

Pension and Health Benefits Review Commission

Vote Results

October 2, 2009

A-4127 (O'Scanlon/Casagrande)/S-2915 (Beck)

Makes members of county boards of taxation ineligible for membership in State-administered retirement system or for health care benefits coverage under plan for public employees.

Motion: Recommend enactment.

Discussion: Assemblywoman Casagrande, the bill's co-sponsor, briefly addressed the Commission in support of this bill. Under this bill, individuals appointed or reappointed to a county board of taxation would be precluded from participation in any State-administered retirement system, including the DCRP. The bill also restricts individuals that are appointed or reappointed to the county board of taxation the ability to acquire health benefit coverage. If enacted, the bill would have initial cost savings of over \$306,000 in FY 2011 which will continue to increase annually. The Commission supports this bill but would encourage a broader bill that would apply to all part-time public employees.

A-4091 (Wisniewski)/S-2960 (Vitale)

Permits county, county college, or municipality to offer additional retirement benefits to certain employees; permits issuance of refunding bonds to fund benefits.

Motion: Recommend enactment with modifications.

Discussion: The Commission recommends that the rehire provision be reduced from 50 percent to 10 percent. The bill currently has the provision of permitting local employers to refill up to 50 percent of the vacancies created by any ERI. Any savings produced by early retirement programs are very much dependent upon the policy adopted regarding the refilling of the vacated positions. The Commission therefore recommends a 10 percent rehire provision, as the State ERI provided for, and suggests that the same language that was used in the State's ERI program be included in this bill.

A-4033 (Milam/Albano)/S-2784 (Van Drew)

Penalties certain activities; prohibits holding more than one elective public office; addresses activities during and after elective public office; restricts campaign contribution use; restricts certain benefits; regulates gifts to public officials.

Motion: Recommend against enactment.

Discussion: This bill, referred to as the "Ethical Standards of Conduct Reform Act: addresses the standards applicable to the conduct and benefits of elected and other public officials to ensure that public officials serve the public and fulfill their responsibilities with integrity. Section 9 and 10 of the bill would provide that a person will be eligible for membership in the PERS based upon only one position at any time. The position

providing the higher or highest compensation as the basis for membership would be the compensation base for contributions and calculations. Sections 16 through 18 would require a person holding elective public office who, because of service in that office and service in another public office or employment, is eligible for health care coverage under more than one plan or program to select coverage under only one such health care plan or program.

The Commission recommended against enactment, since the bill would not eliminate pension abuse. It attempts to address the abuse of pension “padding” however; it would not eliminate the potential for the receipt of a higher pension resulting from a few years of covered employment at high salaries and many years of covered service at lower salaries. The Commission would support a provision that would allow PERS membership eligibility with 20 or more hours of work per week.

A-3997 (Carroll/McHose)

Provides certain limits on benefits coverage by health insurers, SHBP, and SEHBP for certain services related to infertility.

Motion: Recommend against enactment.

Discussion: The Commission cannot support this bill since changes to the benefit structure of the SHBP/SEHBP should be negotiated through the collective bargaining process and not legislatively mandated. Further, the bill provides no justification for limiting coverage to individuals with fewer than two children.

A-3959 (Casagrande)

Creates TPAF and PERS new membership eligibility criteria of 20 or more hours weekly.

Motion: Recommend enactment.

Discussion: Assemblywoman Casagrande, the bill’s sponsor, briefly addressed the Commission in support of this bill. Its enactment will further narrow pension system eligibility toward employees that are considered more “full-time”. By requiring at least 20 hours of work per week as a prerequisite for prospective PERS and TPAF membership, the enactment of this bill will serve to curtail future instances of the abusive practice of boosting, but will not eliminate this practice. A more “full-time” employment requirement for PERS and TPAF eligibility is recommended.