

§§1,5
C.52:14-17.46.17
and 52:14-17.46.18
§§2,6
C.52:14-17.32p
and 52:14-17.32q

P.L. 2025, CHAPTER 370, *approved January 20, 2026*
Assembly, No. 5118 (*Second Reprint*)

1 AN ACT concerning health benefits for ²certain² disabled members
2 of the Teachers' Pension and Annuity Fund and the Public
3 Employees' Retirement System ², supplementing P.L.1961, c.49
4 (C.52:14-17.25 et seq.) and P.L.2007, c.103 (C.52:14-17.46.1 et
5 seq.),² and amending P.L.2010, c.3.

6
7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:

9
10 ²**[**1. Section 10 of P.L.2010, c.3 (C.18A:66-39.1) is amended to
11 read as follows:

12 10. a. A person who becomes a member of the Teachers'
13 Pension and Annuity Fund, N.J.S.18A:66-1 et seq., on or after the
14 effective date of P.L.2010, c.3 shall not be eligible for an ordinary
15 or accidental disability retirement allowance, but shall be eligible
16 for disability insurance coverage pursuant to this section.

17 b. The State Treasurer is hereby authorized and permitted to
18 purchase from one or more insurance companies, as determined by
19 him, group disability benefit coverage to provide for the disability
20 benefit in the amounts specified herein. The group disability
21 benefit coverage may be provided under one or more policies issued
22 to the State Treasurer specifically for this purpose or, in the
23 discretion of the State Treasurer, under one or more policies issued
24 to the State Treasurer which provide group life insurance coverage
25 for members of the retirement system designated in subsection a. of
26 this section. Any dividend or retrospective rate credit allowed by
27 an insurance company attributable to this program shall be credited
28 in an equitable manner to the funds available to meet the employers'
29 obligations under such retirement system.

30 Premiums for such group insurance coverage shall be paid from
31 a special fund, hereby created, called the "Teachers Group
32 Disability Insurance Premium Fund." The State Treasurer shall
33 estimate annually the amount which shall be required for premiums
34 for such benefits for the ensuing fiscal year and shall certify such

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:

¹Assembly ASL committee amendments adopted December 12, 2024.

²Senate SBA committee amendments adopted January 8, 2026.

1 amounts which shall be applied against the total employer
2 contributions due for the members of the retirement system whose
3 members are covered, depositing such amounts in the premium
4 fund.

5 During the period such group insurance policy or policies are in
6 effect with respect to members of the retirement system, the State
7 Treasurer shall in no way commingle moneys in this fund with any
8 retirement system.

9 c. A person shall not be allowed the group disability benefit
10 coverage if on the date the person enrolls in the retirement system,
11 the person is 60 or more years of age, unless the person furnishes
12 satisfactory evidence of insurability and, on the effective date of the
13 person's enrollment, is actively at work and performing all the
14 regular duties at the customary place of employment.

15 The effective date of coverage for such a benefit shall be the first
16 day of the month which immediately follows the date when such
17 evidence is determined to be satisfactory.

18 Such evidence of insurability shall not be required of any person
19 enrolling in the retirement system upon transfer from another
20 retirement system, if such retirement system provided a benefit of a
21 similar nature and the transferring person was covered by such a
22 benefit at the time of the transfer. If such transferring person was
23 not covered by such a benefit at the time of the transfer, the person
24 may be allowed the benefit under the group policy or policies;
25 however, any such person shall furnish satisfactory evidence of
26 insurability if he had been unable or failed to give such evidence as
27 a member of the retirement system from which the person
28 transferred.

29 Any person who must furnish satisfactory evidence of
30 insurability, and who ceases to be enrolled in the retirement system
31 without such evidence having been given, shall continue to be
32 subject to the same requirement if the person subsequently becomes
33 a member.

34 d. The disability benefit coverage provided under such group
35 policy or policies shall provide a monthly income if the member
36 becomes totally disabled from occupational or nonoccupational
37 causes for a period of at least six consecutive months following the
38 effective date of the coverage. The monthly disability benefit may
39 be paid by the insurance company so long as the member remains
40 disabled up to the seventieth birthday, provided the disability
41 commenced prior to the sixtieth birthday. The benefit shall
42 terminate when the member is no longer considered totally disabled
43 or begins to receive retirement benefits.

44 The member shall be considered totally disabled if the member is
45 unable to perform each duty of the member's occupation and is
46 under the regular care of a physician. After the 12 months
47 following the commencement of such disability benefit payments,
48 the member shall be unable to engage in any gainful occupation for
49 which the member is reasonably fitted by education, training or

1 experience. Total disability shall not be considered to exist if the
2 member is gainfully employed. Following an agreement with the
3 insurance company and the policyholder, the member may continue
4 to receive disability benefits for a limited time while performing
5 some type of work. During the period of rehabilitation, the monthly
6 benefit shall be the regular payment less 80% of the member's
7 earnings from such rehabilitative position.

8 e. A member shall be deemed to be in service and covered by
9 the disability benefit insurance provisions for a period of no more
10 than six months while on official leave of absence without pay if
11 satisfactory evidence is presented to the Division of Pensions and
12 Benefits that such leave of absence without pay is due to illness and
13 that the member was not actively engaged in any gainful occupation
14 during such period of leave of absence without pay.

15 Disability benefit insurance provisions of the group policy or
16 policies shall not cover disability resulting from or contributed to
17 by pregnancy, act of war, intentionally self-inflicted injury, or
18 attempted suicide whether or not sane. For purposes of such
19 disability benefit coverage, the member shall not be considered to
20 be disabled while the member is imprisoned or while outside the
21 United States, its territories or possessions, or Canada.

22 If the member has recovered from the disability for which the
23 member had received benefits and again becomes totally disabled
24 while insured, the later disability shall be regarded as a continuation
25 of the prior one unless the member has returned to full-time covered
26 employment for at least six months. If the later absence is due to an
27 unrelated cause and the member had returned to full-time work, it
28 shall be considered a new disability. The disability benefit
29 insurance cannot be converted to an individual policy.

