

**TOWNSHIP OF CHESTERFIELD**

**RESOLUTION 2019-10-14**

**RESOLUTION AMENDING TOWNSHIP'S "EMPLOYEE HANDBOOK", TO PROVIDE FOR CERTAIN HEALTH BENEFITS FOLLOWING RETIREMENT**

**WHEREAS**, the Township of Chesterfield currently provides health benefits to full-time municipal employees, but does not provide benefits for employees following their retirement from service to the Township of Chesterfield; and

**WHEREAS**, the Township Committee has considered and explored the possibility of amending the current Employee Handbook to provide health benefits to employees who retire in accordance with the Township's "Retirement Policy", so long as those employees have worked continuously for Chesterfield Township, in a full-time capacity, for forty (40) or more years and have retired in good standing; and

**WHEREAS**, the Township Committee therefore desires to amend the Township's Employee Handbook to provide for this benefit.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Chesterfield, County of Burlington, State of New Jersey that the Township's Employee Handbook be and the same is hereby amended Section 4, "Compensation and Employee Benefits", to insert the following provision between the existing "Health Insurance" clause, and the "Retirement Policy" clause:

"Health Benefits Upon Retirement: Employees who have worked full-time for forty (40) or more consecutive years in and for the Township of Chesterfield, and who retire in good standing with the Township, shall be eligible for, and entitled to receive, continued health benefits, for the employee and spouse only, subject to the following requirements:

- The Township will provide annual reimbursement towards the State Health Benefits for the employee and/or spouse, until both are of age to be enrolled in Medicare, or for a maximum term of five (5) years, whichever first occurs.
- Both the employee/retiree and spouse must enroll in Medicare Part “A” upon their 65<sup>th</sup> birthday.
- Once both the employee and spouse reach eligible age for enrollment into Medicare, the Township will no longer make reimbursement, except that for the year in which they both reach eligibility will be prorated to the month of eligibility for Medicare.
- The contribution from the Township to the employee will be at the same percentage as at the time of retirement.
  - The same will be the maximum amount allotted for future years, i.e., if the employee retires and pays a Health Benefit Contribution of 20% (2,000.00 towards healthcare), and the Township pays 80% (\$8,000.00), the maximum the Township will pay during the period contemplated by this provision shall be five (5) years at \$8,000.00 per year.
- Since the payment is by way of reimbursement, the retiree must first provide proof of enrollment and payment into the State Health Benefits Plan each year, and must submit a “voucher” to the Township’s Chief Financial Officer in order to receive reimbursement. The Township will then provide a check to the employee.
- In the event that the employee’s spouse outlives the retiree during the eligible maximum period set forth herein, the Township will continue to provide health coverage for said spouse, at the reduced cost set forth above, at the time of the employee’s death, until the spouse is “Medicare Eligible.” The Health Benefit Contribution from the spouse will be changed to the % applicable for a contribution for Single Coverage at the rate based on the time the retiree retired as if it was Single Coverage at retirement.
- In the event that the retiree survives her/his spouse during the eligible maximum period set forth herein, the

Township will continue to provide healthcare to the retiree, at the reduced cost set forth above, until the retiree is "Medicare Eligible." **The Health Benefit Contribution from the retiree will be changed to the % applicable for a contribution for Single Coverage at the rate based on the time the retiree retired as if it was Single Coverage at retirement.**

- Notwithstanding the foregoing, the Township will not pay any Supplemental Plan costs for Medicare.

**BE IT FURTHER RESOLVED** that this Amendment shall become effective upon adoption of this Resolution.

**CHESTERFIELD TOWNSHIP COMMITTEE**

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I, Caryn M. Hoyer, Clerk of the Township of Chesterfield in the County of Burlington and State of New Jersey do hereby certify the foregoing Resolution to be a true and accurate copy of the Resolution approved by the Township Committee at a duly advertised meeting held on \_\_\_\_\_, 2019, at which a quorum was present.

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Caryn M. Hoyer, RMC  
Township Clerk

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