

[First Reprint]

SENATE, No. 4063

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Assemblyman JOSEPH V. EGAN

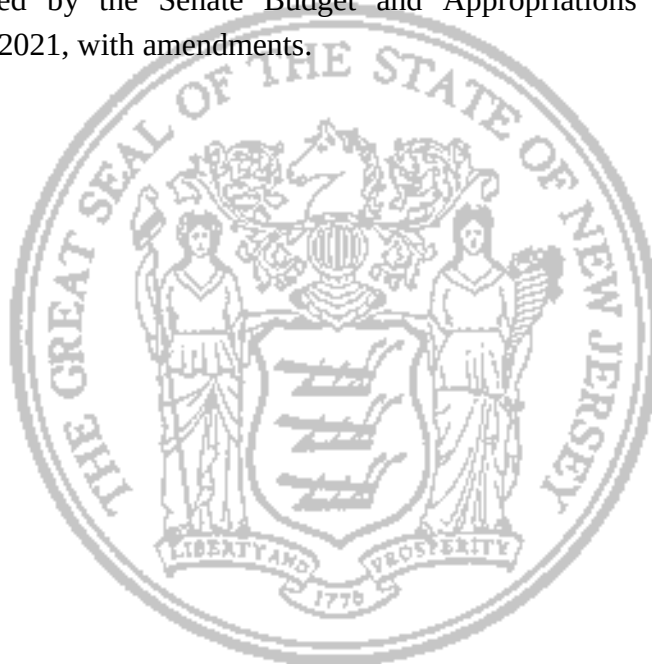
District 17 (Middlesex and Somerset)

SYNOPSIS

Removes New Jersey Maritime Pilot and Docking Pilot Commission from appropriations act provision that limits compensation and health benefits; clarifies PERS and SHBP eligibility for members of commission.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on December 6, 2021, with amendments.



(Sponsorship Updated As Of: 1/10/2022)

1 AN ACT concerning compensation¹, pension,¹ and health benefits
2 for the New Jersey Maritime Pilot and Docking Pilot
3 Commission, amending the Fiscal Year 2022 annual
4 appropriations act, P.L.2021, c.133¹, and various parts of
5 statutory law¹.
6

7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:
9

10 1. Section 75 of the Fiscal Year 2022 annual appropriations
11 act, P.L.2021, c.133, is amended to read as follows:

12 75. Notwithstanding the provisions of any law or regulation to
13 the contrary, the amounts hereinabove appropriated to the New
14 Jersey Real Estate Commission, Civil Service Commission, [New
15 Jersey Maritime Pilot and Docking Pilot Commission,] State
16 Athletic Control Board, Public Employment Relations Commission
17 and Appeal Board, New Jersey State Board of Mediation, New
18 Jersey Racing Commission, Council on Local Mandates, Garden
19 State Preservation Trust, the various State professional boards, the
20 Certified Psychoanalysts Advisory Committee and the Audiology
21 and Speech-Language Pathology Advisory Committee in the
22 Department of Law and Public Safety, shall be subject to the
23 following conditions: 1) the base salary, per diem salary, or any
24 other form of compensation, including that for expenses, for the
25 board members or commissioners paid for out of State funds shall
26 not exceed \$100 per month; and 2) no State funds shall be used to
27 pay for participation in the State Health Benefits Program by board
28 members or commissioners. No other compensation shall be paid;
29 provided, however, that this paragraph shall not apply to the
30 Commissioner/Chief Executive Officer of the State Athletic Control
31 Board, the Chairperson/Chief Executive Officer of the Civil Service
32 Commission, the Chairman of the Public Employment Relations
33 Commission, and any commissioner or board member of any other
34 State board, commission or independent authority who, in addition
35 to being a member of the board or commission also hold a full time
36 staff position for such entity.
37 (cf: P.L.2021, c.133, s.75)
38

39 ¹2. Section 7 of P.L.1954, c.84 (C.43:15A-7) is amended to read
40 as follows:

41 7. There is hereby established the Public Employees'
42 Retirement System of New Jersey in the Division of Pensions and
43 Benefits of the Department of the Treasury. The membership of the
44 retirement system shall include:

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted December 6, 2021.