30 No person shall be covered by the disability benefit provision of
31 the group policy or policies except upon the completion of one year
32 of full-time continuous employment in a position eligible for
33 participation in a retirement system designated in subsection a. of
34 this section.

35 f. The disability benefit provided under such group policy or
36 policies shall be in an amount equal to 60% of the member's base
37 monthly salary, reduced by periodic benefits, other than health
38 insurance, to which the member may be entitled during the period
39 of total disability. The minimum monthly disability benefit shall be
40 \$50.

41 The periodic benefit by which the monthly disability benefit may
42 be reduced shall include salary or wages, retirement benefits or
43 benefits from any source for which the State or other public
44 employer has paid any part of the cost or made payroll deductions,
45 other than health insurance, Social Security disability or other
46 benefits, including dependents' benefits, and benefits paid by Social
47 Security at the option of the participant before the age of 65, but not
48 including any increase in Social Security benefits enacted after the
49 disability benefit under such group policy or policies has

1 commenced, and any other periodic benefits provided by law
2 except on account of military service.

3 For pension purposes, the member shall be considered as if the
4 member was in active service for the duration of the time the
5 disability benefit is received. When a member **【begins to receive】**
6 receives a disability benefit under such group policy or policies, the
7 insurance company shall pay an amount equal to the employee
8 contribution which would have been required of the member and
9 deducted from the member's base salary **【in order to meet the**
10 **member's obligation for the purchase of the member's individual**
11 **retirement annuity】** just prior to the receipt of the disability benefit.
12 Such amount shall be paid by the insurance company into the
13 Teachers' Pension and Annuity Fund without reduction by any
14 other periodic benefit which the member is eligible to receive.
15 **【Such amount shall be paid by the insurance company to the insurer**
16 **or insurers for the member's retirement annuity.】**

17 g. Notwithstanding any other provision of law, an insurance
18 company or companies issuing such policy or policies may credit
19 the policyholder either directly or in the form of reduced premiums,
20 with savings by the company or companies in the event that no
21 brokerage commission or commissions are paid by the company or
22 companies on the issuance of such policy or policies.

23 No employer obligations shall be paid when the member is on a
24 leave of absence without pay or when the member no longer is
25 enrolled in the retirement system designated in subsection a. of this
26 section.

27 h. The group disability insurance policy or policies shall
28 provide a member with an opportunity to purchase additional
29 coverage.

30 i. A member or disability insurance benefit recipient who is
31 disabled and receiving a benefit under this section shall **【remain**
32 **eligible for employer-provided】** be entitled to health care benefits
33 coverage under the School Employees' Health Benefit Program in
34 the same manner as such coverage is provided by the **【employer】**
35 State to retirees of the 【retirement system】 Teachers' Pension and
36 Annuity Fund who receive health insurance under the School
37 Employees' Health Benefits Program, except the benefit shall be
38 free and there shall be no employee contribution requirement.
39 There shall be no deadline for a disability insurance recipient to
40 enroll in coverage and no eligibility requirements imposed on that
41 recipient to receive coverage other than the requirement that a
42 member be a recipient of disability insurance under this section.

43 j. The State Treasurer shall establish an appeals process to be
44 used when an employer or employee disagrees with the insurer on
45 the employee's ability to return to employment or on issues related
46 to physical examinations.

47 (cf: P.L.2010, c.3, s.10)**】²**

1 ²[2. Section 11 of P.L.2010, c.3 (C.43:15A-42.1) is amended to
2 read as follows:

3 11. a. A person who becomes a member of the Public
4 Employees' Retirement System of New Jersey, P.L.1954, c.84
5 (C.43:15A-1 et seq.), on or after the effective date of P.L.2010, c.3
6 shall not be eligible for an ordinary or accidental disability
7 retirement allowance, but shall be eligible for disability insurance
8 coverage pursuant to this section.

9 b. The State Treasurer is hereby authorized and permitted to
10 purchase from one or more insurance companies, as determined by
11 him, group disability benefit coverage to provide for the disability
12 benefit in the amounts specified herein. The group disability
13 benefit coverage may be provided under one or more policies issued
14 to the State Treasurer specifically for this purpose or, in the
15 discretion of the State Treasurer, under one or more policies issued
16 to the State Treasurer which provide group life insurance coverage
17 for members of the retirement system designated in subsection a. of
18 this section. Any dividend or retrospective rate credit allowed by
19 an insurance company attributable to this program shall be credited
20 in an equitable manner to the funds available to meet the employers'
21 obligations under such retirement system.

22 Premiums for such group insurance coverage shall be paid from
23 a special fund, hereby created, called the "Public Employees Group
24 Disability Insurance Premium Fund." The State Treasurer shall
25 estimate annually the amount which shall be required for premiums
26 for such benefits for the ensuing fiscal year and shall certify such
27 amounts which shall be applied against the total employer
28 contributions due for the members of the retirement system whose
29 members are covered, depositing such amounts in the premium
30 fund.

31 During the period such group insurance policy or policies are in
32 effect with respect to members of the retirement system, the State
33 Treasurer shall in no way commingle moneys in this fund with any
34 retirement system.

35 c. A person shall not be allowed the group disability benefit
36 coverage if on the date the person enrolls in the retirement system,
37 the person is 60 or more years of age, unless the person furnishes
38 satisfactory evidence of insurability and, on the effective date of the
39 person's enrollment, is actively at work and performing all the
40 regular duties at the customary place of employment.

41 The effective date of coverage for such a benefit shall be the first
42 day of the month which immediately follows the date when such
43 evidence is determined to be satisfactory.

44 Such evidence of insurability shall not be required of any person
45 enrolling in the retirement system upon transfer from another
46 retirement system, if such retirement system provided a benefit of a
47 similar nature and the transferring person was covered by such a
48 benefit at the time of the transfer. If such transferring person was
49 not covered by such a benefit at the time of the transfer, the person

1 may be allowed the benefit under the group policy or policies;
2 however, any such person shall furnish satisfactory evidence of
3 insurability if he had been unable or failed to give such evidence as
4 a member of the retirement system from which the person
5 transferred.

