

Mayor O'Neil offered the following Ordinance pass final reading and adoption and authorized its publication according to law:

**O-06-18
ORDINANCE**

**AN ORDINANCE CLARIFYING RETIREE HEALTH
BENEFITS FOR BOROUGH EMPLOYEES**

WHEREAS, the Borough of Highlands has heretofore had a practice of providing lifetime health benefits to employees who retire from employment with the Borough at age 65; with 25 or more years of service; or in accordance with the express terms of a Collective Bargaining Agreement or personal services contract; and

WHEREAS, the Borough of Highlands has determined that there exists a need to clarify and specify the policy of the Borough as it pertains to the provision of retiree health benefits by adoption of a written statement with respect to the same, so that both the Borough and its employees know precisely who is eligible for such benefit and what standards and procedures are applicable to the same; and

WHEREAS, this ordinance is intended to provide such clarification and specification consistent with the provisions of N.J.S.A. 40A:10-23;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Borough of Highlands that the following terms be used as the guide for the purpose of clarifying and specifying the standards and procedures applicable to health care benefits for those Borough employees who retire from the Borough.

Section I **Eligibility**

To receive lifetime health benefits paid for by the Borough, an employee must meet the following criteria (unless otherwise expressly provided by Collective Bargaining Agreements, personal service contract, or by law):

1. The employee has twenty-five (25) years or more of service credit in a state or locally administered retirement system and a period of service of at least twenty-five (25) years with the Borough of Highlands at the time of retirement; or
2. The employee is sixty-five (65) years or older with twenty-five (25) years or more of service credit in a state or locally administered retirement system and a period of service at least fifteen (15) years with the Borough at the time of retirement; or
3. The employee is sixty-five (65) years or older with at least twenty (20) years of service with the Borough; and
4. The employee was eligible for employee medical coverage during the last five years of their employment with the Borough; and

5. The employee retires from an employment position with the Borough of Highlands under a Service Retirement as defined by the Public Employee's Retirement System ("PERS"), the Police and Firemen's Retirement System ("PFRS") or under the express terms of any Collective Bargaining Agreement or personal services agreement.

Employees previously eligible for retiree benefits under the express terms of a collective bargaining agreement will continue to be eligible as long as the benefits are specifically and clearly set forth in the collective bargaining agreement and as long as the provision of retiree health benefits is not contrary to the requirements of State Statute or regulation.

Section II **Health Plan Provided**

1. The Employee will be enrolled in the same plan with the appropriate status (employee only, employee and spouse, employee and family, etc.) as he/she had on his or her last day of employment prior to retirement, unless a change is authorized to by the Borough.
2. The Borough shall have the right, in the future, to change health insurance plans as it deems necessary. If this occurs, any retiree receiving such lifetime benefits shall be covered by the health insurance plan selected by the Borough and the retiree will be enrolled in that program of the new health insurance plan most similar to the program (in the health insurance plan in effect prior to the change) in which said retiree was enrolled.

Section III **Medicare Enrollment**

1. If the employee is eligible for enrollment in Medicare, he/she must enroll in and purchase Medicare Part B at his/her sole cost. By law, upon retirement, Medicare is the primary carrier and the Borough's health insurance carrier is secondary.
2. If an employee who is eligible to purchase Medicare Part B coverage fails to do so, the Borough's insurance carrier shall be released from paying medical bills incurred while part B was not in effect.

Section IV **Conflicts**

To the extent the terms and provisions of this ordinance differ or conflict with any practice or custom of the Borough of Highlands with respect to retiree health benefits prior to October __, 2006, the terms and provisions of this ordinance shall supplant and supercede any such practice or custom.

Section V

All ordinances and resolutions inconsistent with the provisions of this ordinance are hereby repealed as to such inconsistencies.

Section VI.

This ordinance shall take effect immediately after final passage (adoption), approval and publication of notice thereof as required by law, and the provisions of this Ordinance shall be retroactive to **October 18 , 2006.**

Seconded by Mr. Nolan and adopted on the following roll call vote:

ROLL CALL:

AYES: Mr. Nolan, Mr. Caizza, Mr. Urbanski, Mayor O'Neil

NAYES: None

ABSENT: None

ABSTAIN: None

DATE: November 1, 2006

NINA LIGHT FLANNERY, Borough Clerk

Introduction: October 18, 2006
Publication: October 21, 2006, The Asbury Park Press
2nd/3rd Reading: November 1, 2006
P.H./Adoption: November 1, 2006
Publication: November 9, 2006, The Courier

I hereby certify this to be a true copy of the Ordinance Adopted by the Governing Body of the Borough of Highlands on November 1, 2006.

BOROUGH CLERK/DEPUTY CLERK