

CHAPTER 370

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

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

C.52:14-17.46.17 Certain disabled members of the Teachers' Pension and Annuity Fund, Public Employees' Retirement System, coverage under School Employees' Health Benefits Program Act.

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

b. The program shall refund to a member eligible to enroll in health care benefits coverage under subsection a. of this section the amount actually paid by the member for premiums for health benefits coverage under the "School Employees' Health Benefits Program Act." P.L.2007, c.103 (C.52:14-17.46.1 et seq.), on or after January 1, 2024 but prior to the effective date of P.L.2025, c.370 (C.52:14-17.46.17 et al.) while the member was disabled and receiving a benefit under section 10 or 11 of P.L.2010, c.3 (C.18A:66-39.1 and C.43:15A-42.1).

C.52:14-17.32p Certain disabled members of the Public Employees' Retirement System, coverage under New Jersey State Health Benefits Program Act.

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

b. The program shall refund to a member eligible to enroll in health care benefits coverage under subsection a. of this section the amount the member actually paid for premiums for health benefits coverage under the "New Jersey State Health Benefits Program Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), on or after January 1, 2024 but prior to the effective date of P.L.2025, c.370 (C.52:14-17.46.17 et al.) while the member was disabled and receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-42.1).

c. Consistent with the provisions of subsection i. of section 11 of P.L.2010, c.3 (C.43:15A-42.1), a member of the Public Employees' Retirement System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.) who is disabled and receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-42.1), and who is an employee of an employer other than the State shall remain

eligible for employer-provided health care benefits coverage in the same manner as such coverage is provided by the employer to retirees of the retirement system. The premium contributions of members who are employees of an employer other than the State that participate in the State Health Benefits Program shall be determined by and subject to a resolution by the employer filed with the Division of Pensions and Benefits in the Department of the Treasury.

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

C.18A:66-39.1 Disability insurance for certain TPAF members; "Teachers Group Disability Insurance Premium Fund."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The periodic benefit by which the monthly disability benefit may be reduced shall include salary or wages, retirement benefits or benefits from any source for which the State or other public employer has paid any part of the cost or made payroll deductions, Social Security disability or other benefits, including dependents' benefits, and benefits paid by Social Security at the option of the participant before the age of 65, but not including any increase in Social Security benefits

enacted after the disability benefit under such group policy or policies has commenced, and any other periodic benefits provided by law except on account of military service.

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

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

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

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

i. A member who is disabled and begins receiving a benefit under this section on or after January 1, 2027 shall be eligible to enroll in health care benefits coverage under the "School Employees' Health Benefits Program Act" P.L.2007, c.103 (C.52:14-17.46.1 et seq.), in accordance with the provisions of section 5 of P.L.2025, c.370 (C.52:14-17.46.18).

j. The State Treasurer shall establish appeals processes to be used when an employer or employee disagrees with the administration of disability insurance coverage provided for in this section, including, but not limited to, the employee's ability to return to employment; issues related to physical examinations; eligibility for disability insurance coverage as provided for in this section; and eligibility for health care benefits coverage under the "School Employees' Health Benefits Program Act" P.L.2007, c.103 (C.52:14-17.46.1 et seq.), pursuant to subsection i. of this section, including a member's required contributions determined pursuant to section 5 of P.L.2025, c.370 (C.52:14-17.46.18).

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

C.43:15A-42.1 Disability insurance for certain PERS members; "Public Employees Group Disability Insurance Premium Fund."

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

b. The State Treasurer is hereby authorized and permitted to purchase from one or more insurance companies, as determined by him, group disability benefit coverage to provide for the disability benefit in the amounts specified herein. The group disability benefit coverage may be provided under one or more policies issued to the State Treasurer specifically for this purpose or, in the discretion of the State Treasurer, under one or more policies issued to the State Treasurer which provide group life insurance coverage for members of the retirement system designated in subsection a. of this section. Any dividend or retrospective rate credit

allowed by an insurance company attributable to this program shall be credited in an equitable manner to the funds available to meet the employers' obligations under such retirement system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i. (1) A member who is disabled and receiving a benefit under this section, and who is an employee of an employer other than the State shall remain eligible for employer-provided health care benefits coverage in the same manner as such coverage is provided by the employer to retirees of the retirement system, provided, however, a member who is disabled and begins receiving a benefit under this section on or after January 1, 2027, and who is an employee of a board of education or county college shall be eligible to enroll in health care benefits

coverage under the School Employees' Health Benefits Program in accordance with the provisions of section 5 of P.L.2025, c.370 (C.52:14-17.46.18).

(2) A member who is disabled and begins receiving a benefit under this section on or after January 1, 2027, and who is an employee of the State shall be eligible to enroll in health care benefits coverage under the State Health Benefits Program in accordance with the provisions of section 6 of P.L.2025, c.370 (C.52:14-17.32q).

j. The State Treasurer shall establish appeals processes to be used when an employer or employee disagrees with the administration of disability insurance coverage provided for in this section, including, but not limited to, the employee's ability to return to employment; issues related to physical examinations; eligibility for disability insurance coverage as provided for in this section; and eligibility for health care benefits coverage under the State Health Benefits Program, or School Employees' Health Benefits Program, pursuant to subsection i. of this section, including a member's required contributions determined pursuant to section 5 or 6 of P.L.2025, c.370 (C.52:14-17.46.18 or C.52:14-17.32q).

C.52:14-17.46.18 Disabled member of Teachers' Pension and Annuity Fund, coverage under New Jersey Educators Health Plan, Garden State Health Plan, parameters.

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

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

c. A member of the Teachers' Pension and Annuity Fund, N.J.S.18A:66-1 et seq., who is disabled and begins receiving a benefit under section 10 of P.L.2010, c.3 (C.18A:66-39.1) on or after January 1, 2027, and who is or becomes Medicare-eligible while receiving a benefit under section 10 of P.L.2010, c.3 (C.18A:66-39.1) shall no longer be eligible for enrollment in the New Jersey Educators Health Plan or the Garden State Health Plan as offered to retirees, except that any dependent of the member who is not eligible for Medicare may remain eligible for health benefits coverage under the New Jersey Educators Health Plan or the Garden State Health Plan. Such member may enroll in the School Employees' Health Benefits Program

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

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

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

C.52:14-17.32q Public Employees' Retirement System of New Jersey member, coverage under PPO plan, Tiered Network plan, parameters.

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

required from State retirees for health benefits coverage shall mean the disability benefit provided under a group policy or policies to the member pursuant to section 11 of P.L.2010, c.3 (C.43:15A-42.1).

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

c. If a member fails to remit any contributions required to be remitted to the State for the member's health benefits coverage pursuant to subsections a. and b. of this subsection, the Division of Pensions and Benefits shall notify the member that the right to continue coverage shall be suspended if payment in full is not remitted within 30 days of such notice. If no payment is made, the division shall generate a notice of termination to the member indicating the termination date and restating the amounts due to reinstate coverage. Termination shall be effective on the last day of the month for which premiums were paid by the member.

7. This act shall take effect immediately.

Approved January 20, 2026.