6 Any person who must furnish satisfactory evidence of
7 insurability, and who ceases to be enrolled in the retirement system
8 without such evidence having been given, shall continue to be
9 subject to the same requirement if the person subsequently becomes
10 a member.

11 d. The disability benefit coverage provided under such group
12 policy or policies shall provide a monthly income if the member
13 becomes totally disabled from occupational or nonoccupational
14 causes for a period of at least six consecutive months following the
15 effective date of the coverage. The monthly disability benefit may
16 be paid by the insurance company so long as the member remains
17 disabled up to the seventieth birthday, provided the disability
18 commenced prior to the sixtieth birthday. The benefit shall
19 terminate when the member is no longer considered totally disabled
20 or begins to receive retirement benefits.

21 The member shall be considered totally disabled if the member is
22 unable to perform each duty of the member's occupation and is
23 under the regular care of a physician. After the 12 months
24 following the commencement of such disability benefit payments,
25 the member shall be unable to engage in any gainful occupation for
26 which the member is reasonably fitted by education, training or
27 experience. Total disability shall not be considered to exist if the
28 member is gainfully employed. Following an agreement with the
29 insurance company and the policyholder, the member may continue
30 to receive disability benefits for a limited time while performing
31 some type of work. During the period of rehabilitation, the monthly
32 benefit shall be the regular payment less 80% of the member's
33 earnings from such rehabilitative position.

34 e. A member shall be deemed to be in service and covered by
35 the disability benefit insurance provisions for a period of no more
36 than six months while on official leave of absence without pay if
37 satisfactory evidence is presented to the Division of Pensions and
38 Benefits that such leave of absence without pay is due to illness and
39 that the member was not actively engaged in any gainful occupation
40 during such period of leave of absence without pay.

41 Disability benefit insurance provisions of the group policy or
42 policies shall not cover disability resulting from or contributed to
43 by pregnancy, act of war, intentionally self-inflicted injury, or
44 attempted suicide whether or not sane. For purposes of such
45 disability benefit coverage, the member shall not be considered to
46 be disabled while the member is imprisoned or while outside the
47 United States, its territories or possessions, or Canada.

48 If the member has recovered from the disability for which the
49 member had received benefits and again becomes totally disabled

1 while insured, the later disability shall be regarded as a continuation
2 of the prior one unless the member has returned to full-time covered
3 employment for at least six months. If the later absence is due to an
4 unrelated cause and the member had returned to full-time work, it
5 shall be considered a new disability. The disability benefit
6 insurance cannot be converted to an individual policy.

7 No person shall be covered by the disability benefit provision of
8 the group policy or policies except upon the completion of one year
9 of full-time continuous employment in a position eligible for
10 participation in a retirement system designated in subsection a. of
11 this section.

12 f. The disability benefit provided under such group policy or
13 policies shall be in an amount equal to 60% of the member's base
14 monthly salary, reduced by periodic benefits, other than health
15 insurance, to which the member may be entitled during the period
16 of total disability. The minimum monthly disability benefit shall be
17 \$50.

18 The periodic benefit by which the monthly disability benefit may
19 be reduced shall include salary or wages, retirement benefits or
20 benefits from any source for which the State or other public
21 employer has paid any part of the cost or made payroll deductions,
22 other than health insurance, Social Security disability or other
23 benefits, including dependents' benefits, and benefits paid by Social
24 Security at the option of the participant before the age of 65, but not
25 including any increase in Social Security benefits enacted after the
26 disability benefit under such group policy or policies has
27 commenced, and any other periodic benefits provided by law
28 except on account of military service.

29 For pension purposes, the member shall be considered as if the
30 member was in active service for the duration of the time the
31 disability benefit is received. When a member **【begins to receive】**
32 receives a disability benefit under such group policy or policies, the
33 insurance company shall pay an amount equal to the employee
34 contribution which would have been required of the member and
35 deducted from the member's base salary **【in order to meet the**
36 **member's obligation for the purchase of the member's individual**
37 **retirement annuity】** just prior to the receipt of the disability benefit.
38 Such amount shall be paid by the insurance company into the Public
39 Employees' Retirement System without reduction by any other
40 periodic benefit which the member is eligible to receive. **【Such**
41 **amount shall be paid by the insurance company to the insurer or**
42 **insurers for the member's retirement annuity.】**

43 g. Notwithstanding any other provision of law, an insurance
44 company or companies issuing such policy or policies may credit
45 the policyholder either directly or in the form of reduced premiums,
46 with savings by the company or companies in the event that no
47 brokerage commission or commissions are paid by the company or
48 companies on the issuance of such policy or policies.

1 No employer obligations shall be paid when the member is on a
2 leave of absence without pay or when the member no longer is
3 enrolled in the retirement system designated in subsection a. of this
4 section.

5 h. The group disability insurance policy or policies shall
6 provide a member with an opportunity to purchase additional
7 coverage.

8 i. A member or disability insurance benefit recipient who is
9 disabled and receiving a benefit under this section shall **【remain**
10 **eligible for employer-provided】** be entitled to health care benefits
11 coverage under the State Health Benefit Program ¹or the School
12 Employees' Health Benefits Program¹ in the same manner as such
13 coverage is provided by the 【employer】 State to retirees of the
14 **【retirement system】** Public Employees' Retirement System who
15 receive health insurance under the State Health Benefits Program
16 ¹or the School Employees' Health Benefits Program¹ , except the
17 benefit shall be free and there shall be no employee contribution
18 requirement. There shall be no deadline for a disability insurance
19 recipient to enroll in coverage and no eligibility requirements
20 imposed on that recipient to receive coverage other than the
21 requirement that a member be a recipient of disability insurance
22 under this section.

23 j. The State Treasurer shall establish an appeals process to be
24 used when an employer or employee disagrees with the insurer on
25 the employee's ability to return to employment or on issues related
26 to physical examinations.