- 1 a. The members of the former "State Employees' Retirement
2 System of New Jersey" enrolled as such as of December 30, 1954,
3 who shall not have claimed for refund their accumulated deductions
4 in said system as provided in this section;
- 5 b. Any person becoming an employee of the State or other
6 employer after January 2, 1955 and every veteran, other than a
7 retired member who returns to service pursuant to subsection b. of
8 section 27 of P.L.1966, c.217 (C.43:15A-57.2) and other than those
9 whose appointments are seasonal, becoming an employee of the
10 State or other employer after such date, including a temporary
11 employee with at least one year's continuous service. The
12 membership of the retirement system shall not include those
13 persons appointed to serve as described in paragraphs (2) and (3) of
14 subsection a. of section 2 of P.L.2007, c.92 (C.43:15C-2), except a
15 person who was a member of the retirement system prior to the
16 effective date of sections 1 through 19 of P.L.2007, c.92 (C.43:15C-
17 1 through C.43:15C-15, C.43:3C-9, C.43:15A-7 , C.43:15A-75 and
18 C.43:15A-135) and continuously thereafter. The membership of the
19 retirement system shall include Workers' Compensation Judges of
20 the Division of Workers' Compensation in the Department of Labor
21 and Workforce Development; and
- 22 c. Every employee veteran in the employ of the State or other
23 employer on January 2, 1955, who is not a member of any
24 retirement system supported wholly or partly by the State.
- 25 d. Membership in the retirement system shall be optional for
26 elected officials other than veterans, and for school crossing guards,
27 who having become eligible for benefits under other pension
28 systems are so employed on a part-time basis. Elected officials
29 commencing service on or after the effective date of sections 1
30 through 19 of P.L.2007, c.92 (C.43:15C-1 through C.43:15C-15,
31 C.43:3C-9, C.43:15A-7 , C.43:15A-75 and C.43:15A-135) shall not
32 be eligible for membership in the retirement system based on
33 service in the elective public office, except that an elected official
34 enrolled in the retirement system as of that effective date who
35 continues to hold that elective public office or, for an elected
36 official specified in section 5 of P.L.2017, c.344 (C.43:15A-7.5),
37 another elective public office, without a break in service shall be
38 eligible to continue membership in the retirement system under the
39 terms and conditions of enrollment. Service in the Legislature shall
40 be considered a single elective public office. Any part-time school
41 crossing guard who is eligible for benefits under any other pension
42 system and who was hired as a part-time school crossing guard
43 prior to March 4, 1976, may at any time terminate his membership
44 in the retirement system by making an application in writing to the
45 board of trustees of the retirement system. Upon receiving such
46 application, the board of trustees shall terminate his enrollment in
47 the system and direct the employer to cease accepting contributions

1 from the member or deducting from the compensation paid to the
2 member. State employees who become members of any other
3 retirement system supported wholly or partly by the State as a
4 condition of employment shall not be eligible for membership in
5 this retirement system. Notwithstanding any other law to the
6 contrary, all other persons accepting employment in the service of
7 the State shall be required to enroll in the retirement system as a
8 condition of their employment, regardless of age.

9 (1) Before or on November 1, 2008, no person in employment,
10 office or position, for which the annual salary or remuneration is
11 fixed at less than \$1,500.00, shall be eligible to become a member
12 of the retirement system.

13 (2) After November 1, 2008, a person who was a member of the
14 retirement system on that date and continuously thereafter shall be
15 eligible to be a member of the retirement system in employment,
16 office or position, for which the annual salary or remuneration is
17 fixed at \$1,500 or more.

18 (3) After November 1, 2008 and before or on the effective date
19 of P.L.2010, c.1, a person who was not a member of the retirement
20 system on November 1, 2008, or who was a member of the
21 retirement system on that date but not continuously thereafter, and
22 who is in employment, office or position, for which the annual
23 salary or remuneration is certified by the applicable public entity at
24 \$7,500 or more, shall be eligible to become a member of the
25 retirement system. The \$7,500 minimum annual salary or
26 remuneration amount shall be adjusted annually by the Director of
27 the Division of Pensions and Benefits, by regulation, in accordance
28 with changes in the Consumer Price Index but by no more than 4
29 percent. "Consumer Price Index" means the average of the annual
30 increase, expressed as a percentage, in the consumer price index for
31 all urban consumers in the New York City and Philadelphia
32 metropolitan statistical areas during the preceding calendar year as
33 reported by the United States Department of Labor.

