



New Jersey School Boards Association Insurance Group

450 Veterans Drive
Burlington, New Jersey 08016
(609) 386-6060 • FAX (609) 386-8877
www.njsbaig.org

Board of Trustee Meeting of November 28, 2012

Action Item

Second Reading

Medical Benefits Policy 6240

The Finance/Personnel Committee was tasked with developing a revised Medical Benefits Policy (6240). The attached policy draft has been reviewed by the Finance/Personnel Committee and is being offered as a first reading.

Recommended Resolution: Approve the attached medical benefits policy 6240 as a second reading.

Marty

Marty Kalbach, Director
mkalbach@njsbaig.org

NJSBAIG

Policies & Procedures

Adopted: 07/90
Amended: 10/90, 10/93, 06/98, 04/03,
10/04, 02/05, 10/06, 5/07, 4/08, 09/12

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MEDICAL BENEFITS

~~The Group shall pay the cost of Hospital/Surgical, Major Medical, Dental, Life, or Disability Insurance including bills submitted directly by providers of said service, or for reimbursement of prescription drugs. Such payment will be on behalf of eligible employee, their domestic partner as defined under New Jersey law, or their dependents (spouse and children to 19 or full-time student to age 23).~~

The Group recognizes the needs of employees for financial protection in the event of illness or injuries that result in medical expense and loss of income. Providing adequate, cost-effective insurance protection is a concern of the Group. The Group has selected several plans designed to meet the employees' needs.

~~The money paid for each employee cannot exceed an amount set aside in the budget each year which will equal:~~

The plans will be administered on a calendar year basis.

- ~~1. 135% of the cost to purchase family coverage under NJ DIRECT15.~~

~~The plans will be administered on a calendar year basis and any money not expended at the end of the year is forfeited and returned to the Group.~~

~~Eligible employees are defined as employees normally working a 35 hour week or employees working between 20 and 34.99 hours after they have served a 2 month waiting period.~~

In the case of employees under contract, the terms of their contract apply in lieu of the policy.

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MEDICAL BENEFITS

2. ~~The State Health Plan allows employees who retire at age 62 with 25 years service in the system or age 62 with 15 years service with the Group, to continue coverage during retirement on a retiree pay all basis.~~ **Group employees and retirees are eligible for Benefits as defined by the State Health Benefit Plan.** Should the Group ever leave the state program for any reason the state will not allow the retirees to continue in the state plan. Under such circumstances it will be the Group's policy to make coverage available **to the retirees** on the same basis as provided by the state.
3. Employees who retire with at least 25 years service with the Group and ~~is~~ at least 60 years old at retirement will be reimbursed up to \$500 per month for benefits described above.
4. **The Group shall maintain a Cafeteria Plan for the benefit of all employees as required by NJ statute to permit employees to pay their share of the cost of medical benefits on a pre-tax basis. The money paid for each employee cannot exceed an amount set aside in the budget.**

Summary Plan Descriptions (SPDs) or brochures that describe each plan should be referred to for specific information. Human Resources is available to answer specific insurance questions. During new employee orientation, the cost, coverage, eligibility requirements and conversion privileges of each plan will be explained in detail. You will be provided a copy of the Summary Plan Description for each plan that you elect after you or your dependents become covered. The terms and conditions of the insurance policy, itself, will control over any inconsistent descriptions contained in this manual.

NJSBAIG reserves the right to change insurance companies or to modify or terminate eligibility requirements, benefits, coverage, or any Plan, program or policy at any time.