27 (cf: P.L.2010, c.3, s.11)**】²**

28
29 ²1. (New section) a. Notwithstanding the provisions of
30 sections 10 and 11 of P.L.2010, c.3 (C.18A:66-39.1 and C.43:15A-
31 42.1) or any other law, rule, or regulation to the contrary, a person
32 who is disabled and receiving a benefit under section 10 or 11 of
33 P.L.2010, c.3 (C.18A:66-39.1 and C.43:15A-42.1) before January 1,
34 2027, and who became a member of the Teachers' Pension and
35 Annuity Fund, N.J.S.18A:66-1 et seq., on or after the effective date
36 of P.L.2010, c.3 or became a member of the Public Employees'
37 Retirement System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et
38 seq.), on or after the effective date of P.L.2010, c.3 and is an
39 employee of a board of education or county college shall be eligible
40 to enroll in health care benefits coverage under the "School
41 Employees' Health Benefits Program Act," P.L.2007, c.103
42 (C.52:14-17.46.1 et seq.), in the same manner as such coverage is
43 provided by the State to retirees, except the benefit shall be free and
44 there shall be no employee contribution requirement.

45 b. The program shall refund to a member eligible to enroll in
46 health care benefits coverage under subsection a. of this section the
47 amount actually paid by the member for premiums for health
48 benefits coverage under the "School Employees' Health Benefits

1 Program Act.” P.L.2007, c.103 (C.52:14-17.46.1 et seq.), on or after
2 January 1, 2024 but prior to the effective date of P.L. , c. (C.)
3 (pending before the Legislature as this bill) while the member was
4 disabled and receiving a benefit under section 10 or 11 of P.L.2010,
5 c.3 (C.18A:66-39.1 and C.43:15A-42.1).²

6
7 ²². (New section) a. Notwithstanding the provisions of section
8 11 of P.L.2010, c.3 (C.43:15A-42.1) or any other law, rule, or
9 regulation to the contrary, an employee of the State who is disabled
10 and receiving a benefit under section 11 of P.L.2010, c.3
11 (C.43:15A-42.1) before January 1, 2027, and who became a
12 member of the Public Employees' Retirement System of New
13 Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.), on or after the effective
14 date of P.L.2010, c.3 shall be eligible to enroll in health care
15 benefits coverage under the "New Jersey State Health Benefits
16 Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), in the same
17 manner as such coverage is provided by the State to retirees, except
18 the benefit shall be free and there shall be no employee contribution
19 requirement.

20 b. The program shall refund to a member eligible to enroll in
21 health care benefits coverage under subsection a. of this section the
22 amount the member actually paid for premiums for health benefits
23 coverage under the "New Jersey State Health Benefits Program
24 Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), on or after January 1,
25 2024 but prior to the effective date of P.L. , c. (pending before
26 the Legislature as this bill) while the member was disabled and
27 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-
28 42.1).

29 c. Consistent with the provisions of subsection i. of section 11 of
30 P.L.2010, c.3 (C.43:15A-42.1), a member of the Public Employees'
31 Retirement System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et
32 seq.) who is disabled and receiving a benefit under section 11 of
33 P.L.2010, c.3 (C.43:15A-42.1), and who is an employee of an
34 employer other than the State shall remain eligible for employer-
35 provided health care benefits coverage in the same manner as such
36 coverage is provided by the employer to retirees of the retirement
37 system. The premium contributions of members who are employees
38 of an employer other than the State that participate in the State
39 Health Benefits Program shall be determined by and subject to a
40 resolution by the employer filed with the Division of Pensions and
41 Benefits in the Department of the Treasury.²

42
43 ²³. Section 10 of P.L.2010, c.3 (C.18A:66-39.1) is amended to
44 read as follows:

45 10. a. A person who becomes a member of the Teachers'
46 Pension and Annuity Fund, N.J.S.18A:66-1 et seq., on or after the
47 effective date of P.L.2010, c.3 shall not be eligible for an ordinary
48 or accidental disability retirement allowance, but shall be eligible
49 for disability insurance coverage pursuant to this section.

1 b. The State Treasurer is hereby authorized and permitted to
2 purchase from one or more insurance companies, as determined by
3 him, group disability benefit coverage to provide for the disability
4 benefit in the amounts specified herein. The group disability
5 benefit coverage may be provided under one or more policies issued
6 to the State Treasurer specifically for this purpose or, in the
7 discretion of the State Treasurer, under one or more policies issued
8 to the State Treasurer which provide group life insurance coverage
9 for members of the retirement system designated in subsection a. of
10 this section. Any dividend or retrospective rate credit allowed by
11 an insurance company attributable to this program shall be credited
12 in an equitable manner to the funds available to meet the employers'
13 obligations under such retirement system.

14 Premiums for such group insurance coverage shall be paid from
15 a special fund, hereby created, called the "Teachers Group
16 Disability Insurance Premium Fund." The State Treasurer shall
17 estimate annually the amount which shall be required for premiums
18 for such benefits for the ensuing fiscal year and shall certify such
19 amounts which shall be applied against the total employer
20 contributions due for the members of the retirement system whose
21 members are covered, depositing such amounts in the premium
22 fund.

23 During the period such group insurance policy or policies are in
24 effect with respect to members of the retirement system, the State
25 Treasurer shall in no way commingle moneys in this fund with any
26 retirement system.

27 c. A person shall not be allowed the group disability benefit
28 coverage if on the date the person enrolls in the retirement system,
29 the person is 60 or more years of age, unless the person furnishes
30 satisfactory evidence of insurability and, on the effective date of
31 the person's enrollment, is actively at work and performing all the
32 regular duties at the customary place of employment.

33 The effective date of coverage for such a benefit shall be the first
34 day of the month which immediately follows the date when such
35 evidence is determined to be satisfactory.

