

SALEM COUNTY IMPROVEMENT AUTHORITY

RESOLUTION 2019-71

November 14, 2019

**RESOLUTION OF THE SALEM COUNTY IMPROVEMENT AUTHORITY
SETTING HEALTHCARE WAIVER COMPENSATION FOR CY 2020**

WHEREAS, The Salem County Improvement Authority (“SCIA”) currently utilizes a non-SHBP (State Health Benefit Program) for health and prescription insurance, and

WHEREAS, health benefit waiver payments are statutorily prohibited from being subject to the collective bargaining process, and

WHEREAS, local units have sole discretion as to whether to offer employees payments for waiver of health benefits, and

WHEREAS, N.J.S.A. 52:14-17.31a and 40A:10-17.1 authorizes local units providing employee health benefits through the SHBP or non-SHBP coverage, respectively, to make annual payments to employees in exchange for waiving health coverage provided by the local unit, and

WHEREAS, the SCIA employee benefit policy currently allows health benefit waiver payments in accordance with N.J.S.A. 52:14-17.31a and 40A:10-17.1, and

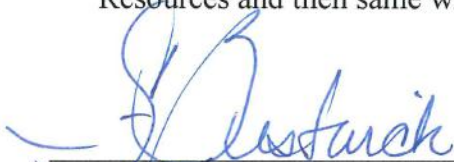
WHEREAS, health benefit waiver payments in accordance with SCIA’s employee benefit policy cannot exceed the lesser of twenty-five percent (25%) of the amount saved by the Authority as a result of the waiver, or \$5,000, and

WHEREAS, an employee must waive all rights to health insurance from SCIA for the applicable calendar year, including coverage through any other person’s health insurance policy that is funded by SCIA to be eligible for the health benefit waiver payment, and

NOW THEREFORE, BE IT RESOLVED by the SCIA as follows:

1. This resolution supersedes all previous resolutions authorizing health benefit waiver payments and repeals and replaces the language in section V. Employee Benefits, subsection 1., paragraph 7 of the September 2015 *SCIA Personnel Policy and Procedures Manual Employee Handbook*.
2. Any full-time employee of SCIA, otherwise eligible for health benefits under the SCIA’s health insurance plan or as a dependent of another eligible participant in the SCIA’s health insurance plan, shall be permitted to waive health benefits coverage provided to that employee by SCIA. Any full-time employee waiving such coverage for the CY 2020, who is eligible for compensation, shall be paid an amount equal to 25% of the actual costs saved by SCIA for the healthcare waiver based on the value of the benefit in effect at the time the initial waiver is made, except that in no event shall such employee be paid an amount in excess of \$5,000.00 and no annual increase adjustment will be made in the waiver amount from year to year. In addition, the waiver payment will be based on the health care provider’s plan for ‘employee only’ medical and prescription coverage-after the employee contribution is deducted. Further, if there is more than one employee only plan offered, an average of all employee only plans will be used.

3. The compensation for such waiver by an employee shall be paid in a payroll check, subject to all applicable taxes, in addition to such employee's base salary. Said payment shall be made on or about December 31, 2020. In the event such employee seeks health care benefits through SCIA during CY 2020 after initially waiving his/her right to health care benefits earlier in the year, said employee shall not be eligible for any compensation whatsoever for any period in CY 2020.
4. To be eligible for compensation for any waiver hereunder, the employee shall first be required to provide SCIA with written proof of alternate medical or health care insurance coverage.
5. Employees are not eligible for the waiver incentive (payment) if their other coverage with a health insurance plan funded either fully or partially by SCIA.
6. In addition, any employee who wishes to waive healthcare coverage shall submit a written waiver during the open enrollment period. The written waiver shall be submitted to Human Resources and then same will be approved by the SCIA Board.

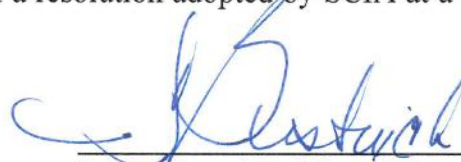


Susan Bestwick, Vice Chairman



Cordy Taylor, Chairman

I hereby certify the above to be a true copy of a resolution adopted by SCIA at a regular meeting held on November 14, 2019.



Susan Bestwick, Vice Chairman