

[Second Reprint]

# ASSEMBLY, No. 5118

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# STATE OF NEW JERSEY

## 221st LEGISLATURE

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INTRODUCED DECEMBER 9, 2024

**Sponsored by:**

**Assemblywoman LISA SWAIN**  
**District 38 (Bergen)**  
**Senator JOSEPH A. LAGANA**  
**District 38 (Bergen)**  
**Senator RAJ MUKHERJI**  
**District 32 (Hudson)**

**Co-Sponsored by:**

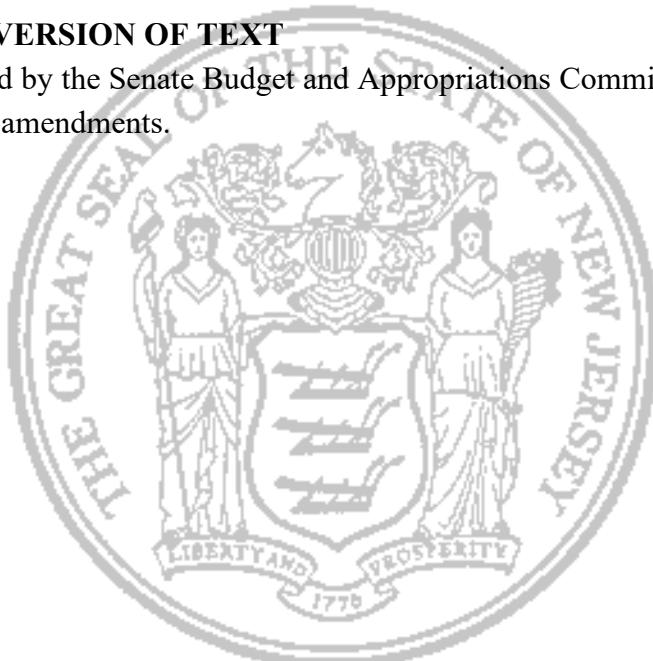
**Assemblywomen Flynn, Speight, Donlon, Peterpaul, Reynolds-Jackson,  
Assemblyman Tully, Senators Turner, Diegnan and Greenstein**

### **SYNOPSIS**

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

### **CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on January 8, 2026, with amendments.



**(Sponsorship Updated As Of: 1/12/2026)**

1    **AN ACT** concerning health benefits for **2certain<sup>2</sup>** 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.),<sup>2</sup>** 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  
35    amounts which shall be applied against the total employer  
36    contributions due for the members of the retirement system whose  
37    members are covered, depositing such amounts in the premium  
38    fund.

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

43       c. A person shall not be allowed the group disability benefit  
44    coverage if on the date the person enrolls in the retirement system,

**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:**

**<sup>1</sup>Assembly ASL committee amendments adopted December 12, 2024.**

**<sup>2</sup>Senate SBA committee amendments adopted January 8, 2026.**

1 the person is 60 or more years of age, unless the person furnishes  
2 satisfactory evidence of insurability and, on the effective date of the  
3 person's enrollment, is actively at work and performing all the  
4 regular duties at the customary place of employment.

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

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

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

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

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

47 e. A member shall be deemed to be in service and covered by  
48 the disability benefit insurance provisions for a period of no more  
49 than six months while on official leave of absence without pay if

1 satisfactory evidence is presented to the Division of Pensions and  
2 Benefits that such leave of absence without pay is due to illness and  
3 that the member was not actively engaged in any gainful occupation  
4 during such period of leave of absence without pay.

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

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

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

25 f. The disability benefit provided under such group policy or  
26 policies shall be in an amount equal to 60% of the member's base  
27 monthly salary, reduced by periodic benefits, other than health  
28 insurance, to which the member may be entitled during the period  
29 of total disability. The minimum monthly disability benefit shall be  
30 \$50.

