.C. 17:9-5.10 and amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Substituted "subscriber's effective date of coverage" for "date the employee is actually enrolled". Former N.J.A.C. 17:9-5.7, State and local; multiple coverage refunds, was repealed.

#### 17:9-5.8 Charges and coverage; 10-month employees

(a) Employees hired as of September 1 under a 10-month contract shall have any premiums for which they may be responsible deducted from the wages they received in September to establish their coverage as of the beginning date of their employment. In order to continue a 10-month employee's coverage during the months of July and August, sufficient charges will be deducted prior to the expiration of their 10-month contract to continue their coverage during the heretofore mentioned months.

(b) Regarding 10-month contract State employees paid on a biweekly basis through the State's Centralized Payroll System, the effective date of coverage for September enrollments will be the period which is the one nearest September 1.

(c) A 10-month employee whose employment resumes in September may enroll eligible dependents within 60 days of the qualifying event. Should any part of the 60-day period occur during July and August, that period will be extended day for day up to 60 days after the employee resumes work in September.

R.1978 d.131, eff. April 18, 1978.

See: 10 N.J.R. 80(b), 10 N.J.R. 265(b).

As amended, R.1982 d.341, eff. October 18, 1982.

See: 14 N.J.R. 36(a), 14 N.J.R. 1165(a).

Clarified coverage of biweekly cases of 10-month employees.

As amended, R.1983 d.330, eff. August 15, 1983.

See: 15 N.J.R. 792(b), 15 N.J.R. 1383(c).

The word "premiums" replaced by "charges".

Amended by R.1989 d.335, effective July 3, 1989.

See: 21 N.J.R. 886(a), 21 N.J.R. 1836(a).

Provisions governing coverages and charges for 10-month employees added at (c).

Recodified from N.J.A.C. 17:9-5.11 amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

In (a), substituted "any premiums for which they may be responsible" for "charges" and deleted "provided their employment resumes in September" following "mentioned months"; in (b), inserted "through the State's Centralized Payroll System" following "biweekly basis". Former N.J.A.C. 17:9-5.8, Medicare refunds, was repealed.

#### 17:9-5.9 Premium-sharing for active employee State Health Benefits Coverage

(a) All State employees for whom there is no majority representative for collective negotiations purposes shall be subject to payroll deductions for Traditional Plan and HMO coverage in advance of the coverage period in accordance with standard payroll procedures as set forth in this section.

(b) For employees hired before December 11, 1995, payroll deductions for Traditional Plan coverage shall be determined as follows:

1. Effective with the coverage period commencing on July 1, 1996 for State monthly sub-groups, and July 6, 1996 for State bi-weekly sub-groups and ending June 30, 1997 for monthly sub-groups and the last day of the payroll period closest to July 1, 1997 for bi-weekly sub-groups, employees with a base salary of \$50,000 or more shall pay the difference between the cost of the Traditional Plan and the average cost to the State for NJ PLUS and participating HMOs as determined hereafter. Employees with a base salary of less than \$50,000 shall pay, on a monthly basis, one percent of base salary but not less than \$20.00 per month.

2. Effective with the coverage period commencing on July 1, 1997 for State monthly sub-groups, and the first day of the bi-weekly coverage period closest to July 1, 1997 for State bi-weekly sub-groups and ending June 30, 2000 for monthly and bi-weekly sub-groups, employees with a base salary of \$40,000 or more shall pay the difference between the cost of the Traditional Plan and the average cost to the State for NJ PLUS and participating HMOs as determined hereinafter. Employees with a base salary of less than \$40,000 shall pay, on a monthly basis, one percent of base salary but not less than \$20.00 per month.

(c) Employees hired on or after December 11, 1995 shall pay the difference between the cost of the Traditional Plan and the average cost to the State for NJ PLUS and participating HMOs as determined hereinafter, effective with the coverage period commencing on July 1, 1996 for State monthly sub-groups, and July 6, 1996 for State bi-weekly sub-groups and ending June 30, 2000 for monthly and bi-weekly sub-groups.

(d) The average cost to the State for NJ PLUS and participating HMOs for each category of coverage for a rate time period shall be determined as follows:

1. Multiply the number of employees who elected the category of coverage at the beginning of the rate time period immediately preceding the current rate time period by the premium or periodic charge rate for the category of coverage for the current rate time period for NJ PLUS and each participating HMO.

2. Determine the total premium and periodic charges for all employees who elected the category of coverage by adding the amounts determined under (d)1 above for NJ PLUS and the participating HMOs.

