

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 3614**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 14, 2017

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3614, with committee amendments.

As amended, this bill provides that any member of the State Police Retirement System (SPRS), who is required to retire at the mandatory age of 55 and who has more than 20 years of service credit in the retirement system, will receive health care benefits coverage through the State Health Benefits Program (SHBP) for the member and the member's dependents that is paid in full by the State. Under the bill, the retiree is not required to make any contribution for the cost of the coverage.

The bill will apply retroactively to each eligible retiree of the SPRS who had more than 20 years of service on the date of mandatory retirement, which occurred within 24 months prior to the effective date of this bill. Retirees who made contributions for the cost of health care benefits coverage within 24 months before the bill's effective date will have those contributions reimbursed by the SHBP.

#### COMMITTEE AMENDMENTS

The committee amendments broaden the class of retired SPRS members eligible to have their premiums for SHBP benefits paid in full by the State from those who retire at the mandatory age of 55 and have at least 20 but less than 25 years of service credit in the retirement system to those who retire at the mandatory age of 55 and have more than 20 years of service credit in the retirement system.

#### FISCAL IMPACT

The Office of Legislative Services (OLS) does not have information on the number of current and future SPRS retirees who would be eligible for this benefit. Therefore, the annual cost to the State cannot be estimated. The OLS notes that the 2018 annual cost for health care benefits coverage in the SHBP plan covering the greatest number of enrolled retired State employees is \$14,776 for single coverage (without Medicare) and \$36,645 for family coverage (without Medicare).