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

42 For pension purposes, the member shall be considered as if the  
43 member was in active service for the duration of the time the  
44 disability benefit is received. When a member [begins to receive]  
45 receives a disability benefit under such group policy or policies, the  
46 insurance company shall pay an amount equal to the employee  
47 contribution which would have been required of the member and  
48 deducted from the member's base salary [in order to meet the  
49 member's obligation for the purchase of the member's individual

1      retirement annuity] just prior to the receipt of the disability benefit.  
2      Such amount shall be paid by the insurance company into the  
3      Teachers' Pension and Annuity Fund without reduction by any  
4      other periodic benefit which the member is eligible to receive.  
5      Such amount shall be paid by the insurance company to the insurer  
6      or insurers for the 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. A member or disability insurance benefit recipient who is  
21     disabled and receiving a benefit under this section shall remain  
22     eligible for employer-provided] be entitled to health care benefits  
23     coverage under the School Employees' Health Benefit Program in  
24     the same manner as such coverage is provided by the employer]  
25     State to retirees of the [retirement system] Teachers' Pension and  
26     Annuity Fund who receive health insurance under the School  
27     Employees' Health Benefits Program, except the benefit shall be  
28     free and there shall be no employee contribution requirement.  
29     There shall be no deadline for a disability insurance recipient to  
30     enroll in coverage and no eligibility requirements imposed on that  
31     recipient to receive coverage other than the requirement that a  
32     member be a recipient of disability insurance under this section.

33        j. The State Treasurer shall establish an appeals process to be  
34     used when an employer or employee disagrees with the insurer on  
35     the employee's ability to return to employment or on issues related  
36     to physical examinations.

37        (cf: P.L.2010, c.3, s.10)]<sup>2</sup>

38

39        <sup>2</sup>22. Section 11 of P.L.2010, c.3 (C.43:15A-42.1) is amended to  
40     read as follows:

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

47        b. The State Treasurer is hereby authorized and permitted to  
48     purchase from one or more insurance companies, as determined by

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

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

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

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

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

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

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

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

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

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

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

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

46       No person shall be covered by the disability benefit provision of  
47 the group policy or policies except upon the completion of one year  
48 of full-time continuous employment in a position eligible for

1 participation in a retirement system designated in subsection a. of  
2 this section.

3 f. The disability benefit provided under such group policy or  
4 policies shall be in an amount equal to 60% of the member's base  
5 monthly salary, reduced by periodic benefits, other than health  
6 insurance, to which the member may be entitled during the period  
7 of total disability. The minimum monthly disability benefit shall be  
8 \$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 other than health insurance, Social Security disability or other  
14 benefits, including dependents' benefits, and benefits paid by Social  
15 Security at the option of the participant before the age of 65, but not  
16 including any increase in Social Security benefits enacted after the  
17 disability benefit under such group policy or policies has  
18 commenced, and any other periodic benefits provided by law  
19 except on account of military service.

20 For pension purposes, the member shall be considered as if the  
21 member was in active service for the duration of the time the  
22 disability benefit is received. When a member [begins to receive]  
23 receives a disability benefit under such group policy or policies, the  
24 insurance company shall pay an amount equal to the employee  
25 contribution which would have been required of the member and  
26 deducted from the member's base salary [in order to meet the  
27 member's obligation for the purchase of the member's individual  
28 retirement annuity] just prior to the receipt of the disability benefit.  
29 Such amount shall be paid by the insurance company into the Public  
30 Employees' Retirement System without reduction by any other  
31 periodic benefit which the member is eligible to receive. [Such  
32 amount shall be paid by the insurance company to the insurer or  
33 insurers for the member's retirement annuity.]

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

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

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

47 i. A member or disability insurance benefit recipient who is  
48 disabled and receiving a benefit under this section shall [remain

1 eligible for employer-provided] be entitled to health care benefits  
2 coverage under the State Health Benefit Program<sup>1</sup> or the School  
3 Employees' Health Benefits Program<sup>1</sup> in the same manner as such  
4 coverage is provided by the [employer] State to retirees of the  
5 [retirement system] Public Employees' Retirement System who  
6 receive health insurance under the State Health Benefits Program  
7 'or the School Employees' Health Benefits Program<sup>1</sup> , except the  
8 benefit shall be free and there shall be no employee contribution  
9 requirement. There shall be no deadline for a disability insurance  
10 recipient to enroll in coverage and no eligibility requirements  
11 imposed on that recipient to receive coverage other than the  
12 requirement that a member be a recipient of disability insurance  
13 under this section.

