

**CHAPTER 137**  
**(CORRECTED COPY)**

**AN ACT** concerning the health care benefit plans provided by health insurers to local boards of education and eligible employers who do not participate in the School Employees' Health Benefits Program and amending P.L.2020, c.44.

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

1. Section 2 of P.L.2020, c.44 (C.52:14-17.46.14) is amended to read as follows:

C.52:14-17.46.14 Annual contribution from employee, retiree.

2. a. Each employee, and retiree who is not Medicare-eligible and who is required by another provision of law to contribute in retirement toward the cost of health care benefits coverage under the program, shall contribute annually toward the cost of health care benefits coverage for the employee and retiree, and dependents if any, under the New Jersey Educators Health Plan offered by the School Employees' Health Benefits Program an amount equal to a percentage of the employee's annual base salary or retiree's annual retirement allowance, including any cost of living adjustments to that allowance. The contribution shall be withheld by the employer from the salary of the employee or by the retirement system from the retirement allowance, including any cost of living adjustments to that allowance, of the retiree who is not Medicare-eligible. The percent to be contributed shall be as follows with the retirement allowance including any cost of living adjustments to that allowance:

For Base Salary or Retirement Allowance of \$40,000 or Less: 1.7% for Single Coverage; 2.2% for Parent and Child(ren) Coverage; 2.8% for Employee and Spouse Coverage; and 3.3% for Family Coverage

For Base Salary or Retirement Allowance of more than \$40,000 to \$50,000: 1.9% for Single Coverage; 2.5% for Parent and Child(ren) Coverage; 3.3% for Employee and Spouse Coverage; and 3.9% for Family Coverage

For Base Salary or Retirement Allowance of more than \$50,000 to \$60,000: 2.2% for Single Coverage; 2.8% for Parent and Child(ren) Coverage; 3.9% for Employee and Spouse Coverage; and 4.4% for Family Coverage

For Base Salary or Retirement Allowance of more than \$60,000 to \$70,000: 2.5% for Single Coverage; 3% for Parent and Child(ren) Coverage; 4.4% for Employee and Spouse Coverage; and 5% for Family Coverage

For Base Salary or Retirement Allowance of more than \$70,000 to \$80,000: 2.8% for Single Coverage; 3.3% for Parent and Child(ren) Coverage; 5% for Employee and Spouse Coverage; and 5.5% for Family Coverage

For Base Salary or Retirement Allowance of more than \$80,000 to \$90,000: 3% for Single Coverage; 3.6% for Parent and Child(ren) Coverage; 5.5% for Employee and Spouse Coverage; and 6% for Family Coverage

For Base Salary or Retirement Allowance of more than \$90,000 to \$100,000: 3.3% for Single Coverage; 3.9% for Parent and Child(ren) Coverage; 6% for Employee and Spouse Coverage; and 6.6% for Family Coverage

For Base Salary or Retirement Allowance of more than \$100,000 to \$125,000: 3.6% for Single Coverage; 4.4% for Parent and Child(ren) Coverage; 6.6% for Employee and Spouse Coverage; and 7.2% for Family Coverage

When the base salary or retirement allowance is more than \$125,000, the amount to be contributed shall be the same as for a base salary or retirement allowance of \$125,000.

b. Each employee, and retiree who is not Medicare-eligible and who is required by another provision of law to contribute in retirement toward the cost of health care benefits coverage

under the program, shall contribute annually toward the cost of health care benefits coverage for the employee and retiree, and dependents if any, under the Garden State Health Plan offered by the School Employees' Health Benefits Program an amount equal to a percentage of the employee's annual salary or retiree's annual retirement allowance, including any cost of living adjustments to that allowance. The contribution shall be withheld by the employer from the salary of the employee or by the retirement system from the retirement allowance, including any cost of living adjustments to that allowance, of the retiree who is not Medicare-eligible. The percent to be contributed shall be one-half of the percentage set forth in subsection a. of this section for the salary or retirement allowance range and type of coverage, except that the contribution specified in this subsection shall not be less than the minimum annual contribution for health care benefits coverage of 1.5% of salary or retirement allowance, including any cost of living adjustments to that allowance, as required by law.

c. (1) An employee enrolled in the New Jersey Educators Health Plan or the Garden State Health Plan shall be required to pay only the contribution specified in subsection a. or b. of this section, notwithstanding any other provision of law, rule, or regulation to the contrary requiring contributions by employees toward the cost of health care benefits coverage under the program, except as provided in subsection b. of this section. No other contribution may be required by collective negotiations agreement, except as set forth in subsection h. of this section.

