

ORDINANCE NO. 3721

AN ORDINANCE AMENDING THE CODE OF THE TOWNSHIP OF FRANKLIN, COUNTY OF SOMERSET, STATE OF NEW JERSEY MORE PARTICULARLY CHAPTER 46, PERSONNEL POLICIES, SECTION 46-12, MEDICAL INSURANCE COVERAGE AND SECTION 46-13, RETIREMENT BENEFITS.

SUMMARY

An ordinance amending Code Chapter 46, Personnel Policies, Section 46-12, Medical insurance coverage by updating the credit towards the cost of combined premiums for medical, prescription and dental for school crossing guards and Section 46-13, Retirement Benefits, by correcting language regarding retirement after 20 years of service.

BE IT ORDAINED by the Township Council of the Township of Franklin, County of Somerset, State of New Jersey that the Code of the Township of Franklin be and it is hereby amended as follows:

SECTION I

Chapter 46, Personnel Policies, Section 46-12, Medical insurance coverage is hereby amended as follows:

§ 46-12. Medical insurance coverage.

- A. Basic medical coverage. The Township shall provide basic hospital and medical care insurance for full-time employees, appointed officials, crossing guards, the Municipal Attorney, Municipal Court Judge and their dependents through a primary provider option (PPO) medical plan at no cost to the employee.
- B. Other medical benefits. The Township shall also provide the following medical benefits:
 - (1) Prescription insurance coverage.
 - (2) Dental insurance coverage.
 - (3) Optical expense reimbursement program (maximum annual reimbursement of \$150 per family).
- C. Medical coverage cost and eligibility.
 - (1) Full-time employees shall be eligible for medical coverage for employee and eligible dependents in any plan at no cost to the employee. These employees shall receive prescription and dental at no cost.
 - (2) Full-time employees covered under collective bargaining agreements shall be eligible for medical benefits for the employee and eligible dependents in accordance with their respective agreements.

- (3) Municipal Attorney, Municipal Court Judge and elected officials elected or appointed before January 1, 1995, shall be eligible for medical coverage for official and eligible dependents in the PPO plan at no cost. An optional plan may be selected, provided that payment is made for the premium difference between the basic plan and the optional plan selected. Prescription and dental coverage shall also be provided at no cost.
- (4) Municipal Attorney, Municipal Court Judge and elected officials elected or appointed after January 1, 1995, shall be eligible for medical coverage for official and eligible dependents in the PPO plan by paying 15% of the medical premium. An optional plan may be selected, provided that payment is made for the difference between the 80% basic plan's premium and the optional plan selected. Municipal Attorney, Municipal Court Judge and elected officials shall pay 20% of the prescription and dental coverage.
- (5) School crossing guards.
 - (a) School crossing guards appointed before January 1, 1992, shall be eligible for medical and prescription coverage for employee and eligible dependents. These employees shall be provided a credit towards the cost of combined premiums for medical, prescription and dental as follows:
 - [1] Single coverage: ~~\$4,358~~ **7,609.88.**
 - [2] Husband/wife: ~~\$9,361~~ **16,397.04.**
 - [3] Parent/child: ~~\$7,303~~ **12,774.96.**
 - [4] Family coverage: ~~\$12,023~~ **20,688.60.**
 - (b) The employee shall be responsible for paying the difference between the allowable credit and the annual premium cost. Crossing guards who must pay excess cost of hospital and medical care insurance shall do so by arranging for payroll deductions. Should the cost of hospital and medical care insurance exceed the crossing guard's monthly payroll, said crossing guard shall make a direct payment to the Township on a monthly basis. Failure of a crossing guard to pay any quarterly reimbursable amount within 10 days of the beginning of the quarter shall be grounds for termination of such coverage by the Township.
 - (c) School crossing guards appointed after January 1, 1992, shall not receive a credit but may join a medical plan by paying the entire annual premiums.

SECTION II

Chapter 46, Personnel Policies, Section 46-13 – Retirement benefits is hereby amended as follows:

46-13. Retirement benefits.

A. Current retirees. Retirees currently receiving retirement benefits as of the effective date of

this chapter shall continue to receive benefits as prescribed on the effective date of their retirement.

- B. Employee retiring with 20 years of service *in the New Jersey pension system or* to the Township of Franklin.

Employees retiring *with 20 years of service* in the New Jersey pension system under service retirement, early retirement, disability retirement or veteran retirement ~~and~~ *or* who have 20 years of service with the Township will receive the medical, prescription and dental benefits for which they are eligible under § 46-12D of this chapter.

- C. Hospital and medical care benefits for retirees and their dependents with less than 20 years of service.

- (1) The Township will share in the cost of hospital and medical care coverage to full-time employees (including dependents) who retire with at least 15 years of service with the Township and are eligible to retire under service retirement, early retirement, disability retirement or veteran retirement in a state-administered retirement system.
- (2) The Township shall fund a portion of the premium. This portion shall be calculated by taking the number of years of the employee's service with the Township and dividing that number by 25. The employee shall be responsible for contributing the balance of the premium to the Township (e.g., with an employee with 20 years' service, the Township will fund 20/25 of the premium and the employee shall be responsible for 5/25 of the premium).
- (3) Employees who retire with less than 25 years of service of the Township, and who do not meet the requirements set forth in either case above, may opt to continue coverage for the employee and their dependents through the Township by contributing the full premium to the Township.
- (4) The employees' premium payments shall be paid by the employee on a quarterly basis commencing on the first day of the month immediately following the date of retirement. Failure of the employee to pay any quarterly reimbursable amount within 10 days of the beginning of the quarter shall be grounds for termination of such coverage by the Township.

- D. Hospital and medical care benefits for dependents of retirees. In the event an employee retiring under the provisions of this chapter dies leaving eligible dependents, the eligible dependents may opt to continue coverage previously received, provided that the dependent was covered prior to the death of the retiree and is not otherwise eligible for medical benefits from his/her employers. **[Amended 2-10-2004 by Ord. No. 3427]**

- E. Sick leave accumulation at retirement. Upon retirement or death after 10 years of service, the employee or his survivor will receive full payment for any unused accumulated sick leave up to 110 days computed on the basis of final wages. For the purpose of this section, retirement date shall be the date established by the public employees retirement system. Deferred retirement benefits shall not count as retirement for purposes of this section. Any

employee who is eligible to retire shall give at least 12 months' notice to the employer if they desire a lump-sum payment for accumulated sick leave. Otherwise, payment will be paid in 12 equal monthly installments. The employer shall have 45 days from the receipt of the employee's formal notice of retirement approval to make final computations of amount due. No payment under this section shall effect, either by increasing or decreasing, any pension or retirement benefit due the employee.

- F. Employees who retire on a disability retirement based upon a disability that resulted from the lawful use of deadly force in the performance of their law enforcement duties shall receive the medical, prescription and dental benefits for which they are eligible under § 46-12D of this chapter. **[Added 6-14-2005 by Ord. No. 3550]**

SECTION III

Each clause, section or subsection of this ordinance shall be deemed a separate provision to the intent that if any such clause, section or subsection should be declared invalid, the remainder of the ordinance shall not be affected.

SECTION IV

All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed as to the extent of such inconsistency.

SECTION V

This ordinance shall take effect immediately upon adoption and publication according to law.

ORDINANCE NO. 3721

This is a true copy of an ordinance adopted by the Township Council Township of Franklin, Somerset County, New Jersey.

Introduced: September 25, 2007

Public Hearing: October 23, 2007

Adoption:

Notice of Adoption:

Effective Date:

Ann Marie McCarthy, Township Clerk