14 j. The State Treasurer shall establish an appeals process to be  
15 used when an employer or employee disagrees with the insurer on  
16 the employee's ability to return to employment or on issues related  
17 to physical examinations.

18 (cf: P.L.2010, c.3, s.11)]<sup>2</sup>

19

20 <sup>2</sup>1. (New section) a. Notwithstanding the provisions of sections  
21 10 and 11 of P.L.2010, c.3 (C.18A:66-39.1 and C.43:15A-42.1) or  
22 any other law, rule, or regulation to the contrary, a person who is  
23 disabled and receiving a benefit under section 10 or 11 of P.L.2010,  
24 c.3 (C.18A:66-39.1 and C.43:15A-42.1) before January 1, 2027, and  
25 who became a member of the Teachers' Pension and Annuity Fund,  
26 N.J.S.18A:66-1 et seq., on or after the effective date of P.L.2010,  
27 c.3 or became a member of the Public Employees' Retirement  
28 System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et seq.), on or  
29 after the effective date of P.L.2010, c.3 and is an employee of a  
30 board of education or county college shall be eligible to enroll in  
31 health care benefits coverage under the "School Employees' Health  
32 Benefits Program Act," P.L.2007, c.103 (C.52:14-17.46.1 et seq.),  
33 in the same manner as such coverage is provided by the State to  
34 retirees, except the benefit shall be free and there shall be no  
35 employee contribution requirement.

36 b. The program shall refund to a member eligible to enroll in  
37 health care benefits coverage under subsection a. of this section the  
38 amount actually paid by the member for premiums for health  
39 benefits coverage under the "School Employees' Health Benefits  
40 Program Act." P.L.2007, c.103 (C.52:14-17.46.1 et seq.), on or after  
41 January 1, 2024 but prior to the effective date of P.L. , c. (C. )  
42 (pending before the Legislature as this bill) while the member was  
43 disabled and receiving a benefit under section 10 or 11 of P.L.2010,  
44 c.3 (C.18A:66-39.1 and C.43:15A-42.1).<sup>2</sup>

45

46 <sup>2</sup>2. (New section) a. Notwithstanding the provisions of section  
47 11 of P.L.2010, c.3 (C.43:15A-42.1) or any other law, rule, or  
48 regulation to the contrary, an employee of the State who is disabled

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

11 b. The program shall refund to a member eligible to enroll in  
12 health care benefits coverage under subsection a. of this section the  
13 amount the member actually paid for premiums for health benefits  
14 coverage under the "New Jersey State Health Benefits Program  
15 Act," P.L.1961, c.49 (C.52:14-17.25 et seq.), on or after January 1,  
16 2024 but prior to the effective date of P.L. , c. (pending before  
17 the Legislature as this bill) while the member was disabled and  
18 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-  
19 42.1).

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

33

34 <sup>2</sup>3. Section 10 of P.L.2010, c.3 (C.18A:66-39.1) is amended to  
35 read as follows:

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

41 b. The State Treasurer is hereby authorized and permitted to  
42 purchase from one or more insurance companies, as determined by  
43 him, group disability benefit coverage to provide for the disability  
44 benefit in the amounts specified herein. The group disability  
45 benefit coverage may be provided under one or more policies issued  
46 to the State Treasurer specifically for this purpose or, in the  
47 discretion of the State Treasurer, under one or more policies issued  
48 to the State Treasurer which provide group life insurance coverage  
49 for members of the retirement system designated in subsection a. of

1 this section. Any dividend or retrospective rate credit allowed by  
2 an insurance company attributable to this program shall be credited  
3 in an equitable manner to the funds available to meet the employers'  
4 obligations under such retirement system.

