

Pension and Health Benefits Review Commission
Vote Results
March 26, 2010

A- 486 (Polistina/Amodeo/O'Scanlon)

Makes elected officials with compensation less than \$50,000 ineligible for health care benefits on the 61st day after enactment.

Motion: Recommends bill sponsors reconcile this bill with P.L. 2010 c.2

Discussion: The Commission recommends that the bill sponsors reconcile this bill with P.L. 2010 c.2 which is part of a package of pension and health benefit reform bills. While A-486 uses a dollar threshold, Chapter 2 provides that enrollment in the SHBP is limited to persons who: 1) are full-time appointive or elective officer of the State or local government whose hours of work are fixed at 35 or more per week, a full-time employee of the State, or a full-time employee of an employer other than the State whose hours of work are fixed by the governing body at not less than 25 hours per week; or 2) an appointive or elective officer, an employee of the State, or an employee of an employer other than the State who has or is eligible for health benefits coverage in the SHBP on that effective date and continuously thereafter. The bill similarly limits enrollment in the SEHBP to persons employed full-time whose hours of work are fixed by the governing body at not less than 25 per week.

A-1843 (Schaer/Wagner)

Requires contribution for health care benefits provided for certain local elected and appointed officials.

Motion: Recommends bill sponsors reconcile this bill with P.L. 2010 c.2

Discussion: The Commission recommends that the bill sponsors reconcile this bill with P.L. 2010 c.2 which is part of a package of pension and health benefit reform bills. While A-1843 effective on the 31st day after enactment and does not use a specific contribution amount, sections 1 through 6 of Chapter 2 would require, after the bill's effective date and the expiration of any applicable binding collective negotiations agreement, that all active employees of local public and boards of contribution contribute 1.5 percent of base salary toward the cost of health care coverage under the SHBP and SEHBP or any other health benefit plan sponsored by the employer.

A-197 (Chiusano)

Prohibits elected officials and public employees from enrolling for health benefits with more than one public entity; provides civil action for treble expenses by public entity providing additional coverage.

Motion: Recommends enactment

Discussion: The Commission supports this bill because its provisions eliminate dual coverage in the SHBP. While this may provide nominal savings to the State and local SHBP participating employers, an even greater savings can be attained if legislation were enacted that would eliminate both dual and multiple SHBP coverage. Recently enacted legislation, P.L. 2010 c. 2 prohibits multiple coverage in the SHBP and the

SEHBP in accordance with the rules and regulations promulgated by the State Health Benefits Commission and the School Employees' Health Benefits Commission.

A-539 (Handlin/Biondi)

Eliminates PERS membership for current and future part-time elected and appointed officials.

Motion: Recommends bill sponsors reconcile this bill with P.L. 2010 c.1

Discussion: Recently, enacted legislation P.L. 2010 c.1 shifts the basis for membership in the PERS and TPAF from the amount of compensation to the number of hours worked weekly for all public employees. After its effective date, any person in public employment for which the hours of work are fixed at fewer than 35 per week for State employees, or 32 for political subdivision employees is ineligible to become a new member of the PERS and at fewer than 32 hours per week is ineligible to become a new member of TPAF.

A-2064 (Moriarty)

Provides that public employee pension benefits are calculated on base salary exclusive of various forms of extra compensation.

Motion: Recommends enactment with the additional language that specifically defines the term base salary.

Discussion: The Commission supports this bill but is concerned with the various definitions of the term base salary and what it can include in negotiated contractual agreements. For instance, current regulations are not enough to prevent contracts from being negotiated that do identify longevity pay or maintenance as part of the base salary. Instead, specifically define the term base salary and when necessary as part of the contractual agreement include these additional increase arrangements as a part of base salary. This would ensure that employee and employer pension contribution would be paid on the actual salary received and not on a lower salary. In addition, it would eliminate pension boosting by restricting end of career salary hikes.

A-2065 (Wagner/Quigley)/S-1391 (Weinberg)

Requires officers and employees of political subdivisions to contribute a portion of their base salary towards the cost of their health care coverage.

Motion: Recommends bill sponsors reconcile this bill with P.L. 2010 c.2

Discussion: The Commission recommends that the bill sponsors reconcile this bill with P.L. 2010 c.2 which is part of a package of pension and health benefit reform bills. Sections 1 through 6 of Chapter 2 would require, after the bill's effective date and the expiration of any applicable binding collective negotiations agreement, that all active employees of local public and boards of contribution contribute 1.5 percent of base salary toward the cost of health care coverage under the SHBP and SEHBP or any other health benefit plan sponsored by the employer.