3. Divide the total premium and periodic charges for all employees who elected the category of coverage determined under (d)2 above by the total number of employees who elected the category of coverage at the beginning of the immediately preceding rate time period for NJ PLUS and the participating HMOs.

(e) Effective with the coverage period commencing on July 1, 2000, for State monthly and bi-weekly sub-groups:

1. Employees who elect coverage in the Traditional Plan shall pay 25 percent of the cost of that plan's premium as established by the State Health Benefits Commission pursuant to N.J.S.A. 52:14-17.32b;

2. Employees who elect coverage in an HMO Plan shall pay five percent of the cost of that plan's premium as established by the State Health Benefits Commission pursuant to N.J.S.A. 52:14-17.32b; and

3. Employees who elect coverage in NJ PLUS, the State of New Jersey Managed Care/Point of Service plan, shall have no premium payment.

New Rule, R.1996 d.298, effective June 17, 1996.

See: 28 N.J.R. 1944(a), 28 N.J.R. 3171(a).

Amended by R.2000 d.298, effective July 17, 2000.

See: 32 N.J.R. 1322(a), 32 N.J.R. 2601(b).

In (a), inserted a reference to HMO coverage; in (b), inserted "and ending June 30, 1997 for monthly sub-groups and the last day of the payroll period closest to July 1, 1997 for bi-weekly sub-groups" in the first sentence of 1, and inserted "and ending June 30, 2000 for monthly and bi-weekly sub-groups" in the first sentence of 2; in (c), added "and ending June 30, 2000 for monthly and bi-weekly sub-groups" at the end; and added (e).

Recodified from N.J.A.C. 17:9-5.12, and amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Former N.J.A.C. 17:9-5.9, Refunds rejected, was recodified as N.J.A.C. 17:9-5.6.

## SUBCHAPTER 6. RETIREMENT

### 17:9-6.1 Retired employee defined

(a) "Retired employee" means a person who is eligible for coverage under the State Health Benefits Program's retiree group. This "retired employee" status, once established, shall continue in effect even though the employer is subsequently disbanded and no successor agency is created upon the dissolution of such employer.

(b) The definition of "retired employee" also includes the following classes of retired employees who are eligible for coverage:

1. Retired employees of the State of New Jersey and of employers defined as State agencies in N.J.S.A. 52:14-17.26, who were eligible for coverage as active employees immediately prior to retirement and who continued coverage at retirement;

2. Retired employees of educational and local employers participating in this Program who were eligible for employer-paid coverage as active employees immediately prior to retirement and who continued coverage at retirement;

3. Retired employees of educational and county college employers, regardless of the employer's participation in the State Health Benefits Program (SHBP) who:

i. Were full-time employees as defined by N.J.A.C. 17:9-4.6;

ii. Were eligible for employer-paid group health plan coverage prior to leaving employment; and

iii. Retired on disability retirements or on benefits based upon 25 or more years of service credit in the Teachers' Pension and Annuity Fund, the Public Employee's Retirement System, the Alternate Benefits Program, or in a locally administered pension fund established by N.J.S.A. 18A:66-94 et seq. under the provisions of P.L. 1987, c.384, P.L. 1992, c.126 or P.L. 1995, c.357 (N.J.S.A. 52:14-17.32f, 52:14-17.32f1 and 52:14-17.32f2);

4. Qualified retired employees of boards of education who receive a retirement benefit from a State or locally administered retirement system and who:

i. Have continued their employer's plan;

ii. Become entitled to and enroll in the full Federal Medicare program; and

iii. Within 60 days of enrollment in the full Federal Medicare program, elect to join the SHBP under the provisions of P.L. 1993, c.8 (N.J.S.A. 52:14-17.32h). A retired employee, upon enrollment in the SHBP pursuant to this rule, who qualified for benefits under the provisions of N.J.S.A. 52:14-17.32f, 17.32f1 or 17.32f2 shall be eligible for coverage paid by the State, either directly or through the retirement system or fund;

5. Qualified retired employees of local or educational employers who are enrolled for coverage in that employer's plan and who enroll in the State Health Benefits Program when the employer joins the SHBP;

6. Qualified retired employees of participating local employers who retired before the employer joined the State Health Benefits Program but who enroll when offered coverage due to the employer's adoption of the provisions of P.L. 1979, c.54 (N.J.S.A. 52:14-17.38);

7. Qualified retired employees of participating local employers who did not continue coverage into retirement but who elect to enroll in the State Health Benefits Program when offered coverage due to the employer's adoption of the provisions of P.L. 1981, c.436 (N.J.S.A. 52:14-17.38); and

8. Qualified retired employees under the provisions of P.L. 1997, c.330 (N.J.S.A. 52:14-17.32i) codified at N.J.A.C. 17:9-6.9.

