

TOWNSHIP OF PEQUANNOCK

ORDINANCE 2015-16

AN ORDINANCE TO AMEND CHAPTER 029 ENTITLED "SALARIES AND PERSONNEL" OF THE CODE OF THE TOWNSHIP OF PEQUANNOCK

BE IT ORDAINED by the Township Council of the Township of Pequannock, County of Morris and State of New Jersey that Chapter 029 entitled "Salaries and Personnel" of the Township Code is hereby amended as follows:

Section 1. Section 029.13 is hereby amended to read as follows

029.13 Health benefits; Life insurance.

- A. All Class I employees shall receive Health and Insurance benefits as prescribed by the Township Council of the Township of Pequannock. All other employee classifications shall not be entitled to such benefits unless provided by approved agreement.
- B. The Township shall implement the provisions of P.L. 2011, Chapter 78 which requires employee contributions towards health benefit costs. The associated phase in of contributions and percentage of premiums are hereby recognized and are established in accordance with state law.
- C. After twenty-five years of full-time service to the Township, a Class I employee upon retirement will be eligible to receive paid health benefits in effect at time of retirement and pursuant to paragraph B of this section (Major Medical and Hospitalization) until he/she is eligible for Medicare/Medicaid coverage.
- D. Effective January 1, 2002 all employees that qualify for hospitalization coverage upon retirement from the Township shall be entitled to receive the same coverage for the retired employee's spouse at a cost to the retired member of \$4,200.00 per year payable at a rate of \$350.00 per month. Said cost will be adjusted from time to time.
- E. Effective January 1, 2011 all employees that qualify for health benefits (Major Medical & Hospitalization) and are not covered by a separate employment contract are eligible to elect to opt-out of the coverage. Each eligible employee who elects to opt-out of the Township's health benefit coverage will be paid an incentive of \$1,200 per year, paid in equal monthly payments. Should the employee elect to re-enroll in the Township sponsored health benefits program the employee will be subject to the program as offered at the time of re-enrollment without pre-existing conditions.
- F. Effective January 1, 2014 accumulated paid time off benefit time in excess of forty five (45) days may be used by the employee to buy back benefit time at the employees current rate of pay to offset any mandatory health benefit costs. Benefit costs shall be calculated on a quarterly basis to allow the employee an opportunity to determine the employees

on a quarterly basis to allow the employee an opportunity to determine the employees selected method of payment. At any time accumulated paid time off is reduced below the minimum forty five (45) days, payroll deductions shall be made at the employees then current rate of pay to cover the employees mandatory health benefits costs, except the minimum of forty five days shall be waived when an employee either; declares their retirement date and such date is accepted by the Township; or, the employee is pension eligible.

G. Retired employees who are eligible for health insurance as provided for in paragraph C of this section shall, when they become eligible for Medicare/Medicaid be enrolled in such program and shall maintain that enrollment. The Medicare/Medicaid shall then become the primary health insurance program. The Township shall only provide reimbursement for secondary Part B coverage for the employee as a supplement to Medicare/Medicaid. However, should there be a younger spouse for whom the retired employee would otherwise be entitled to purchase continuing health benefits coverage under the provisions of paragraph D of the section, that provision shall continue until such time that the spouse is eligible for Medicare/Medicaid at which time the Township plan for the spouse shall be terminated.

H. Retired employees who are eligible for continued health coverage under the terms of paragraph C of this section and become eligible for a group health plan as a result of post retirement employment shall enroll in the employer sponsored health plan and notify the Township of the effective date of the alternate coverage. The retiree can resume coverage under the Township's plan in the event that group coverage is no longer available to them.

Section 2: If any section, paragraph, sentence, (or part thereof) shall be declared invalid or unconstitutional by a court of competent jurisdiction, the same shall not affect the remaining sections, paragraphs or sentences (or parts thereof) of the Ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 3: All Ordinances or parts of Ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 4: This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

Introduced: September 8, 2015

Adopted: October 13, 2015



Carol J. Marsh, Township Clerk



Catherine Winterfield, Mayor