

AN ORDINANCE OF THE BOROUGH OF PALMYRA AMENDING THE PERSONNEL POLICIES AND PROCEDURES MANUAL REGARDING HEALTH BENEFITS FOR RETIRED EMPLOYEES AND AMENDS THE POLICY REGARDING OPTING OUT OF HEALTH CARE BENEFITS

ORDINANCE NO. 2014-19

WHEREAS, the Borough of Palmyra has adopted a Personnel Policies and Procedures Manual (Rev. Date: 04/16/2014) that was effective April 21, 2014 (Manual); and

WHEREAS, the governing body has reviewed the Manual and seeks to re-adopt and amend provisions pertaining to health benefits for retired employees; and

WHEREAS, the governing body of the Borough of Palmyra, offered employees a payment of \$1200.00 in lieu of accepting health benefits to encourage officers and employees to voluntarily drop or not accept coverage, provided they had coverage from another source; and

WHEREAS, the above referenced payment of \$1200.00 was known in the Borough of Palmyra as the "opt-out" policy; and

WHEREAS, this policy saved money by replacing the expensive cost of providing health care with the less expensive payment in lieu of health benefits; and

WHEREAS, the need to pay officers and employees money to not take a health insurance benefit they can receive from another source has largely disappeared, because the cost of premium sharing will cause officers and employees to drop coverage if alternative coverage is available.

NOW THEREFORE BE IT ORDAINED, by the governing body of the Borough of Palmyra, in the County of Burlington, and State of New Jersey as follows:

Unless otherwise prohibited by New Jersey state law and/or PERS guidelines, that section of the Manual entitled MEDICAL BENEFITS, Subsection RETIREE HEALTH BENEFITS on page 70, shall be deleted in its entirety and replaced with the following:

Borough employees will receive paid health insurance benefits upon retirement from the Borough provided they satisfy each of the following requirements: (1) retirement from the Borough with at least twenty-five years of service in the New Jersey Public Employees Retirement System (PERS); and (2) retirement from the Borough with at least twenty years of service with the Borough. Retirees will not be eligible to receive paid health insurance coverage for their spouses or for their dependents.

Retiree health benefits for employees that are represented by unions shall be in accordance with the insurance provisions incorporated in their collective bargaining agreements.

All other provisions of the Manual shall remain in full force and effect.

BE IT FURTHER ORDAINED, by the governing body of the Borough of Palmyra, in the County of Burlington, State of New Jersey as follows:

In accordance with the CY 2014/SFY 2015 Best Practices Inventory the Borough of Palmyra rescinds it's "opt-out" policy and further prohibits any payments in lieu of health benefits to officers and employees.

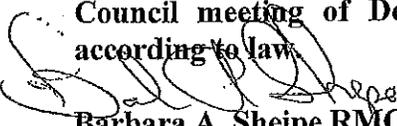
All Ordinances or parts of Ordinances, all Resolutions, and all Policies inconsistent or in conflict with this Ordinance are hereby repealed.

ORDINANCE 2014-19

An Ordinance Of The Borough of Palmyra Amending The Personnel Policies And Procedures Manual Regarding Health Benefits For Retired Employees And Amends The Policy Regarding Opting Out Of Health Care Benefits

This ordinance address the years of service and years in the pension for retirees to be eligible for health care from the Borough of Palmyra and elimates the payout for employees who do not take the health care from the Borough of Palmyra.

The above ordinance was adopted on second and final reading at the Borough Council meeting of December 15, 2014 and will take effect after publication according to law.


Barbara A. Sheipe RMC
Borough Clerk