(c) "Retired employee" also means an employee whose coverage terminated prior to retirement, if that employee is awarded a disability retirement allowance. Eligibility for retired coverage in the State Health Benefits Program shall begin on the employee's retirement date, but should the approval of the retirement allowance be delayed, coverage shall not be retroactive for more than one year.

(d) The definition of "retired employee" shall include the spouse or eligible domestic partner of an active or retired employee, provided the spouse or eligible domestic partner was covered as a dependent under the State Health Benefits Program immediately preceding the death of the active or retired employee, and further provided that in the case of death of an active employee, the spouse or eligible domestic partner is receiving a periodic pension or survivorship benefit from a State or locally administered retirement system or plan.

(e) The definition of "retired employee" shall also include the spouse or eligible domestic partner of the employee, provided the spouse or domestic partner was eligible for coverage immediately preceding retirement and is enrolled for coverage when the employee retires or is added to coverage pursuant to N.J.A.C. 17:9-6.3(a).

(f) The definition of "retired employee" shall include an employee who is eligible to receive a Federal pension based upon employment with the Cooperative Extension service staff of Rutgers University. This coverage is contingent upon the employee applying for and receiving a Federal pension immediately following the cessation of employment and further provided that the pension to which the employee is entitled is being granted by reason of age or disability and coverage based on employment with Rutgers University.

(g) The definition of "retired employee" shall also include an employee who is eligible to receive a monthly annuity or long-term disability benefits based on the employee's participation in the New Jersey Alternate Benefit Program, provided the employee who is receiving a monthly annuity applied for and began receiving the annuity immediately following the termination of employment in a position covered by the Alternate Benefit Program.

(h) The definition of "retired employee" shall include any former employee, who retired from a State or locally administered retirement system or the spouse or eligible domestic partner of the former employee of an employer who becomes a participating employer if the employee, spouse or eligible domestic partner:

1. Is receiving a periodic retirement allowance or survivorship benefit from a State or locally administered retirement system;

2. Was insured under a group medical insurance plan of the employer immediately prior to the date the employer became a participating employer; and

3. Elects to enroll in the State Health Benefits Program at the time the employer becomes a participating employer.

(i) The definition of "retired employee" shall include an employee who is eligible for continuation of coverage in the SHBP at the time of retirement who waives or terminates coverage at that time, or at a later date, because the

employee has health benefit coverage (active or retired) through an employer or eligible retiree association as a dependent or as an active employee and who applies for continuation of coverage within 60 days after termination of coverage as a dependent or active employee. An eligible retiree association is an association whose membership is limited based on the employment of the employee or the employee's dependent. A certificate of continued coverage or employer or association letter certifying when coverage terminated must accompany the retiree application.

(j) The definition of "retired employee" shall not include an employee who on cessation of employment, elects a vested, deferred retirement benefit under which payments begin at a future date unless that employee is eligible for coverage under the provisions of P.L. 1987, c.384 or P.L. 1992, c.126 (N.J.S.A. 52:14-17.32f and 52:14-17.32f1).

(k) The employer liability for payments on behalf of eligible retired employees which includes those employees who are eligible to receive long-term disability benefits is payable in accordance with the provisions of N.J.S.A. 52:14-17.32 and 17.38.

As amended, R.1973 d.8, eff. Jan. 4, 1973.

See: 4 N.J.R. 282(a), 5 N.J.R. 59(b).

As amended, R.1978 d.130, eff. April 8, 1978.

See: 9 N.J.R. 600(a), 10 N.J.R. 265(a).

As amended, R.1978 d.442, eff. December 26, 1978.

See: 10 N.J.R. 456(a), 11 N.J.R. 105(b).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

The word "premium" was changed to "charge" and reference to female employees was added.

Amended by R.1985 d.676, effective January 21, 1986.

See: 17 N.J.R. 2386(a), 18 N.J.R. 212(b).

New (e) added; old (e)-(f) recodified (f)-(g).

Amended by R.1986 d.423, effective October 20, 1986.

See: 18 N.J.R. 1451(b), 18 N.J.R. 2135(c).

