

CHAPTER 3

AN ACT concerning the waiver of municipal employee health coverage, amending P.L.1995, c.259 and supplementing chapter 64A of Title 18A of the New Jersey Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 37 of P.L.1995, c.259 (C.40A:10-17.1) is amended to read as follows:

C.40A:10-17.1 County, municipal, contracting unit employee permitted to waive benefits coverage under N.J.S.40A:10-16 et seq.

37. Notwithstanding the provisions of any other law to the contrary, a county, municipality or any contracting unit as defined in section 2 of P.L.1971, c.198 (C.40A:11-2) which enters into a contract providing group health care benefits to its employees pursuant to N.J.S.40A:10-16 et seq., may allow any employee who is eligible for other health care coverage to waive coverage under the county's, municipality's or contracting unit's plan to which the employee is entitled by virtue of employment with the county, municipality or contracting unit. The waiver shall be in such form as the county, municipality or contracting unit shall prescribe and shall be filed with the county, municipality or contracting unit. In consideration of filing such a waiver, a county, municipality or contracting unit may pay to the employee annually an amount, to be established in the sole discretion of the county, municipality or contracting unit, which shall not exceed 50% of the amount saved by the county, municipality or contracting unit because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to resume coverage under the same terms and conditions as apply to initial coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall file a declaration with the county, municipality or contracting unit, in such form as the county, municipality or contracting unit shall prescribe, that the waiver is revoked. The decision of a county, municipality or contracting unit to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

2. Section 36 of P.L.1995, c.259 (C.52:14-17.31a.) is amended to read as follows:

C.52:14-17.31a Municipal or authority employee permitted to waive benefits coverage under State Health Benefits Program.

36. Notwithstanding the provisions of any other law to the contrary, a municipality, or a municipal authority created by a municipality pursuant to P.L.1946, c.138 (C.40:14A-1 et seq.) or P.L.1957, c.183 (C.40:14B-1 et seq.), or a county college which participates in the State Health Benefits Program, established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), may allow any employee who is eligible for other health care coverage to waive coverage under the State Health Benefits Program to which the employee is entitled by virtue of employment with the municipality, the municipal authority or the county college. The waiver shall be in such form as the Director of the Division of Pensions and Benefits shall prescribe and shall be filed with the division. After such waiver has been filed and for so long as that waiver remains in effect, no premium shall be required to be paid by the municipality, the municipal authority, or the county college as the case may be, for the employee or the employee's dependents. Not later than the 180th day after the date on which the waiver is filed, the division shall refund to the municipality, the municipal authority or the county college the amount of any premium previously paid by the municipality, the municipal authority or the county college with respect to any period of coverage which followed the filing date. In consideration of filing such a waiver, a municipality, a municipal authority or a county college may pay to the employee annually an amount, to be established in the sole discretion of the municipality, the municipal authority or the county college, which shall not exceed 50% of the amount saved by the municipality, the municipal authority or the county college because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to immediately resume coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay,

on a pro rata basis, any amount received from the municipality, the municipal authority or the county college which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall notify the municipality, the municipal authority or the county college in writing and file a declaration with the division, in such form as the director of the division shall prescribe, that the waiver is revoked. The decision of a municipality, a municipal authority or a county college to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

C.18A:64A-13.1 County college employee permitted to waive health care coverage.

3. Notwithstanding the provisions of any other law to the contrary, a county college that enters into a contract providing group health care benefits to its employees may allow any employee who is eligible for other health care coverage to waive coverage under the county college's plan to which the employee is entitled by virtue of employment with the county college. The waiver shall be in such form as the county college shall prescribe and shall be filed with the county college. In consideration of filing such a waiver, a county college may pay to the employee annually an amount, to be established in the sole discretion of the county college, which shall not exceed 50% of the amount saved by the county college because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to resume coverage under the same terms and conditions as apply to initial coverage if the employee ceases to be covered through the other health care coverage for any reason, including, but not limited to, the retirement or death of the employee's spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall file a declaration with the county college in such form as the county college shall prescribe, that the waiver is revoked. The decision of a county college to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

4. This act shall take effect immediately.

Approved January 27, 2003.