



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
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December 2023

TO: State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) Certifying Officers

FROM: New Jersey Division of Pensions & Benefits (NJDPB)

SUBJECT: **Health Benefits for Members on Long-Term Disability**

Under the provisions of P.L. 2010, c. 3 (Chapter 3), Ordinary and Accidental Disability retirement benefits were eliminated for Tier 4 and 5 members enrolled after May 21, 2010. In its place, Public Employees' Retirement System (PERS) and Teachers' Pension and Annuity Fund (TPAF) members enrolled in Tier 4 or 5 are eligible for Long-Term Disability (LTD) coverage, which provides a monthly income if a member proves a total disability from occupational or non-occupational causes due to sickness or accidental bodily injury. It has come to the attention of the New Jersey Division of Pensions & Benefits (NJDPB) that some members covered by LTD have been enrolled in the State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) despite being ineligible for coverage.

SHBP AND SEHBP ELIGIBILITY

Disabled members receiving a benefit under LTD are eligible for employer-provided health benefit coverage in the same manner as coverage is provided by the employer to retirees of the PERS or TPAF. Therefore, only members of employers participating in the SHBP or SEHBP are eligible to enroll in the SHBP or SEHBP upon receiving an LTD benefit. Members of employers who do not participate in the SHBP or SEHBP are **not** eligible for coverage and should discuss any health benefit eligibility with their employer's benefits administrator.

In addition, PERS State and Local Government members and TPAF members eligible for LTD whose employers participate in the SHBP or SEHBP are required to pay the full cost of the coverage for the level in which they are enrolled. Local employers may choose to reimburse LTD-approved members through a separate agreement.

ADDITIONAL INFORMATION

The NJDPB will be contacting affected members individually with written information regarding correction of their current coverage. If you have questions regarding any of the information provided in this letter, please contact the NJDPB's Office of Client Services at (609) 292-7524 or email the NJDPB at pensions.nj@treas.nj.gov