

ASSEMBLY, No. 1567

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman JOSEPH V. EGAN

District 17 (Middlesex and Somerset)

Co-Sponsored by:

**Assemblyman Verrelli, Assemblywomen Lopez, Jasey and Assemblyman
Danielsen**

SYNOPSIS

Concerns health insurance benefits for locked-out workers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 10/26/2020)

1 **AN ACT** concerning health insurance benefits for locked-out
2 workers and supplementing Title 34 of the Revised Statutes.

3

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

6

7 1. a. There is established in the Department of Labor and
8 Workforce Development a nonlapsing, revolving fund to be known
9 as the Working Family Health Security Fund. The fund shall be
10 administered by the commissioner, and shall be credited with
11 moneys received pursuant to section 2 of this act. The moneys in
12 the fund shall be invested and reinvested by the Director of the
13 Division of Investment in the Department of the Treasury as are
14 other trust funds in the custody of the State Treasurer in the manner
15 provided by law. Interest received on the moneys in the fund shall
16 be credited to the fund.

17 b. The purpose of the fund is to administer assistance in the
18 form of the moneys needed for individuals to pay for continuation
19 coverage under the COBRA continuation provision under the
20 following circumstances:

21 (1) the individual is an employee of an employer that provides a
22 health benefits plan to its employees in this State, including the
23 individual;

24 (2) the health insurance coverage for the individual is being
25 discontinued by the employer because of a stoppage of work which
26 exists because of a labor dispute at the factory, establishment, or
27 other premises at which the employee is or was last employed and
28 the employer has prevented the employee from working, even
29 though the employee's recognized or certified majority
30 representative has directed the employees in the collective
31 bargaining unit to work under the preexisting terms and conditions
32 of employment, and the employees had not engaged in a strike
33 immediately before being prevented from working; and

34 (3) the individual files an application on a form provided by the
35 commissioner demonstrating the individual meets the requirements
36 of this act to qualify for the assistance.

37 c. The employer shall provide the commissioner with all
38 information, including information regarding costs of the health
39 insurance coverage, deemed necessary by the commissioner to
40 implement the provisions of this act, and shall comply with the
41 directives of the commissioner regarding the timely facilitation of
42 the COBRA extension.

43 d. Payments by the fund shall be discontinued whenever the
44 employer reinstates the insurance coverage.

45 e. An employer that caused the fund to be depleted due to
46 payments for employee COBRA coverage as a result of a stoppage
47 of work because of a labor dispute shall be responsible for

1 reimbursing the fund for the cost of the coverage during the
2 stoppage of work.

3
4 2. For the purpose of providing the moneys necessary to
5 establish and meet the purposes of the fund, there is established a
6 five cent annual surcharge per employee for all employers who are
7 subject to the "unemployment compensation law," R.S.43:21-1 et
8 seq., except that the surcharge shall not be collected during any year
9 for which the balance of the fund was more than \$5 million as of
10 September 1 of the immediately preceding year. The surcharge
11 shall be collected by the controller for the unemployment
12 compensation fund and paid over to the State Treasurer for deposit
13 in the fund annually.

14
15 3. As used in this act:

16 "Carrier" means an entity that contracts or offers to contract to
17 provide, deliver, arrange for, pay for, or reimburse any of the costs
18 of health care services under a health benefits plan, including: an
19 insurance company authorized to issue health benefits plans; a
20 health maintenance organization; a health, hospital, or medical
21 service corporation; a multiple employer welfare arrangement; an
22 entity providing or administering a self-funded health benefits plan;
23 an entity under contract with the State Health Benefits Program and
24 the School Employees' Health Benefits Program to administer a
25 health benefits plan; or any other entity providing a health benefits
26 plan.

27 "Commissioner" means the Commissioner of Labor and
28 Workforce Development.

29 "Fund" means the Working Family Health Security Fund
30 established by this act.

31 "Health benefits plan" means a benefits plan which pays or
32 provides hospital and medical expense benefits for covered
33 services, and is delivered or issued for delivery in this State by or
34 through a carrier.

35
36 4. In accordance with the "Administrative Procedure Act,"
37 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner, in
38 consultation with the Commissioner of Banking and Insurance,
39 shall promulgate rules and regulations necessary to carry out the
40 purposes of this act.

41 5. This act shall take effect 90 days after its enactment, except
42 that the commissioner shall have power immediately to promulgate
43 rules and regulations, appoint officers and employees, and fix their
44 compensation, as may be necessary to carry out the provisions of
45 this act, and do those other things necessary to enforce the
46 provisions of this act.

STATEMENT

This bill establishes, in the Department of Labor and Workforce Development (DOLWD), a nonlapsing, revolving fund called the “Working Family Health Security Fund” for the purpose of providing assistance in the form of the moneys needed for individuals to pay for continuation coverage under the COBRA continuation provision under the following circumstances:

1. The individual is an employee of an employer that provides a health benefits plan to its employees in this State, including the individual;

2. The health insurance coverage for the individual is being discontinued by the employer because of a lockout, that is a stoppage of work due to a labor dispute at the employee’s workplace and the employer has prevented the employee from working, even though the employee’s union has directed the employees in the collective bargaining unit to work under the preexisting terms and conditions of employment, and the employees had not engaged in a strike immediately before being prevented from working; and

3. The individual files an application on a form provided by the Commissioner of Labor and Workforce Development demonstrating the individual meets the requirements of the bill to qualify for the assistance.

The bill provides that payments by the fund are to be discontinued whenever the lockout is ended.

The bill provides that an employer that caused the fund to be depleted due to payments for employee COBRA coverage as a result of a stoppage of work because of a labor dispute shall be responsible for reimbursing the fund for the cost of the coverage during the stoppage of work

The employer is required to provide the commissioner with all information, including information regarding costs of the health insurance coverage, deemed necessary by the commissioner and to comply with the directives of the commissioner regarding the timely facilitation of the COBRA extension.

The fund would be supported by a five cent annual surcharge per employee for all employers who are subject to the "unemployment compensation law," R.S.43:21-1 et seq., provided that the surcharge would not be collected during any year for which the balance of the Working Family Health Security Fund was more than \$5 million as of September 1 of the immediately preceding year.