34 (4) After the effective date of P.L.2010, c.1, no person in an
35 employment, office or position of the State, or an agency, board,
36 commission, authority or instrumentality of the State, for which the
37 hours of work are fixed at fewer than 35 per week shall be eligible
38 to become a member of the retirement system; and no person in
39 employment, office or position with a political subdivision of the
40 State, or an agency, board, commission, authority or instrumentality
41 of a political subdivision of the State, for which the hours of work
42 are fixed by an ordinance or resolution of the political subdivision,
43 or agency, board, commission, authority or instrumentality thereof,
44 at fewer than 32 per week shall be eligible to become a member of
45 the retirement system. Any hour or part thereof, during which the
46 person does not work due to the person's participation in a
47 voluntary or mandatory furlough program shall not be deducted in

1 determining if a person's hours of work are fixed at fewer than 35 or
2 32 per week, as appropriate, for the purpose of eligibility and the
3 person's service credit as a member of the system or fund shall
4 include the period of mandatory or voluntary furlough provided the
5 person continues to make contributions based on the person's base
6 salary or compensation. If the pay of a furloughed person is
7 insufficient to withhold the entirety of the person's regular
8 contributions, then the person shall remit the entirety of the regular
9 contribution which was not withheld from the person's pay to the
10 Division of Pensions and Benefits in the Department of the
11 Treasury in a manner determined by the division, except that no
12 deduction for the payment of such contributions shall be made from
13 the unemployment compensation benefits of the employee.

14 e. Membership of any person in the retirement system shall
15 cease if he shall discontinue his service for more than two
16 consecutive years.

17 f. The accumulated deductions of the members of the former
18 "State Employees' Retirement System" which have been set aside in
19 a trust fund designated as Fund A as provided in section 5 of this
20 act and which have not been claimed for refund prior to February 1,
21 1955 shall be transferred from said Fund A to the Annuity Savings
22 Fund of the Retirement System, provided for in section 25 of this
23 act. Each member whose accumulated deductions are so transferred
24 shall receive the same prior service credit, pension credit, and
25 membership credit in the retirement system as he previously had in
26 the former "State Employees' Retirement System" and shall have
27 such accumulated deductions credited to his individual account in
28 the Annuity Savings Fund. Any outstanding obligations of such
29 member shall be continued.

30 g. Any school crossing guard electing to terminate his
31 membership in the retirement system pursuant to subsection d. of
32 this section shall, upon his request, receive a refund of his
33 accumulated deductions as of the date of his appointment to the
34 position of school crossing guard. Such refund of contributions
35 shall serve as a waiver of all benefits payable to the employee, to
36 his dependent or dependents, or to any of his beneficiaries under the
37 retirement system.

38 h. A temporary employee who is employed under the federal
39 Workforce Investment Act shall not be eligible for membership in
40 the system. Membership for temporary employees employed under
41 the federal Job Training Partnership Act, Pub.L.97-300 (29
42 U.S.C.s.1501) who are in the system on September 19, 1986 shall
43 be terminated, and affected employees shall receive a refund of
44 their accumulated deductions as of the date of commencement of
45 employment in a federal Job Training Partnership Act program.
46 Such refund of contributions shall serve as a waiver of all benefits

1 payable to the employee, to his dependent or dependents, or to any
2 of his beneficiaries under the retirement system.

3 i. Membership in the retirement system shall be optional for a
4 special service employee who is employed under the federal Older
5 American Community Service Employment Act, Pub.L.94-135 (42
6 U.S.C.s.3056). Any special service employee employed under the
7 federal Older American Community Service Employment Act,
8 Pub.L.94-135 (42 U.S.C.s.3056), who is in the retirement system on
9 the effective date of P.L.1996, c.139 may terminate membership in
10 the retirement system by making an application in writing to the
11 board of trustees of the retirement system. Upon receiving the
12 application, the board shall terminate enrollment in the system and
13 the member shall receive a refund of accumulated deductions as of
14 the date of commencement of employment in a federal Older
15 American Community Service Employment Act program. This
16 refund of contributions shall serve as a waiver of all benefits
17 payable to the employee, to any dependent or dependents, or to any
18 beneficiary under the retirement system.

19 j. An employee of the South Jersey Port Corporation who was
20 employed by the South Jersey Port Corporation as of the effective
21 date of P.L.1997, c.150 (C.34:1B-144 et al.) and who shall be re-
22 employed within 365 days of such effective date by a subsidiary
23 corporation or other corporation, which has been established by the
24 Delaware River Port Authority pursuant to subdivision (m) of
25 Article I of the compact creating the Delaware River Port Authority
26 (R.S.32:3-2), as defined in section 3 of P.L.1997, c.150 (C.34:1B-
27 146), shall be eligible to continue membership while an employee
28 of such subsidiary or other corporation.

