



Human Resources Department

IMPORTANT NEW LEGISLATION

EMPLOYEES REQUIRED

TO PAY PORTION OF MEDICAL INSURANCE PREMIUMS

Effective June 28, 2011, Chapter 78 P.L. 2011 was signed into law. This new legislation requires employees to contribute a certain percentage of income towards their medical insurance premiums. The rate of contribution an employee will pay is determined by the higher of 1.5% of base salary or a percentage of premiums as outlined in the attached charts. Under the law, ***“the amount payable by any employee shall not under any circumstance be less than the 1.5 percent of base salary.”***

The premium amount is based on the employee’s selected level of coverage (single, family, member/spouse/partner, parent/child) and is adjusted by the State of New Jersey at the beginning of each calendar year. The contribution amounts will be phased in over a four (4) year period.

EFFECTIVE DATES

For employees who are members of a collective bargaining unit, contributions will take effect immediately following the end of the current contract periods.

Unless the New Jersey Division of Pensions and Benefits issues a ruling aligning non-union staff with an applicable collective bargaining unit, confidential classified employee contributions will begin on **October 1, 2011**.

Employee Group	Effective Date
Non-Union Personnel (Confidential Employees)	October 1, 2011
Fraternal Order of Police Professional Association Security Association Support Staff Association	July 1, 2012
Administrative Association	September 1, 2012
Faculty Association	September 1, 2013

PRE-TAX CONTRIBUTIONS

Chapter 78 requires that employee contributions be made on a pre-tax basis. Therefore, employees will automatically be enrolled in a Section 125 Flexible Benefits/Cafeteria Plan which would allow employees to make premium payments for healthcare with before tax dollars.

RETIREE CONTRIBUTION PROVISION

Active employees with 25 or more years of service credit as of the effective date of June 28, 2011 are grandfathered in and governed by the terms applicable on the date they accrued 25 years of service credit. Therefore, **no contribution towards medical coverage will be required.**

Employees who are not grandfathered in, and who do not fall within the above 25 years of service provision, will be subject to a contribution towards post-retirement medical coverage based on the applicable percentage of premium as determined by the annual retirement allowance, including any cost-of-living adjustments. **A minimum contribution of 1.5% of the monthly retirement allowance will be required.**

HELPFUL REFERENCES

The provisions of Chapter 78 have not yet been finalized by the State of New Jersey, Division of Pensions and Benefits. The following are links to the most current information:

Chapter 78, P.L. 2011:

<http://www.state.nj.us/treasury/pensions/reform-2011.shtml>

Frequently Asked Questions - Health Benefits Reform Under Chapter 78, P.L. 2011:

<http://www.state.nj.us/treasury/pensions/reform-hb-ga.shtml>

Enrolling in Health Benefits Coverage When You Retire (Fact Sheet #11)

<http://www.state.nj.us/treasury/pensions/epbam/exhibits/factsheets/fact11.pdf>

INFORMATION SESSIONS

The following information sessions are scheduled to answer any questions you might have regarding these changes:

Date:	Thursday, July 21, 2011
Times:	10:00 – 11:00 a.m. 2:00 – 3:00 p.m.
Place:	4 th Floor Multi-Purpose Room

SINGLE COVERAGE

MEDICAL INSURANCE CONTRIBUTION (PERCENTAGE OF PREMIUM)*

Salary Range	Year 1	Year 2	Year 3	Year 4
less than 20,000	1.13%	2.25%	3.38%	4.50%
20,000-24,999.99	1.38%	2.75%	4.13%	5.50%
25,000-29,999.99	1.88%	3.75%	5.63%	7.50%
30,000-34,999.99	2.50%	5.00%	7.50%	10.00%
35,000-39,999.99	2.75%	5.50%	8.25%	11.00%
40,000-44,999.99	3.00%	6.00%	9.00%	12.00%
45,000-49,999.99	3.50%	7.00%	10.50%	14.00%
50,000-54,999.99	5.00%	10.00%	15.00%	20.00%
55,000-59,999.99	5.75%	11.50%	17.25%	23.00%
60,000-64,999.99	6.75%	13.50%	20.25%	27.00%
65,000-69,999.99	7.25%	14.50%	21.75%	29.00%
70,000-74,999.99	8.00%	16.00%	24.00%	32.00%
75,000-79,999.99	8.25%	16.50%	24.75%	33.00%
80,000-94,999.99	8.50%	17.00%	25.50%	34.00%
95,000 and over	8.75%	17.50%	26.25%	35.00%

*Member contribution is a minimum of 1.5% of base salary towards Health Benefits

SINGLE COVERAGE - PREMIUM RATES BY PLAN

NJ Direct 15	\$ 6,851.76
NJ Direct 10	\$ 7,197.48
Aetna HMO	\$ 7,427.76
Cigna HMO	\$ 7,468.44

Note: Rates are adjusted by the State of NJ at the beginning of each calendar year.