(2) Only those retirees who are not Medicare-eligible and who are required by another provision of law to contribute in retirement toward the cost of health care coverage under the program shall be required to pay the contribution specified in subsection a. or b. of this section for coverage under the New Jersey Educators Health Plan or the Garden State Health Plan.

A retiree who is not Medicare-eligible, who is enrolled in the New Jersey Educators Health Plan or the Garden State Health Plan, and who is required by another provision of law to contribute in retirement toward the cost of health care coverage under the program shall be required to pay only the contribution specified in subsection a. or b. of this section, notwithstanding the provisions of section 77 of P.L.2011, c.78 (C.52:14-17.28e), section 3 of P.L.1987, c.384 (C.52:14-17.32f), section 2 of P.L.1992, c.126 (C.52:14-17.32f1), or section 1 of P.L.1995, c.357 (C.52:14-17.32f2) to the contrary requiring contributions by retirees toward the cost of health care benefits coverage under the program, except as provided in subsection b. of this section.

d. Employees who are not enrolled in the New Jersey Educators Health Plan or the Garden State Health Plan shall continue, after the effective date of this act, P.L.2020, c.44, to contribute to health care benefits coverage and those contributions shall be determined in accordance with what is permitted or required by provisions of law.

An employee who is enrolled in a plan other than the New Jersey Educators Health Plan or the Garden State Health Plan shall be required to contribute toward the cost of health care benefits coverage under the program (a) in accordance with a collective negotiations agreement applicable to that employee as negotiated prior to or after the effective date of this act, P.L.2020, c.44, pursuant to the requirements that were set forth in law on the day next preceding that effective date; (b) as may be required at the discretion of the employer; or (c) as required by a provision of law, whichever is applicable to that employee.

With regard to contributions by an employee who is enrolled in a plan other than the New Jersey Educators Health Plan or the Garden State Health Plan, no provision in this section shall be deemed to modify, alter, impair, or terminate the requirement in sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as applicable, that a public employer and employees who were in negotiations for the collective negotiations agreement to be executed after the employees in that unit had reached full implementation of the premium share set forth

in section 39 of P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations concerning contributions for health care benefits as if the full premium share was included in the prior contract. Nothing in this act shall be deemed to modify, alter, impair, or terminate the continued compliance after the effective date of this act with that requirement for negotiations for any collective negotiations agreement for employee contributions for plans other than the New Jersey Educators Health Plan or the Garden State Health Plan.

e. For an employee, the annual base salary paid by the employer for the position held by the employee shall be used to identify the percentage to be used to calculate the annual contribution required under subsections a. and b. of section 2 of this act. For a retiree who is not Medicare-eligible, the annual retirement allowance, including any cost of living adjustments to that allowance, received by the retiree shall be used to identify the percentage to be used to calculate the annual contribution required under subsections a. and b. of section 2 of this act.

f. The annual contribution by an employee or a retiree who is not Medicare-eligible as calculated in accordance with subsection a. or b. of this section shall not exceed the amount as calculated in accordance with section 4 of this act, P.L.2020, c.44 (C.52:14-17.46.16).

g. The contributions required by this section shall apply to employees for whom the employer has assumed a health care benefits payment obligation, to require that such employees pay the amount of contribution specified in this section for health care benefits coverage. The contributions required by this section shall apply to retirees for whom the State has assumed a health care benefits payment obligation but who are required by law to contribute toward the cost of health care benefits coverage under the program, to require that such retirees pay the amount of contribution specified in this section for health care benefits coverage.

h. For the plan year that commences on January 1, 2028 and for each plan year thereafter, the contributions required pursuant to subsections a. and b. of this section for employees enrolled in the New Jersey Educators Health Plan or the Garden State Health Plan may be modified through collective negotiations agreements entered into between the employers who participate in the School Employees' Health Benefits Program and their employees. The contributions required pursuant to subsections a. and b. of this section shall become part of the parties' collective negotiations and shall then be subject to collective negotiations in a manner similar to other negotiable items between the parties. Negotiations concerning contributions for health care benefits shall be conducted as if the contributions required pursuant to subsections a. and b. of this section were included in the prior contract. The contribution scheme of percentage of base salary set forth in those subsections may be modified or a new contribution scheme or method other than a percentage of salary may be provided for in accordance with a collective negotiations agreement.

i. Modifications to the contribution rates set forth in this section made by the School Employees' Health Benefits Plan Design Committee or the State Treasurer pursuant to section 7 of this act shall be implemented by the program for the purposes of this section commencing January 1, 2024.

2. Section 5 of P.L.2020, c.44 (C.18A:16-13.2) is amended to read as follows:

C.18A:16-13.2 Applicability to local boards of education, certain employers; enrollment period.

5. This section shall apply to local boards of education and employers, as specified in subsection j. of this section, who do not participate in the School Employees' Health Benefits Program.