29 k. An employee of a renaissance school project established
30 pursuant to P.L.2011, c.176 (C.18A:36C-1 et seq.) upon
31 commencement of employment.

32 l. Every commissioner appointed to the New Jersey Maritime
33 Pilot and Docking Pilot Commission pursuant to R.S.12:8-1.¹

34 (cf: P.L.2021, c.140, s.2)

35
36 ¹3. Section 2 of P.L.2007, c.92 (C.43:15C-2) is amended to read
37 as follows:

38 2. a. The following persons shall be eligible and shall
39 participate in the Defined Contribution Retirement Program :

40 (1) A person who commences service on or after the effective
41 date of this section of P.L.2007, c.92 (C.43:15C-1 et al.) in an
42 elective public office of this State or of a political subdivision
43 thereof, except that it shall not include a person who holds elective
44 public office on the effective date of this section and is enrolled in
45 the Public Employees' Retirement System while that person
46 continues to hold that elective public office or, for an elected
47 official specified in section 5 of P.L.2017, c.344 (C.43:15A-7.5),

1 another elective public office, without a break in service. Service in
2 the Legislature shall be considered a single elective public office.

3 (2) A person who commences service on or after the effective
4 date of this section in an employment, office or position of the State
5 or of a political subdivision thereof, or an agency, board,
6 commission, authority or instrumentality of the State or of a
7 subdivision, pursuant to an appointment by the Governor that
8 requires the advice and consent of the Senate, or pursuant to an
9 appointment by the Governor to serve at the pleasure of the
10 Governor only during his or her term of office. This paragraph
11 shall not be deemed to include a person otherwise eligible for
12 membership in the State Police Retirement System or the Judicial
13 Retirement System. This paragraph shall not include Workers'
14 Compensation Judges of the Division of Workers' Compensation in
15 the Department of Labor and Workforce Development. This
16 paragraph shall not include a commissioner appointed to the New
17 Jersey Maritime Pilot and Docking Pilot Commission pursuant to
18 R.S.12:8-1.

19 (3) A person who commences service on or after the effective
20 date of this section in an employment, office or position in a
21 political subdivision of the State, or an agency, board, commission,
22 authority or instrumentality of a subdivision, pursuant to an
23 appointment by an elected public official or elected governing
24 body, that requires the specific consent or approval of the elected
25 governing body of the political subdivision that is substantially
26 similar in nature to the advice and consent of the Senate for
27 appointments by the Governor of the State as that similarity is
28 determined by the elected governing body and set forth in an
29 adopted ordinance or resolution, pursuant to guidelines or policy
30 that shall be established by the Local Finance Board in the
31 Department of Community Affairs or the Department of Education,
32 as appropriate to the elected governing body. This paragraph shall
33 not be deemed to include a person otherwise eligible for
34 membership in the Teachers' Pension and Annuity Fund or the
35 Police and Firemen's Retirement System, or a person who is
36 employed or appointed in the regular or normal course of
37 employment or appointment procedures and consented to or
38 approved in a general or routine manner appropriate for and
39 followed by the political subdivision, or the agency, board,
40 commission, authority or instrumentality of a subdivision, or a
41 person who holds a professional license or certificate to perform
42 and is performing as a certified health officer, tax assessor, tax
43 collector, municipal planner, chief financial officer, registered
44 municipal clerk, construction code official, licensed uniform
45 subcode inspector, qualified purchasing agent, or certified public
46 works manager.

1 (4) A person who is granted a pension or retirement allowance
2 under any pension fund or retirement system established under the
3 laws of this State and elects to participate pursuant to section 1 of
4 P.L.1977, c.171 (C.43:3C-3) upon being elected to public office.

5 (5) A member of the Teachers' Pension and Annuity Fund,
6 Police and Firemen's Retirement System, State Police Retirement
7 System, or the Public Employees' Retirement System for whom
8 compensation is defined as the amount of base or contractual salary
9 equivalent to the annual maximum wage contribution base for
10 Social Security, pursuant to the Federal Insurance Contributions
11 Act, for contribution and benefit purposes of those retirement
12 systems, for whom participation in this retirement program shall be
13 with regard to any excess over the maximum compensation only.