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

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

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

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

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

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

43 d. The disability benefit coverage provided under such group  
44 policy or policies shall provide a monthly income if the member  
45 becomes totally disabled from occupational or nonoccupational  
46 causes for a period of at least six consecutive months following the  
47 effective date of the coverage. The monthly disability benefit may  
48 be paid by the insurance company so long as the member remains  
49 disabled up to the seventieth birthday, provided the disability

1 commenced prior to the sixtieth birthday. The benefit shall  
2 terminate when the member is no longer considered totally disabled  
3 or begins to receive retirement benefits.

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

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

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

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

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

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

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

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

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

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

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

35      i. A member who is disabled and begins receiving a benefit  
36 under this section on or after January 1, 2027 shall remain eligible  
37 for employer-provided] be eligible to enroll in health care benefits  
38 coverage [in the same manner as such coverage is provided by the  
39 employer to retirees of the retirement system] under the "School  
40 Employees' Health Benefits Program Act" P.L.2007, c.103  
41 (C.52:14-17.46.1 et seq.), in accordance with the provisions of  
42 section 5 of P.L. , c. (C. ) (pending before the Legislature  
43 as this bill).

44      j. The State Treasurer shall establish [an] appeals [process]  
45 processes to be used when an employer or employee disagrees with  
46 the [insurer on] administration of disability insurance coverage  
47 provided for in this section, including but not limited to, the  
48 employee's ability to return to employment [or on] ; issues related

1 to physical examinations; eligibility for disability insurance  
2 coverage as provided for in this section; and eligibility for health  
3 care benefits coverage under the "School Employees' Health  
4 Benefits Program Act" P.L.2007, c.103 (C.52:14-17.46.1 et seq.),  
5 pursuant to subsection i. of this section, including a member's  
6 required contributions determined pursuant to section 5 of P.L. ,  
7 c. (C. ) (pending before the Legislature as this bill).<sup>2</sup>  
8 (cf: P.L.2010, c.3, s.10)

9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47        g. Notwithstanding any other provision of law, an insurance  
48 company or companies issuing such policy or policies may credit  
49 the policyholder either directly or in the form of reduced premiums,

1 with savings by the company or companies in the event that no  
2 brokerage commission or commissions are paid by the company or  
3 companies on the issuance of such policy or policies.

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

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

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

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

29 j. The State Treasurer shall establish 【an】 appeals 【process】  
30 processes to be used when an employer or employee disagrees with  
31 the 【insurer on】 administration of disability insurance coverage  
32 provided for in this section, including, but not limited to, the  
33 employee's ability to return to employment 【or on】; issues related  
34 to physical examinations; eligibility for disability insurance  
35 coverage as provided for in this section; and eligibility for health  
36 care benefits coverage under the State Health Benefits Program, or  
37 School Employees' Health Benefits Program, pursuant to  
38 subsection i. of this section, including a member's required  
39 contributions determined pursuant to section 5 or 6 of P.L. , c.  
40 (C. ) (pending before the Legislature as this bill).<sup>2</sup>

41 (cf: P.L.2010, c.3, s.11)

42

43 <sup>2</sup>5. (New section) a. A member of the Teachers' Pension and  
44 Annuity Fund, N.J.S.18A:66-1 et seq., who is disabled and begins  
45 receiving a benefit under section 10 of P.L.2010, c.3 (C.18A:66-  
46 39.1) on or after January 1, 2027, and who is not Medicare-eligible  
47 may enroll in health benefits coverage under the New Jersey  
48 Educators Health Plan or the Garden State Health Plan as offered to  
49 retirees. An enrollee shall pay monthly contributions to the State

1 for such health benefits coverage in accordance with the provisions  
2 of subsections a. or b. of section 2 of P.L.2020, c.44 (C.52:14-  
3 17.46.14), as applicable. For the purpose of determining the  
4 contributions required from a member receiving health benefits  
5 coverage pursuant to this subsection, the term "base salary" as used  
6 in section 2 of P.L.2020, c.44 (C.52:14-17.46.14) shall mean the  
7 disability benefit provided under a group policy or policies to the  
8 member pursuant to section 10 of P.L.2010, c.3 (C.18A:66-39.1).

