



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

ORDINANCE 0-17-24

AN ORDINANCE AMENDING ORDINANCE O-17-15 WHICH PROVIDES A STIPEND FOR THE HEALTH CARE BENEFITS WAIVER TO EMPLOYEES

WHEREAS, in accordance with N.J.S.A. 40A:10-17.1, a municipality which enters into a contract providing group health care benefits to its employees pursuant to N.J.S.A. 40A:10-16 et. seq., may allow any employee who is eligible for other health care coverage to waive coverage under the municipality's plan to which the employee is entitled by virtue of his/her employment with the municipality; and

WHEREAS, in accordance with N.J.S.A. 40A:10-17.1, in consideration of filing such a waiver, a municipality may pay to the employee annually an amount, to be established in the sole discretion of the municipality, which shall not exceed 25%, or \$5,000.00, whichever is less, of the amount saved by the municipality because of the employee's waiver of coverage; and

WHEREAS, by way of Adoption of Ordinance O-17-15 on September 6, 2017, the governing body found that it was in the best interest of the Borough to continue its past practice of allowing for such a healthcare waiver stipend as permitted by law and to codify the same; and

WHEREAS, the governing body now finds that it is in the best interest of the Borough to issue payment for the health care waiver spread out equally through payroll for each pay cycle on a bi-weekly basis.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Highlands County of Monmouth, State of New Jersey, as follows:

SECTION I.

The following Sections of Chapter 2, Section 46 entitled "Health Care benefits buyout" of the Borough Code shall be amended to provide as follows: (All additions are shown in **bold italics with underlines**. The deletions are shown as **~~strikeovers in bold italics~~**).

Pursuant to N.J.S.A. 40A:10-16 et seq., the Borough shall provide health care benefits to its full time “employees” as that term is defined in N.J.S.A. 40A:10-16b; however, that term shall not include elected officials. The different plans to be made available and the coverage levels shall be determined, from time to time, by the Borough. The Borough may redirect enrollment in and make available different plans and coverage in its discretion.

A. Those employees receiving health care benefits shall contribute to the cost of such benefits as required by P.L. 2011 c.78.

B. If an employee is eligible for health care benefit coverage, and meets the eligibility requirements set forth in Subsection C (1) below, such employee may annually elect to receive the monetary payments provided for in Subsection C (2) below (“buyout payment”).

(1) Eligibility. All of the following eligibility requirements must be satisfied.

(a) The employee must have health care benefits coverage from another source.

(b) The alternate source of coverage must be from a source other than the Borough. For example, if the employee’s spouse is employed by the Borough and both the employee and his/her spouse are eligible for health care benefits coverage through the Borough, a spouse declining coverage under this subsection, would not be eligible for the buyout payment.

(c) Employees must execute an appropriate application form as prepared and provided by the office of the Borough Administrator no later than November 30, prior to each calendar year for which the employee will seek the buyout payments.

(2) Buyout payment. For eligible employees, the following buyout payments will be paid in ~~two equal installments, the first installment on June 1 and the second installment on December 1~~ **spread out equally over each pay cycle on a bi-weekly basis.**

(a) If medical coverage, including prescription plan, is declined, the buyout payment will be the lesser of \$5,000 annually or the percentage, as set forth in N.J.S.A. 40A:10-17.1, of the Borough’s cost for the health care coverage declined.

(b) The payments provided for hereunder would be subject to income tax, but not considered pensionable income.

(3) Annual election. The election provided for in this section must be made on

an annual basis. If an employee elects the buyout payment for a particular calendar year, he/she may decline to apply for the option provided in this section for a subsequent calendar year and may enroll, during prescribed enrollment periods, for health care benefit coverage through the Borough to resume for such subsequent calendar year.

(4) An employee who waives coverage because he/she was covered by a spouse's benefits shall be permitted to resume coverage under the same terms and conditions as though he/she had not waived coverage if the employee ceases to be covered through the employee's spouse for any reason.

(5) An employee who wishes to resume coverage shall file a declaration with the Borough, in such form as the Borough shall prescribe, that the waiver is revoked.

(6) An employee who resumes coverage shall repay, on a pro rata basis, any amount which represents an advance payment for a period of time during which coverage is resumed.

SECTION II. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance, which shall otherwise remain in full force and effect.

SECTION III. REPEALER. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION IV. EFFECTIVE DATE. This Ordinance shall take effect after final passage as provided by law.

Introduction: Ordinance O-17-24

December 6th 2017

| | INTROUCED | SECONDED | AYE | NAY | ABSTAIN | ABSENT |
|------------|-----------|----------|-----|-----|---------|--------|
| BROULLON | | X | X | | | |
| CARD | X | | X | | | |
| D'ARRIGO | | | X | | | |
| KANE-WELLS | | | X | | | |
| O'NEIL | | | | | | X |

I, Bonnie Brookes, Municipal Clerk of the Borough of Highlands, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body, at its Council Meeting, held December 6, 2017. WITNESS my hand this 7th of December 2017.



Bonnie Brookes, RMC
Municipal Clerk

Publication: Asbury Park Press, December 12th 2017

Adoption: Ordinance O-17-24

December 20th 2017

| | INTROUCED | SECONDED | AYE | NAY | ABSTAIN | ABSENT |
|------------|-----------|----------|-----|-----|---------|--------|
| BROULLON | X | | X | | | |
| CARD | | | | | | X |
| D'ARRIGO | | | X | | | |
| KANE-WELLS | | X | X | | | |
| O'NEIL | | | | | | X |

I, Bonnie Brookes, Municipal Clerk of the Borough of Highlands, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body, at its Council Meeting, held December 20, 2017. WITNESS my hand this 21st day of December 2017.



Bonnie Brookes, RMC
Deputy Municipal Clerk

Publication: Asbury Park Press

Mayor: _____
Richard W. O'Neil

Clerk: _____
Bonnie Brookes, RMC