Added text to (a) "This retired employee ... of such employer"; deleted text from (b) "and immediately applies ... system or plan".

Amended by R.1987 d.497, effective December 7, 1987.

See: 19 N.J.R. 1636(b), 19 N.J.R. 2303(b).

Substantially amended.

Amended by R.1988 d.470, effective October 3, 1988.

See: 20 N.J.R. 1182(a), 20 N.J.R. 2467(b).

Deleted "covered" from (a) and added "eligible for coverage ... participate under P.L. 1987, c.384".

Amended by R.2000 d.494, effective December 18, 2000.

See: 32 N.J.R. 3385(a), 32 N.J.R. 4450(b).

Rewrote the section.

Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

In (b), rewrote 4iii; in (d), (e) and (h), inserted "or eligible domestic partner" following "spouse" throughout; rewrote (i).

### 17:9-6.2 Coverage for prospective retirants

(a) For purposes of retired coverage, continuity of coverage may be extended until such time as the application for retirement is formally approved or denied by the Board of Trustees of the retirement system paying the benefit or by the investment carrier underwriting the individual annuity contracts.

1. If it is not necessary for a Board of Trustees to approve the application, then the retirement application will be considered approved when the necessary action has been taken by the Division of Pensions and Benefits, the local retirement system, or the investment carrier under the Alternate Benefits Program.

2. The retiring employee or eligible dependent of a retired employee must submit personal payments to the Health Benefits program in order to continue coverage.

3. Should coverage lapse through no fault of the retired employee, the retired employee's spouse or eligible domestic partner who would be eligible to continue such coverage, retroactive coverage for no more than six months may be granted, provided that the retroactive and currently due premiums are received.

(b) Any employee, upon retirement, or an eligible survivor or eligible domestic partner of such employee will be notified by regular mail of the right to continuous coverage in the State Health Benefits Program. The retired employee, eligible survivor or eligible domestic partner must, within a 30-day period following the receipt of the letter offering retired continuing coverage, submit the appropriate application and, if required, the charges for such coverage. Any retired employee, eligible survivor or eligible domestic partner not responding within the 30-day period shall receive a second notice.

As amended, R.1973 d.8, eff. Jan. 4, 1973.

See: 4 N.J.R. 282(a), 5 N.J.R. 59(b).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

The word "premiums" was changed to "charges" and "his" to "his or her".

Amended by R.1985 d.677, effective January 21, 1986.

See: 17 N.J.R. 2604(a), 18 N.J.R. 213(a).

Text added in (b) "Any retired employee ... by certified mail."

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Rewrote the section.

Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

In (a), inserted "or eligible domestic partner" following "spouse" in 3; in (b), inserted "or eligible domestic partner" following "eligible survivor" throughout.

### 17:9-6.3 Retiree coverage; limitation

(a) A retiree, but not the retiree's surviving spouse, eligible surviving domestic partner or dependent, may change coverage to include a spouse, eligible domestic partner and other dependents by submitting a completed application within 60 days of a change in family status (marriage, domestic partnership, birth or adoption of a child, or a significant change in health coverage due to a spouse's or domestic partner's employment). The dependent shall be enrolled retroactively to the date of the qualifying event. A copy of the marriage certificate, certificate of domestic partnership or other documentation proving the dependent's relationship must be submitted with the completed application.

1. If a retiree, but not the retiree's surviving spouse, eligible domestic partner or dependent, wishes to add an eligible spouse, eligible domestic partner or dependent and the completed application is not received within 60 days of a family status change, there shall be a minimum waiting period of two full months upon the Division's receipt of a completed application to change coverage. A dependent may be enrolled as of the first day of the month following the two-month waiting period. A dependent added in this manner may be added to a retiree's contract only once.

(b) Retired employees, whose original retirement allowance or pension is less than the charge to be deducted to pay for the cost of the coverage to such retired employees, will be permitted to continue coverage provided that the retired employee pays for the cost of such coverage in advance on a monthly basis, in which case there will be no health benefit deduction from the retirement allowance or pension check.

(c) If the retired employee moves and is no longer able to be serviced by a health maintenance organization (HMO) or the NJ PLUS network, or the HMO in which the retired employee is enrolled is terminated, the retired employee will have a 30-day period to select coverage under another SHBP Plan.

(d) Any person who is otherwise eligible for benefits as a retired employee or dependent of a retired employee, but who, although eligible to enroll in the Federal Medicare program by reason of age or disability, is not covered by the complete Federal Medicare coverage Part A and B, is ineligible for coverage under the SHBP.