14 (6) A person in employment, office or position for which the
15 annual salary or remuneration is less, or the hours of work per week
16 are fewer, than that which is required to become a member of the
17 Teachers' Pension and Annuity Fund or the Public Employees'
18 Retirement System, or to make contributions to those systems as a
19 member on the basis of any such employment, office or position,
20 after November 1, 2008.

21 b. No person shall be eligible to participate in the retirement
22 program with respect to any public employment, office, or position
23 if:

24 (1) the base salary for that employment, office, or position is
25 less than \$5,000 per year;

26 (2) the person is, on the basis of service in that employment,
27 office, or position, eligible for membership or enrolled as a member
28 of another State or locally-administered pension fund or retirement
29 system established under the laws of this State including the
30 Alternate Benefit Program, except as otherwise specifically
31 provided in subsection a. of this section;

32 (3) the person is receiving a benefit as a retiree from any other
33 State or locally-administered pension fund or retirement system
34 established under the laws of this State, except as provided in
35 section 1 of P.L.1977, c.171 (C.43:3C-3); or

36 (4) the person is an officer or employee of a political
37 subdivision of this State or of a board of education, or of any
38 agency, authority or instrumentality thereof, who is ineligible for
39 membership in the Public Employees' Retirement System pursuant
40 to section 20 of P.L.2007, c.92 (C.43:15A-7.2).

41 c. A person eligible and required to participate in the
42 retirement program pursuant to paragraph (5) of subsection a. of
43 this section may elect to waive participation with regard to that
44 employment, office, or position by filing, when first eligible, on a
45 form required by the division, a written waiver with the Division of
46 Pensions and Benefits that waives all rights and benefits that would
47 otherwise be provided by the retirement program. Such a person

1 may thereafter elect to participate in the retirement program by
2 filing, on a form required by the division, a written election to
3 participate in the retirement program and participation in the
4 retirement program pursuant to such election shall commence on
5 the January 1 next following the filing of the election to participate.

6 d. Service credited to a participant in the Defined Contribution
7 Retirement Program shall not be recognized as service credit to
8 determine eligibility for employer-paid health care benefits in
9 retirement pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.),
10 N.J.S.40A:10-16 et seq., P.L.1979, c.391 (C.18A:16-12 et al.) or
11 any other law, rule or regulation.¹

12 (cf: P.L.2021, c.140, s.1)

13
14 ¹4. Section 2 of P.L.1961, c.49 (C.52:14-17.26) is amended to
15 read as follows:

16 2. As used in P.L.1961, c.49 (C.52:14-17.26 et seq.):

17 (a) The term "State" means the State of New Jersey.

18 (b) The term "commission" means the State Health Benefits
19 Commission, created by section 3 of P.L.1961, c.49 (C.52:14-
20 17.27).

21 (c) (1) The term "employee" means an appointive or elective
22 officer, a full-time employee of the State of New Jersey, or a full-
23 time employee of an employer other than the State who appears on
24 a regular payroll and receives a salary or wages for an average of
25 the number of hours per week as prescribed by the governing body
26 of the participating employer which number of hours worked shall
27 be considered full-time, determined by resolution, and not less than
28 20.

29 (2) After the effective date of P.L.2010, c.2, the term
30 "employee" means: (i) a full-time appointive or elective officer
31 whose hours of work are fixed at 35 or more per week, a full-time
32 employee of the State, or a full-time employee of an employer other
33 than the State who appears on a regular payroll and receives a
34 salary or wages for an average of the number of hours per week as
35 prescribed by the governing body of the participating employer
36 which number of hours worked shall be considered full-time,
37 determined by resolution, and not less than 25 **【, or】** ; (ii) an
38 appointive or elective officer, an employee of the State, or an
39 employee of an employer other than the State who has or is eligible
40 for health benefits coverage provided under P.L.1961, c.49
41 (C.52:14-17.25 et seq.) or sections 31 through 41 of P.L.2007, c.103
42 (C.52:14-17.46.1 et seq.) on that effective date and continuously
43 thereafter provided the officer or employee is covered by the
44 definition in paragraph (1) of this subsection; or (iii) every
45 commissioner appointed to the New Jersey Maritime Pilot and
46 Docking Pilot Commission pursuant to R.S.12:8-1. Any hour or
47 part thereof, during which an employee does not work due to the