36 Such evidence of insurability shall not be required of any person
37 enrolling in the retirement system upon transfer from another
38 retirement system, if such retirement system provided a benefit of a
39 similar nature and the transferring person was covered by such a
40 benefit at the time of the transfer. If such transferring person was
41 not covered by such a benefit at the time of the transfer, the person
42 may be allowed the benefit under the group policy or policies;
43 however, any such person shall furnish satisfactory evidence of
44 insurability if he had been unable or failed to give such evidence as
45 a member of the retirement system from which the person
46 transferred.

47 Any person who must furnish satisfactory evidence of
48 insurability, and who ceases to be enrolled in the retirement system
49 without such evidence having been given, shall continue to be

1 subject to the same requirement if the person subsequently becomes
2 a member.

3 d. The disability benefit coverage provided under such group
4 policy or policies shall provide a monthly income if the member
5 becomes totally disabled from occupational or nonoccupational
6 causes for a period of at least six consecutive months following the
7 effective date of the coverage. The monthly disability benefit may
8 be paid by the insurance company so long as the member remains
9 disabled up to the seventieth birthday, provided the disability
10 commenced prior to the sixtieth birthday. The benefit shall
11 terminate when the member is no longer considered totally disabled
12 or begins to receive retirement benefits.

13 The member shall be considered totally disabled if the member is
14 unable to perform each duty of the member's occupation and is
15 under the regular care of a physician. After the 12 months
16 following the commencement of such disability benefit payments,
17 the member shall be unable to engage in any gainful occupation for
18 which the member is reasonably fitted by education, training or
19 experience. Total disability shall not be considered to exist if the
20 member is gainfully employed. Following an agreement with the
21 insurance company and the policyholder, the member may continue
22 to receive disability benefits for a limited time while performing
23 some type of work. During the period of rehabilitation, the monthly
24 benefit shall be the regular payment less 80% of the member's
25 earnings from such rehabilitative position.

26 e. A member shall be deemed to be in service and covered by
27 the disability benefit insurance provisions for a period of no more
28 than six months while on official leave of absence without pay if
29 satisfactory evidence is presented to the Division of Pensions and
30 Benefits that such leave of absence without pay is due to illness and
31 that the member was not actively engaged in any gainful occupation
32 during such period of leave of absence without pay.

33 Disability benefit insurance provisions of the group policy or
34 policies shall not cover disability resulting from or contributed to
35 by pregnancy, act of war, intentionally self-inflicted injury, or
36 attempted suicide whether or not sane. For purposes of such
37 disability benefit coverage, the member shall not be considered to
38 be disabled while the member is imprisoned or while outside the
39 United States, its territories or possessions, or Canada.

40 If the member has recovered from the disability for which the
41 member had received benefits and again becomes totally disabled
42 while insured, the later disability shall be regarded as a continuation
43 of the prior one unless the member has returned to full-time covered
44 employment for at least six months. If the later absence is due to an
45 unrelated cause and the member had returned to full-time work, it
46 shall be considered a new disability. The disability benefit
47 insurance cannot be converted to an individual policy.

48 No person shall be covered by the disability benefit provision of
49 the group policy or policies except upon the completion of one year

1 of full-time continuous employment in a position eligible for
2 participation in a retirement system designated in subsection a. of
3 this section.

4 f. The disability benefit provided under such group policy or
5 policies shall be in an amount equal to 60% of the member's base
6 monthly salary, reduced by periodic benefits to which the member
7 may be entitled during the period of total disability. The minimum
8 monthly disability benefit shall be \$50.

9 The periodic benefit by which the monthly disability benefit may
10 be reduced shall include salary or wages, retirement benefits or
11 benefits from any source for which the State or other public
12 employer has paid any part of the cost or made payroll deductions,
13 Social Security disability or other benefits, including dependents'
14 benefits, and benefits paid by Social Security at the option of the
15 participant before the age of 65, but not including any increase in
16 Social Security benefits enacted after the disability benefit under
17 such group policy or policies has commenced, and any other
18 periodic benefits provided by law except on account of military
19 service.

20 When a member begins to receive a disability benefit under such
21 group policy or policies, the insurance company shall pay an
22 amount equal to the employee contribution which would have been
23 required of the member and deducted from the member's base salary
24 in order to meet the member's obligation for the purchase of the
25 member's individual retirement annuity. Such amount shall be paid
26 by the insurance company without reduction by any other periodic
27 benefit which the member is eligible to receive. Such amount shall
28 be paid by the insurance company to the insurer or insurers for the
29 member's retirement annuity.

30 g. Notwithstanding any other provision of law, an insurance
31 company or companies issuing such policy or policies may credit
32 the policyholder either directly or in the form of reduced premiums,
33 with savings by the company or companies in the event that no
34 brokerage commission or commissions are paid by the company or
35 companies on the issuance of such policy or policies.

36 No employer obligations shall be paid when the member is on a
37 leave of absence without pay or when the member no longer is
38 enrolled in the retirement system designated in subsection a. of this
39 section.

40 h. The group disability insurance policy or policies shall
41 provide a member with an opportunity to purchase additional
42 coverage.

43 i. A member who is disabled and begins receiving a benefit
44 under this section on or after January 1, 2027 shall **【remain eligible**
45 **for employer-provided】** be eligible to enroll in health care benefits
46 coverage **【in the same manner as such coverage is provided by the**
47 **employer to retirees of the retirement system】** under the “School
48 Employees’ Health Benefits Program Act” P.L.2007, c.103
49 (C.52:14-17.46.1 et seq.), in accordance with the provisions of

1 section 5 of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 j. The State Treasurer shall establish **【an】** appeals **【process】**
4 processes to be used when an employer or employee disagrees with
5 the **【insurer on】** administration of disability insurance coverage
6 provided for in this section, including but not limited to, the
7 employee's ability to return to employment **【or on】** ; issues related
8 to physical examinations; eligibility for disability insurance
9 coverage as provided for in this section; and eligibility for health
10 care benefits coverage under the "School Employees' Health
11 Benefits Program Act" P.L.2007, c.103 (C.52:14-17.46.1 et seq.),
12 pursuant to subsection i. of this section, including a member's
13 required contributions determined pursuant to section 5 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill).²

15 (cf: P.L.2010, c.3, s.10)

16
17 ²⁴. Section 11 of P.L.2010, c.3 (C.43:15A-42.1) is amended to
18 read as follows:

19 11. a. A person who becomes a member of the Public
20 Employees' Retirement System of New Jersey, P.L.1954, c.84
21 (C.43:15A-1 et seq.), on or after the effective date of P.L.2010, c.3
22 shall not be eligible for an ordinary or accidental disability
23 retirement allowance, but shall be eligible for disability insurance
24 coverage pursuant to this section.