(e) A retired employee or dependent, who has maintained coverage in the State Health Benefits Program following retirement and is subsequently removed from such coverage for not having the complete Federal Medicare coverage Parts A and B as required by statute, will be permitted to obtain prospective reentry into the State Health Benefits Program once proof of complete Federal Medicare coverage Part A and B has been provided to the Division of Pensions and Benefits.

As amended, R.1975 d.159, effective June 9, 1975.

See: 7 N.J.R. 118(e), 7 N.J.R. 349(b).

As amended, R.1976 d.313, effective October 8, 1976.

See: 8 N.J.R. 443(c), 8 N.J.R. 539(a).

As amended, R.1983 d.44, effective March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

Subsection (d) concerning prospective reentry into the State Health Benefits Program, added.

Amended by R.1985 d.165, effective April 1, 1985.

See: 16 N.J.R. 3192(b), 17 N.J.R. 841(a).

(a)-(b) substantially amended.

Amended by R.1985 d.676, effective January 21, 1986.

See: 17 N.J.R. 2386(a), 18 N.J.R. 212(b).

(c) added.

Amended by R.1996 d.552, effective December 2, 1996.

See: 28 N.J.R. 3715(a), 28 N.J.R. 5079(a).

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Rewrote the section.

Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

In (a), rewrote the introductory paragraph and inserted ", eligible domestic partner" following "spouse" in 1; in (e), substituted "or dependent" for "and/or spouse".

#### Case Notes

Retiree who elected not to participate in state health plan at time he retired could not later enroll. *Driller v. State Health Benefits Commission*. 93 N.J.A.R.2d (TYP) 16.

#### 17:9-6.4 Suspension of allowance

A retired employee, whose retirement allowance has been suspended, shall have his or her health insurance terminated upon the suspension of the allowance. Upon the reinstatement of the individual's allowance, coverage will resume.

R.1976 d.313, eff. October 8, 1976.

See: 8 N.J.R. 443(c), 8 N.J.R. 539(a).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

Reference to premiums was changed to charges and reference to female employees added.

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Rewrote the section.

#### 17:9-6.5 Discontinuance of allowance

When a retired employee's or beneficiary's retirement allowance is discontinued, the retired employee's or beneficiary's coverage may be terminated upon such discontinuance. Upon the reinstatement of the individual's retirement allowance, health insurance coverage will be resumed and may be made retroactive to the date of reinstatement of the retirement allowance.

R.1976 d.313, eff. October 8, 1976.

See: 8 N.J.R. 443(c), 8 N.J.R. 539(a).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

The word "premium" was changed to "charge" and "his" to "his or her".

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Rewrote the section.

#### 17:9-6.6 Beneficiary, dependent or survivor

(a) An eligible beneficiary or survivor will have their coverage discontinued upon the death of the retired employee but will be given the opportunity to continue coverage. Coverage may be made retroactive for as much as six months provided the necessary charges are paid.

(b) An eligible surviving spouse or eligible domestic partner will be offered the opportunity to continue participation in the State Health Benefits Program subsequent to the death of the retired member. The coverage will be no greater than the coverage that was in effect at the time of the retired member's death and will be limited to only those dependents covered at the time of the member's death. If the surviving spouse or domestic partner is not the recipient of any monthly retirement allowance from a State-administered retirement system upon the death of the retired member, the Division of Pensions and Benefits will bill the surviving spouse or domestic partner at the group rate.

R.1976 d.313, eff. October 8, 1976.

See: 8 N.J.R. 443(a), 8 N.J.R. 539(a).

As amended, R.1983 d.44, eff. March 7, 1983.

See: 14 N.J.R. 1293(b), 15 N.J.R. 343(b).

The word "premium" was changed to "charge".

Amended by R.1986 d.424, effective October 20, 1986.

See: 18 N.J.R. 1452(a), 18 N.J.R. 2135(d).

(b) added.

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

Rewrote the section.

Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

In (b), inserted "or eligible domestic partner" preceding "will be offered" in the first sentence, and inserted "or domestic partner" preceding "is not the recipient" and "at the group rate" in the third sentence.

#### 17:9-6.7 Coverage for PFRS and SPRS accidental death benefit recipients

(a) For the purposes of this section, "eligible person" means the surviving spouse, eligible domestic partner pursuant to N.J.A.C. 17:1-5.5 and child, as defined in N.J.S.A. 43:16A-1, of a member of the Police and Firemen's Retirement System, to or for whom an accidental death benefit is payable under N.J.S.A. 43:16A-10, and the surviving spouse, eligible domestic partner and child, as defined in N.J.S.A. 53:5A-3, of a member of the State Police Retirement System, to or for whom an accidental death benefit is payable under N.J.S.A. 53:5A-14.