FAMILY COVERAGE

MEDICAL INSURANCE CONTRIBUTION (PERCENTAGE OF PREMIUM)*

Salary Range	Year 1	Year 2	Year 3	Year 4
less than 25,000	0.75%	1.50%	2.25%	3.00%
25,000-29,999.99	1.00%	2.00%	3.00%	4.00%
30,000-34,999.99	1.25%	2.50%	3.75%	5.00%
35,000-39,999.99	1.50%	3.00%	4.50%	6.00%
40,000-44,999.99	1.75%	3.50%	5.25%	7.00%
45,000-49,999.99	2.25%	4.50%	6.75%	9.00%
50,000-54,999.99	3.00%	6.00%	9.00%	12.00%
55,000-59,999.99	3.50%	7.00%	10.50%	14.00%
60,000-64,999.99	4.25%	8.50%	12.75%	17.00%
65,000-69,999.99	4.75%	9.50%	14.25%	19.00%
70,000-74,999.99	5.50%	11.00%	16.50%	22.00%
75,000-79,999.99	5.75%	11.50%	17.25%	23.00%
80,000-84,999.99	6.00%	12.00%	18.00%	24.00%
85,000-89,999.99	6.50%	13.00%	19.50%	26.00%
90,000-94,999.99	7.00%	14.00%	21.00%	28.00%
95,000-99,999.99	7.25%	14.50%	21.75%	29.00%
100,000-109,999.99	8.00%	16.00%	24.00%	32.00%
110,000 and over	8.75%	17.50%	26.25%	35.00%

*Member contribution is a minimum of 1.5% of base salary towards Health Benefits

FAMILY COVERAGE - PREMIUM RATES BY PLAN

NJ Direct 15	\$17,129.28
NJ Direct 10	\$17,993.52
Aetna HMO	\$18,569.52
Cigna HMO	\$18,671.40

Note: Rates are adjusted by the State of NJ at the beginning of each calendar year.

MEMBER/SPOUSE/PARTNER OR PARENT/CHILD COVERAGE

MEDICAL INSURANCE CONTRIBUTION (PERCENTAGE OF PREMIUM)*

Salary Range	Year 1	Year 2	Year 3	Year 4
less than 25,000	0.88%	1.75%	2.63%	3.50%
25,000-29,999.99	1.13%	2.25%	3.38%	4.50%
30,000-34,999.99	1.50%	3.00%	4.50%	6.00%
35,000-39,999.99	1.75%	3.50%	5.25%	7.00%
40,000-44,999.99	2.00%	4.00%	6.00%	8.00%
45,000-49,999.99	2.50%	5.00%	7.50%	10.00%
50,000-54,999.99	3.75%	7.50%	11.25%	15.00%
55,000-59,999.99	4.25%	8.50%	12.75%	17.00%
60,000-64,999.99	5.25%	10.50%	15.75%	21.00%
65,000-69,999.99	5.75%	11.50%	17.25%	23.00%
70,000-74,999.99	6.50%	13.00%	19.50%	26.00%
75,000-79,999.99	6.75%	13.50%	20.25%	27.00%
80,000-84,999.99	7.00%	14.00%	21.00%	28.00%
85,000-99,999.99	7.50%	15.00%	22.50%	30.00%
100,000 and over	8.75%	17.50%	26.25%	35.00%

*Member contribution is a minimum of 1.5% of base salary towards Health Benefits

MEMBER/SPOUSE COVERAGE - PREMIUM RATES BY PLAN

NJ Direct 15 \$15,416.28

NJ Direct 10 \$16,194.00

Aetna HMO \$16,712.52

Cigna HMO \$16,804.32

PARENT/CHILD COVERAGE - PREMIUM RATES BY PLAN

NJ Direct 15 \$ 9,592.32

NJ Direct 10 \$10,076.28

Aetna HMO \$10,398.84

Cigna HMO \$10,455.96

Note: Rates are adjusted by the State of NJ at the beginning of each calendar year.