25 b. The State Treasurer is hereby authorized and permitted to
26 purchase from one or more insurance companies, as determined by
27 him, group disability benefit coverage to provide for the disability
28 benefit in the amounts specified herein. The group disability
29 benefit coverage may be provided under one or more policies issued
30 to the State Treasurer specifically for this purpose or, in the
31 discretion of the State Treasurer, under one or more policies issued
32 to the State Treasurer which provide group life insurance coverage
33 for members of the retirement system designated in subsection a. of
34 this section. Any dividend or retrospective rate credit allowed by
35 an insurance company attributable to this program shall be credited
36 in an equitable manner to the funds available to meet the employers'
37 obligations under such retirement system.

38 Premiums for such group insurance coverage shall be paid from
39 a special fund, hereby created, called the "Public Employees Group
40 Disability Insurance Premium Fund." The State Treasurer shall
41 estimate annually the amount which shall be required for premiums
42 for such benefits for the ensuing fiscal year and shall certify such
43 amounts which shall be applied against the total employer
44 contributions due for the members of the retirement system whose
45 members are covered, depositing such amounts in the premium
46 fund.

47 During the period such group insurance policy or policies are in
48 effect with respect to members of the retirement system, the State

1 Treasurer shall in no way commingle moneys in this fund with any
2 retirement system.

3 c. A person shall not be allowed the group disability benefit
4 coverage if on the date the person enrolls in the retirement system,
5 the person is 60 or more years of age, unless the person furnishes
6 satisfactory evidence of insurability and, on the effective date of
7 the person's enrollment, is actively at work and performing all the
8 regular duties at the customary place of employment.

9 The effective date of coverage for such a benefit shall be the first
10 day of the month which immediately follows the date when such
11 evidence is determined to be satisfactory.

12 Such evidence of insurability shall not be required of any person
13 enrolling in the retirement system upon transfer from another
14 retirement system, if such retirement system provided a benefit of a
15 similar nature and the transferring person was covered by such a
16 benefit at the time of the transfer. If such transferring person was
17 not covered by such a benefit at the time of the transfer, the person
18 may be allowed the benefit under the group policy or policies;
19 however, any such person shall furnish satisfactory evidence of
20 insurability if he had been unable or failed to give such evidence as
21 a member of the retirement system from which the person
22 transferred.

23 Any person who must furnish satisfactory evidence of
24 insurability, and who ceases to be enrolled in the retirement system
25 without such evidence having been given, shall continue to be
26 subject to the same requirement if the person subsequently becomes
27 a member.

28 d. The disability benefit coverage provided under such group
29 policy or policies shall provide a monthly income if the member
30 becomes totally disabled from occupational or nonoccupational
31 causes for a period of at least six consecutive months following the
32 effective date of the coverage. The monthly disability benefit may
33 be paid by the insurance company so long as the member remains
34 disabled up to the seventieth birthday, provided the disability
35 commenced prior to the sixtieth birthday. The benefit shall
36 terminate when the member is no longer considered totally disabled
37 or begins to receive retirement benefits.

38 The member shall be considered totally disabled if the member is
39 unable to perform each duty of the member's occupation and is
40 under the regular care of a physician. After the 12 months
41 following the commencement of such disability benefit payments,
42 the member shall be unable to engage in any gainful occupation for
43 which the member is reasonably fitted by education, training or
44 experience. Total disability shall not be considered to exist if the
45 member is gainfully employed. Following an agreement with the
46 insurance company and the policyholder, the member may continue
47 to receive disability benefits for a limited time while performing
48 some type of work. During the period of rehabilitation, the monthly

1 benefit shall be the regular payment less 80% of the member's
2 earnings from such rehabilitative position.

3 e. A member shall be deemed to be in service and covered by
4 the disability benefit insurance provisions for a period of no more
5 than six months while on official leave of absence without pay if
6 satisfactory evidence is presented to the Division of Pensions and
7 Benefits that such leave of absence without pay is due to illness and
8 that the member was not actively engaged in any gainful occupation
9 during such period of leave of absence without pay.

10 Disability benefit insurance provisions of the group policy or
11 policies shall not cover disability resulting from or contributed to
12 by pregnancy, act of war, intentionally self-inflicted injury, or
13 attempted suicide whether or not sane. For purposes of such
14 disability benefit coverage, the member shall not be considered to
15 be disabled while the member is imprisoned or while outside the
16 United States, its territories or possessions, or Canada.

17 If the member has recovered from the disability for which the
18 member had received benefits and again becomes totally disabled
19 while insured, the later disability shall be regarded as a continuation
20 of the prior one unless the member has returned to full-time covered
21 employment for at least six months. If the later absence is due to an
22 unrelated cause and the member had returned to full-time work, it
23 shall be considered a new disability. The disability benefit
24 insurance cannot be converted to an individual policy.

25 No person shall be covered by the disability benefit provision of
26 the group policy or policies except upon the completion of one year
27 of full-time continuous employment in a position eligible for
28 participation in a retirement system designated in subsection a. of
29 this section.

30 f. The disability benefit provided under such group policy or
31 policies shall be in an amount equal to 60% of the member's base
32 monthly salary, reduced by periodic benefits to which the member
33 may be entitled during the period of total disability. The minimum
34 monthly disability benefit shall be \$50.