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

25       c. A member of the Teachers' Pension and Annuity Fund,  
26 N.J.S.18A:66-1 et seq., who is disabled and begins receiving a  
27 benefit under section 10 of P.L.2010, c.3 (C.18A:66-39.1) on or  
28 after January 1, 2027, and who is or becomes Medicare-eligible  
29 while receiving a benefit under section 10 of P.L.2010, c.3  
30 (C.18A:66-39.1) shall no longer be eligible for enrollment in the  
31 New Jersey Educators Health Plan or the Garden State Health Plan  
32 as offered to retirees, except that any dependent of the member who  
33 is not eligible for Medicare may remain eligible for health benefits  
34 coverage under the New Jersey Educators Health Plan or the  
35 Garden State Health Plan. Such member may enroll in the School  
36 Employees' Health Benefits Program upon enrollment in the federal  
37 Medicare program consistent with the laws and regulations  
38 governing the participation of Medicare-eligible retirees under the  
39 program. A Medicare-eligible enrollee shall pay monthly  
40 contributions to the State for such health benefits coverage in  
41 accordance with the percentage of salary that is applicable to  
42 retirees enrolled in the New Jersey Educators Health Plan pursuant  
43 to subsection a. of section 2 of P.L.2020, c.44 (C.52:14-17.46.14).  
44 For the purpose of determining the contributions required from a  
45 member receiving health benefits coverage pursuant to this  
46 subsection, the term "base salary" as used in section 2 of P.L.2020,  
47 c.44 (C.52:14-17.46.14) shall mean the disability benefit provided  
48 under a group policy or policies to the member pursuant to section  
49 10 of P.L.2010, c.3 (C.18A:66-39.1).

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

27       e. If a member fails to remit any contributions required to be  
28 remitted to the State for the member's health benefits coverage  
29 pursuant to subsections a. through d. of this section, the Division of  
30 Pensions and Benefits shall notify the member that the right to  
31 continue coverage shall be suspended if payment in full is not  
32 remitted within 30 days of such notice. If no payment is made, the  
33 division shall generate a notice of termination to the member  
34 indicating the termination date and restating the amounts due to  
35 reinstate coverage. Termination shall be effective on the last day of  
36 the month for which premiums were paid by the member.<sup>2</sup>

37

38       <sup>2</sup>6. (New section) a. A member of the Public Employees'  
39 Retirement System of New Jersey, P.L.1954, c.84 (C.43:15A-1 et  
40 seq.), who is an employee of the State, who is disabled, and begins  
41 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-  
42 42.1) on or after January 1, 2027, and who is not Medicare-eligible  
43 may enroll in health benefits coverage under a PPO plan or Tiered  
44 Network plan that is offered to State retirees under the program.  
45 An enrollee shall pay monthly contributions to the State for such  
46 health benefits coverage in accordance with the percentage of salary  
47 or the cost of coverage that is applicable to State retirees who retire  
48 with 25 years of service credit as of the date the enrollee begins  
49 receiving a benefit under section 11 of P.L.2010, c.3 (C.43:15A-

1 42.1) and who enroll in such plans. For the purpose of determining  
2 the contributions required from a member receiving health benefits  
3 coverage pursuant to this subsection, the term “base salary” where  
4 used for the purpose of determining the contributions required from  
5 State retirees for health benefits coverage shall mean the disability  
6 benefit provided under a group policy or policies to the member  
7 pursuant to section 11 of P.L.2010, c.3 (C.43:15A-42.1).

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

31 c. If a member fails to remit any contributions required to be  
32 remitted to the State for the member's health benefits coverage  
33 pursuant to subsections a. and b. of this subsection, the Division of  
34 Pensions and Benefits shall notify the member that the right to  
35 continue coverage shall be suspended if payment in full is not  
36 remitted within 30 days of such notice. If no payment is made, the  
37 division shall generate a notice of termination to the member  
38 indicating the termination date and restating the amounts due to  
39 reinstate coverage. Termination shall be effective on the last day of  
40 the month for which premiums were paid by the member.<sup>2</sup>

41

42 <sup>2</sup>3.1 7.<sup>2</sup> This act shall take effect immediately.