Any health insurance company may provide to local boards of education and to those employers defined pursuant to section 32 of P.L.2007, c.103 (C.52:14-17.46.2) who do not participate in the School Employees' Health Benefits Program the equivalent of the New Jersey Educators Health Plan in the School Employees' Health Benefits Program as that plan design is described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-17.46.13) and the Garden State Health Plan as that plan design is described in subsection d. of section 1 of P.L.2020, c.44 (C.52:14-17.46.13), notwithstanding the provisions of any other law, rule, or regulation, including any regulation of the New Jersey Department of Banking and Insurance, to the contrary. As used in this subsection, "health insurance company" means and includes a health, hospital, and medical service corporation; commercial individual, small employer, and larger group health insurer; and a health maintenance organization.

a. (1) Notwithstanding the provisions of any other law, rule, or regulation to the contrary, beginning January 1, 2021 and for each plan year thereafter, a board of education as an employer providing health care benefits coverage for its employees, and their dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall offer to its employees, and their dependents if any, the equivalent of the New Jersey Educators Health Plan in the School Employees' Health Benefits Program as that plan design is described in subsection f. of section 1 of P.L.2020, c.44 (C.52:14-17.46.13).

Beginning July 1, 2021 and for each plan year thereafter, a board of education as an employer providing health care benefits coverage for its employees, and their dependents if any, in accordance with P.L.1979, c.391 (C.18A:16-12 et seq.) shall also offer a plan for its employees, and their dependents if any, that is the equivalent of the Garden State Health Plan in the School Employees' Health Benefits Program.

(2) The plans under this section shall be offered by the employer regardless of any collective negotiations agreement between the employer and its employees in effect on the effective date of this act, P.L.2020, c.44, that provides for enrollment in other plans offered by the employer.

No new health care benefits plans, other than those specified in paragraph (1) of this subsection, shall be added by the employer from January 1, 2021 through December 31, 2027 unless the provisions of any collective negotiations agreement entered into before or after the effective date of this act, P.L.2020, c.44, result in additional premium cost reductions. Nothing in this section shall prohibit an employer from offering health care benefits plans that existed prior to the effective date of this act.

(3) Commencing January 1, 2028, the employer may offer such other plans as may be required in accordance with any collective negotiations agreement between the employer and its employees.

b. Prior to January 1, 2021, each employer shall provide an enrollment period during which all employees who commenced employment prior to the effective date of this act shall be required to select affirmatively a plan provided by the employer. If an employee fails to select affirmatively a plan during this enrollment period, the employer shall enroll the employee, and the employee's dependents if any, in the equivalent New Jersey Educators Health Plan offered pursuant to subsection a. of this section for the year January 1, 2021 until December 31, 2021.

During the enrollment period, each person who is enrolled in a plan offered by the employer and who is paying the full cost of coverage shall also be required to select affirmatively a plan

provided by the employer. If a person fails to select affirmatively a plan during this enrollment period, the employer shall enroll the person, and the person's dependents if any, in the equivalent New Jersey Educators Health Plan offered pursuant to subsection a. of this section for the year January 1, 2021 until December 31, 2021. Any such person shall continue to pay the full cost of coverage and shall not be subject to the contribution schedule or any mandatory enrollment period as set forth in this section.

c. (1) Beginning on January 1, 2021, an employee commencing employment on or after the effective date of this act but before January 1, 2028 who does not waive coverage, shall be enrolled by the employer in the equivalent New Jersey Educators Health Plan, or the equivalent Garden State Health Plan if selected by the employee, as those plans are offered pursuant to subsection a. of this section. The employee shall remain enrolled in either the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan selected by the employee at the annual open enrollment for each plan year until December 31, 2027, provided that the employee during this period may waive coverage as an employee and select and change the type of coverage received under the plan following a qualifying life event, in accordance with the plan regulations. Beginning January 1, 2028, the employee may select, during any open enrollment period or at such other times or under such conditions as the employer may provide, any plan offered by the employer.

(2) Except as otherwise provided in this subsection or subsection b. of this section, selection of a plan shall be at the sole discretion of the employee.

d. An employee shall contribute annually toward the cost of health care benefits coverage for the employee, and employee's dependents if any, the amount specified, in the manner specified, in subsection a. or b. of section 2 of this act, P.L.2020, c.44 (C.52:14-17.46.14) if the employee, and the employee's dependents if any, are enrolled in the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section. An employee's contribution toward the cost of coverage under the equivalent Garden State Health Plan offered pursuant to subsection a. of this section shall be the amount required in subsection b. of section 2 of this act, except that the contribution specified in that subsection shall not be less than the minimum annual contribution for health care benefits coverage of 1.5% of salary as required by law.

e. (1) An employee enrolled in the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section shall be required to pay only the contribution specified in subsections a. and b. of section 2 of this act, notwithstanding any other provision of law, rule, or regulation to the contrary requiring contributions by employees toward the cost of health care benefits coverage provided by an employer, except as provided in subsection d. of this section. No other contribution may be required by collective negotiations agreement, except as set forth in subsection i. of this section.