35 The periodic benefit by which the monthly disability benefit may
36 be reduced shall include salary or wages, retirement benefits or
37 benefits from any source for which the State or other public
38 employer has paid any part of the cost or made payroll deductions,
39 Social Security disability or other benefits, including dependents'
40 benefits, and benefits paid by Social Security at the option of the
41 participant before the age of 65, but not including any increase in
42 Social Security benefits enacted after the disability benefit under
43 such group policy or policies has commenced, and any other
44 periodic benefits provided by law except on account of military
45 service.

46 When a member begins to receive a disability benefit under such
47 group policy or policies, the insurance company shall pay an
48 amount equal to the employee contribution which would have been
49 required of the member and deducted from the member's base salary

1 in order to meet the member's obligation for the purchase of the
2 member's individual retirement annuity. Such amount shall be paid
3 by the insurance company without reduction by any other periodic
4 benefit which the member is eligible to receive. Such amount shall
5 be paid by the insurance company to the insurer or insurers for the
6 member's retirement annuity.

7 g. Notwithstanding any other provision of law, an insurance
8 company or companies issuing such policy or policies may credit
9 the policyholder either directly or in the form of reduced premiums,
10 with savings by the company or companies in the event that no
11 brokerage commission or commissions are paid by the company or
12 companies on the issuance of such policy or policies.

13 No employer obligations shall be paid when the member is on a
14 leave of absence without pay or when the member no longer is
15 enrolled in the retirement system designated in subsection a. of this
16 section.

17 h. The group disability insurance policy or policies shall
18 provide a member with an opportunity to purchase additional
19 coverage.

20 i. (1) A member who is disabled and receiving a benefit under
21 this section, and who is an employee of an employer other than the
22 State shall remain eligible for employer-provided health care
23 benefits coverage in the same manner as such coverage is provided
24 by the employer to retirees of the retirement system; provided,
25 however, a member who is disabled and begins receiving a benefit
26 under this section on or after January 1, 2027, and who is an
27 employee of a board of education or county college shall be eligible
28 to enroll in health care benefits coverage under the School
29 Employees' Health Benefits Program in accordance with the
30 provisions of section 5 of P.L. , c. (C.) (pending before the
31 Legislature as this bill).

32 (2) A member who is disabled and begins receiving a benefit
33 under this section on or after January 1, 2027, and who is an
34 employee of the State shall be eligible to enroll in health care
35 benefits coverage under the State Health Benefits Program in
36 accordance with the provisions of section 6 of P.L. , c. (C.)
37 (pending before the Legislature as this bill).

38 j. The State Treasurer shall establish **an** appeals **process**
39 processes to be used when an employer or employee disagrees with
40 the **insurer on** administration of disability insurance coverage
41 provided for in this section, including, but not limited to, the
42 employee's ability to return to employment **or on** ; issues related
43 to physical examinations; eligibility for disability insurance
44 coverage as provided for in this section; and eligibility for health
45 care benefits coverage under the State Health Benefits Program, or
46 School Employees' Health Benefits Program, pursuant to
47 subsection i. of this section, including a member's required

1 contributions determined pursuant to section 5 or 6 of P.L. , c.
2 (C.) (pending before the Legislature as this bill).²
3 (cf: P.L.2010, c.3, s.11)
4

5 ^{25.} (New section) a. A member of the Teachers' Pension and
6 Annuity Fund, N.J.S.18A:66-1 et seq., who is disabled and begins
7 receiving a benefit under section 10 of P.L.2010, c.3 (C.18A:66-
8 39.1) on or after January 1, 2027, and who is not Medicare-eligible
9 may enroll in health benefits coverage under the New Jersey
10 Educators Health Plan or the Garden State Health Plan as offered to
11 retirees. An enrollee shall pay monthly contributions to the State
12 for such health benefits coverage in accordance with the provisions
13 of subsections a. or b. of section 2 of P.L.2020, c.44 (C.52:14-
14 17.46.14), as applicable. For the purpose of determining the
15 contributions required from a member receiving health benefits
16 coverage pursuant to this subsection, the term "base salary" as used
17 in section 2 of P.L.2020, c.44 (C.52:14-17.46.14) shall mean the
18 disability benefit provided under a group policy or policies to the
19 member pursuant to section 10 of P.L.2010, c.3 (C.18A:66-39.1).

20 b. A member of the Public Employees' Retirement System of
21 New Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.), who is an
22 employee of a board of education or county college, who is disabled
23 and begins receiving a benefit under section 11 of P.L.2010, c.3
24 (C.43:15A-42.1) on or after January 1, 2027, and who is not
25 Medicare-eligible may enroll in health benefits coverage under the
26 New Jersey Educators Health Plan or the Garden State Health Plan
27 as offered to retirees. An enrollee shall pay monthly contributions
28 to the State for such health benefits coverage in accordance with the
29 provisions of subsections a. or b. of section 2 of P.L.2020, c.44
30 (C.52:14-17.46.14), as applicable. For the purpose of determining
31 the contributions required from a member receiving health benefits
32 coverage pursuant to this subsection, the term "base salary" as used
33 in section 2 of P.L.2020, c.44 (C.52:14-17.46.14) shall mean the
34 disability benefit provided under a group policy or policies to the
35 member pursuant to section 11 of P.L.2010, c.3 (C.43:15A-42.1).

