

**Pension and Health Benefits Review Commission  
Vote Results  
October 1, 2010**

**S-2210 (Sacco)**

Provides that 1.5% contribution required to be made by certain public employees will not take effect until expiration of collective bargaining agreement made applicable to such employees.

**Motion:** Recommend against enactment.

**Discussion:** The Commission recommends against enactment since the bill does not contain language providing these employers with the discretion of delaying the contribution for their non-aligned employees as was provided to the SHBP/SEHBP participating employers. The bill applies to public employers and their employees who do not participate in the SHBP or the SEHBP. It addresses the differences in the application of the 1.5 percent employee contribution mandated by P.L. 2010, c. 2 toward employer provided health benefit coverage as it applies to non-aligned employees of participating and non-participating SHBP/SEHBP public employers. The provisions of P.L. 2010, c. 2 allowed both participating and non-participating SHBP/SEHBP public employers to defer the implementation of the mandated 1.5 percent employee health benefit contribution until after the expiration of any collectively negotiated agreement applicable to their aligned employees. Chapter 2, did not contain language providing these employers with the discretion of delaying the contribution for their non-aligned employees as was provided to the SHBP/SEHBP participating employers. Consequently, all non-aligned employees of non-participating SHBP/SEHBP public employers were required to contribute toward their health benefit coverage on May 21, 2010.

**A-2800 (DiCicco)**

Makes part-time elected officials and commission and authority appointees ineligible for PERS, DCRP and health benefits; requires pension credit forfeiture if employed former personal services contractor falsely certifies position as full-time.

**Motion:** Recommend to enact with the amendment to eliminate the provision that elected and appointed officials whose hours of service are fixed at fewer than 35 per week will be ineligible for health care benefits.

**Discussion:** The Commission supports the intent of the bill since the objective of the bill would be to reduce the incidence of the abusive pension practice of tacking and boosting. Additionally, the elimination of pension and health benefits for part-time elected and appointed officials will reduce the aggregate annual employer benefit costs. The Commission recommends a more consistent approach to the number of hours worked for the eligibility of health benefits.

**A-2392 (Conaway/Conners)**

Requires SHBP to cover prostate cancer screening.

**Motion:** Recommend against enactment.

**Discussion:** The Commission opposes this bill since it will increase SHBP costs for all employers participating in the SHBP and it continues the questionable practice of mandating health benefits coverage. Since prostate cancer screening is already covered for members enrolled in NJ DIRECT if the procedure is performed by an in-network provider, the Commission questions the necessity of the bill. Mandating this coverage for out-of-network services provided under NJ DIRECT will increase the annual cost of the NJ DIRECT plan coverage by approximately 0.01%

**S-1339 (Van Drew)**

Prohibits individual from holding simultaneously more than one elective public office.

**Motion:** The Commission's recommendation is neutral on the enactment of this bill.

**Discussion:** Since the bill involves other non-pension issues that may need to be addressed. A legal opinion should be sought prior to the bill's enactment regarding the ability to waive compensation and the federal tax ramifications of the constructive receipt rule.

**S-2100 (SCS) (Sweeney/Ruiz)**

Prohibits new employees of certain organizations from enrolling in State-administered retirement system or health care plan of public employer.

**Motion:** Recommend enactment subject to the advice of tax counsel.

**Discussion:** The entities targeted by this bill are considered local participating PERS employers. Participation in a State-administered retirement system is required for a local employer to participate in the SHBP. Each participating local employer receives an annual employer pension bill and a monthly SHBP bill from the Division of Pensions and Benefits representing that local employer's share of contributions. Since pension system assets and liabilities relating to local PERS employers are kept separate from those relating to the State, no State funds are currently contributed toward the pension liabilities or health benefit coverage of any local employer participating in PERS. Advice of legal tax counsel should be sought since this bill may jeopardize the tax qualified status of the retirement plan.