(2) Employees who are not enrolled in the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section shall continue, after the effective date of this act, P.L.2020, c.44, to contribute to health care benefits coverage and those contributions shall be determined in accordance with what is permitted or required by provisions of law.

An employee who is enrolled in a plan other than the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section shall be required to contribute toward the cost of health care benefits coverage offered by the employer (a) in accordance with a collective negotiations agreement applicable to that employee as negotiated prior to or after the effective date of this act pursuant to the

requirements that were set forth in law on the day next preceding that effective date; (b) as may be required at the discretion of the employer; or (c) as required by a provision of law, whichever is applicable to that employee.

With regard to contributions by an employee who is enrolled in a plan other than the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section, no provision in this section shall be deemed to modify, alter, impair, or terminate the requirement in sections 77 and 78 of P.L.2011, c.78 (C.18A:16-17.2 and C.52:14-17.28e), as applicable, that a public employer and employees who are in negotiations for the collective negotiations agreement to be executed after the employees in that unit had reached full implementation of the premium share set forth in section 39 of P.L.2011, c.78 (C.52:14-17.28c) shall conduct negotiations concerning contributions for health care benefits as if the full premium share was included in the prior contract. Nothing in this act shall be deemed to modify, alter, impair, or terminate the continued compliance after the effective date of this act with that requirement for negotiations for any collective negotiations agreement for employee contributions for plans other than the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section.

(3) For an employee, the annual base salary paid by the employer for the position held by the employee shall be used to identify the percentage to be used to calculate the annual contribution required under subsections a. and b. of section 2 of this act.

f. The annual contribution by an employee as calculated in accordance with subsection a. or b. of section 2 of this act shall not exceed the amount as calculated in accordance with section 4 of this act.

g. The contributions required by this section shall apply to employees for whom the employer has assumed a health care benefits payment obligation, to require that such employees pay the amount of contribution specified in this section for health care benefits coverage.

h. The level of benefits in the equivalent New Jersey Educators Health Plan and the equivalent Garden State Health Plan offered by the employer shall remain unchanged until December 31, 2027. No change in the level of benefits in those plans shall be made before that date unless such a change is required by federal or State law to governmental health care benefits plans or to both governmental and non-governmental health care benefits plans.

Commencing January 1, 2028 and for each plan year thereafter, the level of benefits in the equivalent New Jersey Educators Health Plan and the equivalent Garden State Health Plan offered by the employer may be modified by the employer in accordance with collective negotiations agreements entered into between the employers who do not participate in the School Employees' Health Benefits Program and their employees, or as otherwise permitted by law.

i. Commencing January 1, 2028 and for each plan year thereafter, the contributions required pursuant to subsections a. and b. of section 2 of this act for employees enrolled in the equivalent New Jersey Educators Health Plan or the equivalent Garden State Health Plan offered pursuant to subsection a. of this section may be modified in accordance with collective negotiations agreements entered into between the employers who do not participate in the School Employees' Health Benefits Program and their employees. The contributions required pursuant to subsections a. and b. of section 2 of this act shall become part of the parties' collective negotiations and shall then be subject to collective negotiations in a manner similar to other negotiable items between the parties. Negotiations concerning contributions for health care benefits shall be conducted as if the contributions required pursuant to subsections a. and

b. of section 2 of this act were included in the prior contract. The contribution scheme of the percentage of base salary set forth in those subsections may be modified or a new contribution scheme or method other than a percentage of salary may be provided for in accordance with a collective negotiations agreement.

j. Modifications to plan design of the plans set forth in section 1 of this act, P.L.2020, c.44 (C.52:14-17.46.13), or adjustments to the employee contribution rates set forth in subsections a. and b. of section 2 of this act, made by the School Employees' Health Benefits Plan Design Committee or the State Treasurer pursuant to section 7 of this act shall be implemented for the purposes of this section by the employer commencing January 1, 2024.

k. This section shall also apply when health care benefits coverage is provided through an insurance fund or joint insurance fund or any other manner. This section shall apply to any employer, as that term is defined in section 32 of P.L.2007, c.103 (C.52:14-17.46.2), that is not a participating employer in the School Employees' Health Benefits Program.

3. This act shall take effect immediately.

Approved December 18, 2020.