36 c. A member of the Teachers' Pension and Annuity Fund,
37 N.J.S.18A:66-1 et seq., who is disabled and begins receiving a
38 benefit under section 10 of P.L.2010, c.3 (C.18A:66-39.1) on or
39 after January 1, 2027, and who is or becomes Medicare-eligible
40 while receiving a benefit under section 10 of P.L.2010, c.3
41 (C.18A:66-39.1) shall no longer be eligible for enrollment in the
42 New Jersey Educators Health Plan or the Garden State Health Plan
43 as offered to retirees, except that any dependent of the member who
44 is not eligible for Medicare may remain eligible for health benefits
45 coverage under the New Jersey Educators Health Plan or the
46 Garden State Health Plan. Such member may enroll in the School
47 Employees' Health Benefits Program upon enrollment in the federal
48 Medicare program consistent with the laws and regulations
49 governing the participation of Medicare-eligible retirees under the

1 program. A Medicare-eligible enrollee shall pay monthly
2 contributions to the State for such health benefits coverage in
3 accordance with the percentage of salary that is applicable to
4 retirees enrolled in the New Jersey Educators Health Plan pursuant
5 to subsection a. of section 2 of P.L.2020, c.44 (C.52:14-17.46.14).
6 For the purpose of determining the contributions required from a
7 member receiving health benefits coverage pursuant to this
8 subsection, the term “base salary” as used in section 2 of P.L.2020,
9 c.44 (C.52:14-17.46.14) shall mean the disability benefit provided
10 under a group policy or policies to the member pursuant to section
11 10 of P.L.2010, c.3 (C.18A:66-39.1).

12 d. A member of the Public Employees' Retirement System of
13 New Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.), who is an
14 employee of a board of education or county college, who is disabled
15 and begins receiving a benefit under section 11 of P.L.2010, c.3
16 (C.43:15A-42.1) on or after January 1, 2027, and who is or becomes
17 Medicare-eligible while receiving a benefit under section 11 of
18 P.L.2010, c.3 (C.43:15A-42.1) shall no longer be eligible for
19 enrollment in the New Jersey Educators Health Plan or the Garden
20 State Health Plan as offered to retirees, except that any dependent
21 of the member who is not eligible for Medicare may remain eligible
22 for health benefits coverage under the New Jersey Educators Health
23 Plan or the Garden State Health Plan. Such member may enroll in
24 the School Employees' Health Benefits Program upon enrollment in
25 the federal Medicare program consistent with the laws and
26 regulations governing the participation of Medicare-eligible retirees
27 under the program. A Medicare-eligible enrollee shall pay monthly
28 contributions to the State for such health benefits coverage in
29 accordance with the percentage of salary that is applicable to
30 retirees enrolled in the New Jersey Educators Health Plan pursuant
31 to subsection a. of section 2 of P.L.2020, c.44 (C.52:14-17.46.14).
32 For the purpose of determining the contributions required from a
33 member receiving health benefits coverage pursuant to this
34 subsection, the term “base salary” as used in section 2 of P.L.2020,
35 c.44 (C.52:14-17.46.14) shall mean the disability benefit provided
36 under a group policy or policies to the member pursuant to section
37 11 of P.L.2010, c.3 (C.43:15A-42.1).

38 e. If a member fails to remit any contributions required to be
39 remitted to the State for the member's health benefits coverage
40 pursuant to subsections a. through d. of this section, the Division of
41 Pensions and Benefits shall notify the member that the right to
42 continue coverage shall be suspended if payment in full is not
43 remitted within 30 days of such notice. If no payment is made, the
44 division shall generate a notice of termination to the member
45 indicating the termination date and restating the amounts due to
46 reinstate coverage. Termination shall be effective on the last day of
47 the month for which premiums were paid by the member.²

1 ²6. (New section) a. A member of the Public Employees'
2 Retirement System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et
3 seq.), who is an employee of the State, who is disabled, and begins
4 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-
5 42.1) on or after January 1, 2027, and who is not Medicare-eligible
6 may enroll in health benefits coverage under a PPO plan or Tiered
7 Network plan that is offered to State retirees under the program.
8 An enrollee shall pay monthly contributions to the State for such
9 health benefits coverage in accordance with the percentage of salary
10 or the cost of coverage that is applicable to State retirees who retire
11 with 25 years of service credit as of the date the enrollee begins
12 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-
13 42.1) and who enroll in such plans. For the purpose of determining
14 the contributions required from a member receiving health benefits
15 coverage pursuant to this subsection, the term “base salary” where
16 used for the purpose of determining the contributions required from
17 State retirees for health benefits coverage shall mean the disability
18 benefit provided under a group policy or policies to the member
19 pursuant to section 11 of P.L.2010, c.3 (C.43:15A-42.1).

20 b. A member of the Public Employees' Retirement System of
21 New Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.), who is an
22 employee of the State, who is disabled and begins receiving a
23 benefit under section 11 of P.L.2010, c.3 (C.43:15A-42.1) on or
24 after January 1, 2027, and who is or becomes Medicare-eligible
25 while receiving a benefit under section 11 of P.L.2010, c.3
26 (C.43:15A-42.1) shall enroll in the State Health Benefits Program in
27 the same manner as a retiree upon enrollment in the federal
28 Medicare program consistent with the laws and regulations
29 governing the participation of Medicare-eligible retirees under the
30 program. An enrollee shall pay monthly contributions to the State
31 for such health benefits coverage in accordance with the percentage
32 of salary or the cost of coverage that is applicable to State retirees
33 who retire with 25 years of service credit as of the date the enrollee
34 begins receiving a benefit under section 11 of P.L.2010, c.3
35 (C.43:15A-42.1) and who enroll in such plans. For the purpose of
36 determining the contributions required from a member receiving
37 health benefits coverage pursuant to this subsection, the term “base
38 salary” where used for the purpose of determining the contributions
39 required from State retirees for health benefits coverage shall mean
40 the disability benefit provided under a group policy or policies to
41 the member pursuant to section 11 of P.L.2010, c.3 (C.43:15A-
42 42.1).

43 c. If a member fails to remit any contributions required to be
44 remitted to the State for the member's health benefits coverage
45 pursuant to subsections a. and b. of this subsection, the Division of
46 Pensions and Benefits shall notify the member that the right to
47 continue coverage shall be suspended if payment in full is not
48 remitted within 30 days of such notice. If no payment is made, the
49 division shall generate a notice of termination to the member

1 indicating the termination date and restating the amounts due to
2 reinstate coverage. Termination shall be effective on the last day of
3 the month for which premiums were paid by the member.²

4

5 ²**[3.]** 7.² This act shall take effect immediately.

6

7

8

9

10 Provides health care benefits to disabled members of TPAF and
11 PERS.