1 employee's participation in a voluntary or mandatory furlough
2 program shall not be deducted in determining if a person's hours of
3 work are fixed at fewer than 35 or 32 per week, as appropriate, for
4 the purpose of eligibility for health benefits coverage provided
5 under P.L.1961, c.49 (C.52:14-17.25 et seq.) provided the employee
6 continues to pay contributions for coverage during the period of
7 furlough. If the pay of a furloughed employee is insufficient to
8 withhold the entirety of the employee's contribution, then the
9 employee shall remit the portion of the contribution not withheld
10 from the employee's pay to the Division of Pensions and Benefits in
11 the Department of the Treasury in a manner determined by the
12 division, except that no deduction for the payment of such
13 contributions shall be made from the unemployment compensation
14 benefits of the employee. For the purposes of this act an employee
15 of Rutgers, The State University of New Jersey, shall be deemed to
16 be an employee of the State, and an employee of the New Jersey
17 Institute of Technology shall be considered to be an employee of
18 the State during such time as the Trustees of the Institute are party
19 to a contractual agreement with the State Treasurer for the provision
20 of educational services. The term "employee" shall further mean,
21 for purposes of this act, a former employee of the South Jersey Port
22 Corporation, who is employed by a subsidiary corporation or other
23 corporation, which has been established by the Delaware River Port
24 Authority pursuant to subdivision (m) of Article I of the compact
25 creating the Delaware River Port Authority (R.S.32:3-2), as defined
26 in section 3 of P.L.1997, c.150 (C.34:1B-146), and who is eligible
27 for continued membership in the Public Employees' Retirement
28 System pursuant to subsection j. of section 7 of P.L.1954, c.84
29 (C.43:15A-7).

30 For the purposes of this act the term "employee" shall not
31 include persons employed on a short-term, seasonal, intermittent or
32 emergency basis, persons compensated on a fee basis, persons
33 having less than two months of continuous service or persons whose
34 compensation from the State is limited to reimbursement of
35 necessary expenses actually incurred in the discharge of their
36 official duties, provided, however, that the term "employee" shall
37 include persons employed on an intermittent basis to whom the
38 State has agreed to provide coverage under P.L.1961, c.49
39 (C.52:14-17.25 et seq.) in accordance with a binding collective
40 negotiations agreement. An employee paid on a 10-month basis,
41 pursuant to an annual contract, will be deemed to have satisfied the
42 two-month waiting period if the employee begins employment at
43 the beginning of the contract year. The term "employee" shall also
44 not include retired persons who are otherwise eligible for benefits
45 under this act but who, although they meet the age or disability
46 eligibility requirement of Medicare, are not covered by Medicare
47 Hospital Insurance, also known as Medicare Part A, and Medicare

1 Medical Insurance, also known as Medicare Part B. A determination
2 by the commission that a person is an eligible employee within the
3 meaning of this act shall be final and shall be binding on all parties.

4 (d) (1) The term "dependents" means an employee's spouse,
5 partner in a civil union couple or an employee's domestic partner as
6 defined in section 3 of P.L.2003, c.246 (C.26:8A-3), and the
7 employee's unmarried children under the age of 23 years who live
8 with the employee in a regular parent-child relationship. "Children"
9 shall include stepchildren, legally adopted children and children
10 placed by the Division of Child Protection and Permanency in the
11 Department of Children and Families, provided they are reported
12 for coverage and are wholly dependent upon the employee for
13 support and maintenance. A spouse, partner in a civil union couple,
14 domestic partner or child enlisting or inducted into military service
15 shall not be considered a dependent during the military service. The
16 term "dependents" shall not include spouses, partners in a civil
17 union couple or domestic partners of retired persons who are
18 otherwise eligible for the benefits under this act but who, although
19 they meet the age or disability eligibility requirement of Medicare,
20 are not covered by Medicare Hospital Insurance, also known as
21 Medicare Part A, and Medicare Medical Insurance, also known as
22 Medicare Part B.