(b) An eligible person may participate in the State Health Benefits Program regardless of whether the member's employer is a participating employer. The premiums for the coverage shall be paid by the State of New Jersey, as provided in P.L. 1989, c.271.

(c) Persons eligible to participate in the program under this section shall participate in the retiree group. If there is a surviving spouse or eligible domestic partner, eligible children shall participate as dependents of the surviving spouse or domestic partner. If there is no surviving spouse or domestic partner, eligible children shall participate as members of the program, and their eligibility to participate shall continue as long as they qualify as children under the laws governing the retirement system of the deceased member.

(d) An eligible person, as defined in (a) above, shall be eligible for coverage under the program as of February 1, 1990, or the effective date for an accidental death benefit under the retirement system of the deceased member, whichever is later. An eligible person shall receive a refund for premiums paid for health insurance coverage comparable to that provided under the program for the period from the date of eligibility for coverage under this section and the effective date of enrollment, but the refund shall not exceed the cost of the coverage under the program. An eligible person who is covered under Part B of the Federal Medicare program shall receive a refund for the amount paid for Part B. While an application for an accidental death benefit is pending, an eligible person enrolled in the program may continue coverage on a direct payment basis. If an accidental death benefit is granted, the eligible person shall receive a refund of the payments made.

New Rule, R.1990 d.481, effective October 1, 1990.

See: 22 N.J.R. 1903(b), 22 N.J.R. 3158(c).

Amended by R.2003 d.437, effective November 3, 2003.

See: 35 N.J.R. 2587(a), 35 N.J.R. 5149(a).

In (a), substituted "surviving spouse" for "widow or widower" preceding "and child"; in (c), deleted references to widow or widower. Amended by R.2005 d.187, effective June 20, 2005.

See: 37 N.J.R. 397(a), 37 N.J.R. 2212(b).

In (a), substituted "surviving spouse, eligible domestic partner pursuant to N.J.A.C. 17:1-5.5 and child" for "surviving spouse and child" preceding ", as defined in N.J.S.A. 43:16A-1" and inserted "eligible domestic partner" preceding "and child, as defined in N.J.S.A. 53:5A-3"; in (c), inserted references to domestic partners following references to spouses throughout.

#### 17:9-6.8 Premium-sharing for retired employee State Health Benefit Coverage and reimbursement for Medicare Part B costs

(a) All State employees, except nonaligned uniformed State Police officers, who accrue 25 years of service credit in a State-administered retirement system or retire on a disability retirement after July 1, 1997, for whom there is no majority representative for collective negotiations purposes, and who were hired by the State prior to July 1, 1995, shall, upon retirement, receive Medicare Part B reimbursement after retirement up to a cap of \$46.10 per month per eligible employee and the employee's spouse or eligible domestic partner and be subject to payroll deductions for Traditional Plan coverage in advance of the coverage period in accordance with standard payroll procedures as set forth below. State employees, except nonaligned uniformed State Police officers, who accrue 25 years of service credit in a State-administered retirement system or who retire on a disability retirement after July 1, 1997, for whom there is no majority representative for collective negotiations purposes, and who were hired by the State on or after July 1, 1995, shall not be entitled to receive Medicare Part B reimbursement after retirement.

(b) For employees hired before December 11, 1995, who accrue 25 years of service credit in a State-administered retirement system or retire on a disability retirement after July 1, 1997 but before July 1, 2000, payroll deductions for Traditional Plan coverage shall be determined as follows:

1. Upon retirement, retirees with a base salary of \$40,000 or more in the year of retirement shall pay the difference between the cost of the Traditional Plan and the average cost for NJ PLUS and participating HMOs as determined hereinafter.

2. Upon retirement, retirees with a base salary of less than \$40,000 in the year of retirement shall pay, on a monthly basis, one percent of the base salary but not less than \$20.00 per month.

(c) Employees hired on or after December 11, 1995 who accrue 25 years of service credit in a State-administered retirement system after July 1, 1997 but before July 1, 2000 or retire on a disability retirement after July 1, 1997 but before August 1, 2000, shall upon retirement pay the difference between the cost of the Traditional Plan and the average cost to the State for NJ PLUS and participating HMOs as determined hereinafter.