

NOTICE OF PENDING ORDINANCE

ORDINANCE NO. 10-1294

The ordinance published herewith was introduced and passed upon first reading at a meeting of the Borough Council of the Borough of Tinton Falls, in the County of Monmouth, State of New Jersey, held on May 4, 2010. This Ordinance will be further considered for adoption, after the public hearing is held thereon, at a meeting of the Borough Council to be held on Tuesday, May 18, 2010, located in the Municipal Building, 556 Tinton Avenue, Tinton Falls, New Jersey, beginning at 7:30 o'clock P.M. During the week prior to and up to and including the date of such meeting, copies of said Ordinance will be made available in the Clerk's Office to the members of the general public who shall request the same.

KAREN MOUNT-TAYLOR, RMC, CMC

ORDINANCE AMENDING ORDINANCE NO. 10-1291 CONTINUING INCENTIVES FOR WAIVER OF HEALTH BENEFITS BY ELIGIBLE EMPLOYEES IN CONFORMANCE WITH P.L. 2010, C.2

WHEREAS, the Borough of Tinton Falls ("the Borough") is a participating member of the New Jersey State Health Benefits Plan ("SHBP"); and

WHEREAS, N.J.S.A. 52:14-17.31a authorizes participating municipalities to provide financial incentives to eligible employees who waive coverage provided by the Borough if the employee has access to other health care coverage; and

WHEREAS, N.J.S.A. 52:14-17.31a(c) previously allowed municipalities to pay eligible employees waiving SHBP coverage up to 50% of the annual premium to incentivize the waiver of such coverage; and

WHEREAS, on February 9, 2010, the Borough of Tinton Falls introduced Ordinance No. 10-1291 authorizing compensation totaling 50% of premium costs for the waiver of health benefits by entitled Borough employees, which was adopted on March 16, 2010; and

WHEREAS, on March 22, 2010—the same evening it was passed in the General Assembly—Governor Chris Christie signed P.L. 2010, c.2 (commonly known as S3) into law making many significant changes to the SHBP, which become effective on May 21, 2010; and

WHEREAS, section 11 of P.L. 2010, c.2 amends N.J.S.A. 52:14-17.31a limiting municipal authority to compensate employees who waive health benefits coverage under the SHBP to 25% of the amount saved by the employer or \$5,000, whichever is less, from the previously authorized level of up to 50% of premium costs; and

WHEREAS, section 12 of P.L. 2010, c.2 addresses one of the Borough's primary cost concerns relating to duplicative coverage that the Borough sought to eliminate through the incentives provided under Ordinance No. 10-1291; and

WHEREAS, on April 6, 2010, the Mayor issued Executive Order No. 2010-02, directing that no health benefit waiver applications be accepted under Ordinance No. 10-1291 until either the effective date of P.L. 2010, c.2 and in conformance therewith pursuant to law, or until such time that the Borough Council adopts an ordinance repealing and/or amending Ordinance No. 10-1291 to be in conformance with P.L. 2010, c.2; and

WHEREAS, the continued waiver of such coverage, in conformance with recently enacted state laws, by eligible employees would continue to annually save the Borough many thousands of dollars in the payment of health care premiums for employees who have access to coverage elsewhere.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Tinton Falls in the County of Monmouth, State of New Jersey that Chapter 9-7.7 of the Revised General Ordinances of the Borough of Tinton Falls governing Medical Insurance is hereby supplemented or amended as follows:

9-7.7B Medical Insurance Waiver

Incentives for the waiver of health benefits coverage for eligible Borough employees shall be permitted pursuant to N.J.S.A. 52:14-17.31a as follows:

1. Borough employees who are eligible for health benefits coverage are permitted to waive such coverage and receive consideration for such waiver in the amount of **25%** of the annual premium **or \$5,000, whichever is less**, if the employee can demonstrate that they have alternative coverage through the completion of a SHBP waiver form.
2. Borough employees who have waived health benefits coverage may reinstate such coverage in the event that they can demonstrate, by notice in writing, that their alternative coverage has been terminated. An employee who resumes coverage shall repay, on a pro rata basis, any amount received from the employer which represents an advance payment for a period of time during which coverage is resumed.

3. The health benefits waiver incentive shall not apply to any retiree.
4. The health benefits waiver incentive shall not apply to any part-time, elected or appointed official who may be eligible for SHBP participation in the Borough.
5. Any eligible employee who has waived health benefits coverage may reinstate such coverage for any reason during open enrollment periods even if alternative coverage remains available to them.

SECTION FOUR – REPEALER

Any ordinances, or portions thereof, which are inconsistent with the provisions of this ordinance shall hereby be repealed to the extent of any such inconsistency.

SECTION FIVE – EFFECTIVE DATE

This ordinance shall take effective upon publication pursuant to law and the General Revised Ordinances of the Borough of Tinton Falls.