

**TOWNSHIP OF TEANECK, NJ
RESOLUTION**

Council Members	YES	NO	Abstain	Absent
Feit	✓			
Kates	✓			
DM Parker			✓	
Rudolph	✓			
Honis	✓			
Gussen	✓			
Mavor Katz	✓			



Agenda P
 Resol. Number 148-08
 Motion: C. Gussen
 Seconded: Mayer Katz

WHEREAS, Chapter 92, P. L. 2007 allows municipalities to offer to employees who are eligible for coverage in the State Health Benefits Program the ability to waive coverage if the employee is covered under other health coverage; and

WHEREAS, in place of the health benefit coverage, the employer may pay the employee up to 50% of the amount saved by the employer because of the voluntary waiver; and

WHEREAS, the employee may resume State Health Benefits Program coverage when the employee is not longer covered by the other health coverage, provided that the employee notifies the State Health Benefits Program and the employer within 60 days of the loss of the other coverage and provides proof of the loss of that coverage; and

WHEREAS, the Township Attorney has reviewed the Township's current Salary Reduction Plan and determined that it qualifies as a cafeteria plan meeting the specific requirements of and regulations of section 125 of the Internal Revenue Code allowing employees who elect to receive a cash payment in lieu of health coverage offered by the Township through the State Health Benefits program to have said payment treated as wages subject to all employment taxes and not affective the taxability of other employees who remain in the State Health Benefits programs; and

WHEREAS, the Municipal Manager recommends participation in this plan provided as follows and the Township Council of the Township of Teaneck concurs:

1. The 50% payment shall be based upon the type of plan the employee initially waives coverage from i.e., NJ Direct 10, NJ Direct 15, etc. using the attached form.
2. The 50% payment shall be made based upon the level of coverage i.e. single, parent/child, husband/wife or family, the employee would have been eligible for as of December of each year.
3. The 50% payment to be made in December of each year, based upon a pro-rata amount for each full month the employee waives coverage for that current calendar year based upon the total cost to the Township for that current calendar year.
4. Example - employee opts out as of July 1, 2008 of family coverage in NJ Direct 10 - in December 2008 the employee receive payment based upon 50% of the savings the Township realized for 6 months of family coverage in NJ Direct 10.

Prepared by HVF
 Checked by _____
 Approved by _____

This is to certify that the above Resolution was adopted by the

Township Council on May 6, 2008

[Signature]
 Acting Municipal Clerk