

Pension and Health Benefits Review Commission
Vote Results
August 15, 2014

S-1807 (Beck/Bucco)

Removes expiration of required payment by public employees of percentage of cost of health care coverage provided by public employers.

Motion: Recommend to enact.

Discussion: This bill continues existing employee cost sharing that would otherwise no longer be required as early as June 28, 2015 pursuant to health care reforms in P.L. 2011, c.78. This bill may need to be revisited pending the Governor's New Jersey Pension and Health Benefit Study Commission outcomes and a suggested analysis of whether the financial goals of the current health care reforms' cost sharing have met expectations.

S-2133 (Smith)

Allows elected officials who retire based on other PERS service to remain in office; prohibits retirees newly elected to municipal office from receiving pension credit, health care or salary for that office.

Motion: Recommend not to enact.

Discussion: The Commission is concerned that the bill promotes double dipping by which a public official collects a pension and a salary. Also, it is not certain whether the language of Section 2 might discourage retirees from seeking public service, and whether the language of Section 2 impacts the benefits permitted in Section 1.

A-3182 (McKeon/Cryan/Eustace)

Increases statutory mandatory retirement age for Supreme Court Justices, Superior Court Judges, Tax Court Judges, Administrative Law Judges, Workers' Compensation Judges and county prosecutors from 70 to 72.

Motion: Recommend not to enact.

Discussion: The Commission recommends that the Legislature consider deferring action on statutory changes such as proposed by this bill until the Constitution may be amended.

A-3199 (Wilson)

Increases from 50% to 60% of final compensation PFRS and SPRS active and retired death benefit for surviving spouses; makes any child up to age 22, now 18, eligible for death benefit.

Motion: Recommend not to enact.

Discussion: The Commission is concerned that this bill increases the unfunded liability of the pension plans, usurps the authority of the pension committees formed

by P.L. 2011, c.78, increases State and local employer pension costs, and raises the issue of State Mandate State Pay obligations.

A-3207 (Mainor/Wilson)

Reactivates annual cost-of-living adjustment for PFRS and SPRS retirees and beneficiaries who pension is \$40,000 or less.

Motion: Recommend not to enact.

Discussion: The Commission is concerned that this bill reverses a pension reform that is to reduce costs, increases the unfunded liability of the PFRS and SPRS, may lead to requests for this benefit from the other pension plans, usurps the authority of the pension committees formed by P.L. 2011, c.78, relies on no clear methodology to choose \$40,000 as the threshold that will lead to requests to apply it to those receiving just over \$40,000, increases State and local employer pension costs, and raises the issue of State Mandate State Pay obligations.

A-3288 (Eustace)

Terminates enrollment in PERS of certain elected public officials upon expiration of term of office.

Motion: Recommend not to enact.

Discussion: The Commission regards P.L. 2007, c.92 as leading to the termination of pension boosting. The prospective ending of pension boosting for those elected after enactment of P.L. 2007 c.92 is considered appropriate, rather than changing the pension benefit for those who took office prior to enactment.

A-3331 (Benson/Rodriguez-Gregg/Coughlin)

Requires health benefits coverage for synchronization of prescribed medications under certain circumstances.

Motion: Recommend not to enact.

Discussion: The Commission considers the subject of this bill to be an issue within the jurisdiction of the plan design committees created by P.L. 2011, c.78.

ACR-150 (McKeon/Pinkin/Eustace)

Proposes constitutional amendment to increase mandatory retirement age for judges and justices from 70 to 72.

Motion: Recommend to enact.

Discussion: The Commission at its June 6, 2014 meeting recommended enactment of ACR-129 (Wolfe/Ciattarelli/Peterson) that proposes a constitutional amendment to increase mandatory retirement age for judges and justices from 70 to 75. The Commission reasoning includes that retirement age increases are favored as a cost saving measure to reflect that people are living longer; whether the retirement age is recommended for a constitutional amendment to age 72 years or age 75 years is believed best determined by the State Legislature.