23 (2) Notwithstanding the provisions of paragraph (1) of this
24 subsection to the contrary and subject to the provisions of paragraph
25 (3) of this subsection, for the purposes of an employer other than
26 the State that is participating in the State Health Benefits Program
27 pursuant to section 3 of P.L.1964, c.125 (C.52:14-17.34), the term
28 "dependents" means an employee's spouse or partner in a civil
29 union couple and the employee's unmarried children under the age
30 of 23 years who live with the employee in a regular parent-child
31 relationship. "Children" shall include stepchildren, legally adopted
32 children and children placed by the Division of Child Protection
33 and Permanency in the Department of Children and Families
34 provided they are reported for coverage and are wholly dependent
35 upon the employee for support and maintenance. A spouse, partner
36 in a civil union couple or child enlisting or inducted into military
37 service shall not be considered a dependent during the military
38 service. The term "dependents" shall not include spouses or partners
39 in a civil union couple of retired persons who are otherwise eligible
40 for benefits under P.L.1961, c.49 (C.52:14-17.25 et seq.) but who,
41 although they meet the age or disability eligibility requirement of
42 Medicare, are not covered by Medicare Hospital Insurance, also
43 known as Medicare Part A, and Medicare Medical Insurance, also
44 known as Medicare Part B.

45 (3) An employer other than the State that is participating in the
46 State Health Benefits Program pursuant to section 3 of P.L.1964,
47 c.125 (C.52:14-17.34) may adopt a resolution providing that the

1 term "dependents" as defined in paragraph (2) of this subsection
2 shall include domestic partners as provided in paragraph (1) of this
3 subsection.

4 (e) The term "carrier" means a voluntary association,
5 corporation or other organization, including a health maintenance
6 organization as defined in section 2 of the "Health Maintenance
7 Organizations Act," P.L.1973, c.337 (C.26:2J-2), which is lawfully
8 engaged in providing or paying for or reimbursing the cost of,
9 personal health services, including hospitalization, medical and
10 surgical services, under insurance policies or contracts, membership
11 or subscription contracts, or the like, in consideration of premiums
12 or other periodic charges payable to the carrier.

13 (f) The term "hospital" means (1) an institution operated
14 pursuant to law which is primarily engaged in providing on its own
15 premises, for compensation from its patients, medical diagnostic
16 and major surgical facilities for the care and treatment of sick and
17 injured persons on an inpatient basis, and which provides such
18 facilities under the supervision of a staff of physicians and with 24
19 hour a day nursing service by registered graduate nurses, or (2) an
20 institution not meeting all of the requirements of (1) but which is
21 accredited as a hospital by the Joint Commission on Accreditation
22 of Hospitals. In no event shall the term "hospital" include a
23 convalescent nursing home or any institution or part thereof which
24 is used principally as a convalescent facility, residential center for
25 the treatment and education of children with mental disorders, rest
26 facility, nursing facility or facility for the aged or for the care of
27 drug addicts or alcoholics.

28 (g) The term "State managed care plan" means a health care
29 plan under which comprehensive health care services and supplies
30 are provided to eligible employees, retirees, and dependents: (1)
31 through a group of doctors and other providers employed by the
32 plan; or (2) through an individual practice association, preferred
33 provider organization, or point of service plan under which services
34 and supplies are furnished to plan participants through a network of
35 doctors and other providers under contracts or agreements with the
36 plan on a prepayment or reimbursement basis and which may
37 provide for payment or reimbursement for services and supplies
38 obtained outside the network. The plan may be provided on an
39 insured basis through contracts with carriers or on a self-insured
40 basis, and may be operated and administered by the State or by
41 carriers under contracts with the State.

42 (h) The term "Medicare" means the program established by the
43 "Health Insurance for the Aged Act," Title XVIII of the "Social
44 Security Act," Pub.L.89-97 (42 U.S.C. s.1395 et seq.), as amended,
45 or its successor plan or plans.

46 (i) The term "traditional plan" means a health care plan which
47 provides basic benefits, extended basic benefits and major medical

1 expense benefits as set forth in section 5 of P.L.1961, c.49
2 (C.52:14-17.29) by indemnifying eligible employees, retirees, and
3 dependents for expenses for covered health care services and
4 supplies through payments to providers or reimbursements to
5 participants.

6 (j) The term "successor plan" means a State managed care plan
7 that shall replace the traditional plan and that shall provide benefits
8 as set forth in subsection (B) of section 5 of P.L.1961, c.49
9 (C.52:14-17.29) with provisions regarding reimbursements and
10 payments as set forth in paragraph (1) of subsection (C) of section 5
11 of P.L.1961, c.49 (C.52:14-17.29).¹
12 (cf: P.L.2020, c.57, s.9)

13

14 ¹**[2.] 5.**¹ This act shall take effect immediately and apply
15 retroactively to July 1, 2021.