

# The New Chapter 44 & Your Health Benefits



If you have questions please reach out to Patti Ressler, Liz George, Mary Balboa or Brian Rizor at Brown and Brown.

# What is Chapter 44?

Chapter 44 is a new mandate passed on July 1, 2020

- Applies to all benefit eligible public education employees.
- Includes Teachers, Administration, Support staff, etc.
- Mandates all NJ School Districts offer two specific health plans with salary-based contribution schedules.
- These plans include both medical and prescription benefits:
  1. New Jersey Educator's Health Plan (NJEHP) effective January 1, 2021
  2. Garden State Plan (GSP) effective July 1, 2021

\*\*Since we are not a part of the State Employees Health Benefit Program in Washington Township, and we have Horizon, our plan is called the **Horizon Educator Plan**.

# Key Components

- The Garden State Plan (GSP) will be available starting July 1, 2021.
- Once implemented on July 1, 2021, all employees, regardless of hire date, will be permitted to enroll in either the GSP or the NJEHP.
- The NJEHP and GSP have identical benefits, but the GSP has a NJ-only provider network.
- Medical and Prescription benefits for the NJEHP and GSP are tied together. You cannot select medical or prescription coverage as standalone benefits.
- The NJ Educator's Health Plan (NJEHP) and the Garden State Health Plan (GSP) benefit plan levels and new contribution schedule cannot be altered until **June 30, 2027**, unless there is new legislation.

## **What Does This Mean For Me?**

- YOU **DO NOT** HAVE TO CHANGE YOUR HEALTH BENEFITS **IF YOU DO NOT WANT TOO.** THE NJEHP IS AN OPTIONAL PLAN.
- IF YOU WANT TO KEEP YOUR CURRENT PLAN OR KEEP WAIVING YOUR BENEFITS, THEN YOU WILL NEED TO ANSWER **YES** ON THE EMAIL THAT WILL BE COMING OUT NOVEMBER 1 AND NO CHANGES WILL BE MADE. YOUR BENEFITS WILL REMAIN THE SAME. IF YOU WAIVE, THE WAIVER AMOUNT REMAINS THE SAME.
- IF YOU WERE HIRED AFTER JULY 1, 2020, YOU WILL BE PLACED IN THE NEW EDUCATORS HEALTH BENEFITS PLAN COME JANUARY 1, 2021.

# Current Chapter 78 Tier 4 Percentages

## Single Coverage Health Benefit Contribution %

Salary Range	Year 4
less than 20,000	4.50%
20,000-24,999.99	5.50%
25,000-29,999.99	7.50%
30,000-34,999.99	10.00%
35,000-39,999.99	11.00%
40,000-44,999.99	12.00%
45,000-49,999.99	14.00%
50,000-54,999.99	20.00%
55,000-59,999.99	23.00%
60,000-64,999.99	27.00%
65,000-69,999.99	29.00%
70,000-74,999.99	32.00%
75,000-79,999.99	33.00%
80,000-94,999.99	34.00%
95,000 and over	35.00%

\*Member contribution is a minimum of 1.5% of

## Family Coverage Health Benefit Contribution %

Salary Range	Year 4
less than 25,000	3.00%
25,000-29,999.99	4.00%
30,000-34,999.99	5.00%
35,000-39,999.99	6.00%
40,000-44,999.99	7.00%
45,000-49,999.99	9.00%
50,000-54,999.99	12.00%
55,000-59,999.99	14.00%
60,000-64,999.99	17.00%
65,000-69,999.99	19.00%
70,000-74,999.99	22.00%
75,000-79,999.99	23.00%
80,000-84,999.99	24.00%
85,000-89,999.99	26.00%
90,000-94,999.99	28.00%
95,000-99,999.99	29.00%
100,000-109,999.99	32.00%
110,000 and over	35.00%

\*Member contribution is a minimum of 1.5% of

## Employee Plus Child(ren) Employee Plus Spouse Coverage Health Benefit Contribution %

Salary Range	Year 4
less than 25,000	3.50%
25,000-29,999.99	4.50%
30,000-34,999.99	6.00%
35,000-39,999.99	7.00%
40,000-44,999.99	8.00%
45,000-49,999.99	10.00%
50,000-54,999.99	15.00%
55,000-59,999.99	17.00%
60,000-64,999.99	21.00%
65,000-69,999.99	23.00%
70,000-74,999.99	26.00%
75,000-79,999.99	27.00%
80,000-84,999.99	28.00%
85,000-99,999.99	30.00%
100,000 and over	35.00%

\*Member contribution is a minimum of 1.5% of base

# How to Figure Out Your Chapter 78 Contribution

To figure out your Yearly contribution towards health benefits. Choose your coverage, find your salary that also includes any longevity you may receive, find the % that corresponds to your salary. Now multiply the benefit cost by the % and that is your health benefit contribution.

**Example:** Salary of \$87,657 with longevity of \$1,000= \$88,657 pensionable salary.

You have a FAMILY coverage. Your percentage is 26%.

Now multiply 26% with the benefit premium of \$36,547.08= \$9,502.24 per year or \$950 per month or \$475 per pay check for 10-month employees.

**12-month employees:** Same calculation except over 12 months instead of 10.

# Washington Township PPO/EPO/OMINA Costs and Charts

**SINGLE**

**PARENT/CHILD**

**FAMILY**

# Chapter 44 Percentage Chart

Salary/Ret. Allowance*	Coverage Level Percentages			
	Single	Parent & Child	Member & Spouse/Partner	Family
\$40,000 or Less	1.7%	2.2%	2.8%	3.3%
>\$40,000 to \$50,000	1.9%	2.5%	3.3%	3.9%
>\$50,000 to \$60,000	2.2%	2.8%	3.9%	4.4%
>\$60,000 to \$70,000	2.5%	3.0%	4.4%	5.0%
>\$70,000 to \$80,000	2.8%	3.3%	5.0%	5.5%
>\$80,000 to \$90,000	3.0%	3.6%	5.5%	6.0%
>\$90,000 to \$100,000	3.3%	3.9%	6.0%	6.6%
>\$100,000 to \$125,000	3.6%	4.4%	6.6%	7.2%
More than \$125,000	Percentage to be contributed shall be the same as for a base salary/allowance of \$125,000.			

\* Applies to retirees who are not Medicare-eligible and who are required by another provision of law to contribute in retirement toward the cost of health benefits coverage under the SEHBP.



# How to Figure Out What Your Chapter 44 Health Care Cost would Be

To find your Coverage Level Percentage:

1. Find your pensionable salary (salary plus and longevities).
2. Find your coverage.
3. Take that percentage and multiply it by your pensionable salary and that is what your yearly contribution will be.

Example: **Salary of \$87,657 with longevity of \$1,000= \$88,657 pensionable salary.**

You have a FAMILY coverage equals 6%.

Take  $\$88,657 * 6\% = \$5319.42$  Yearly Contribution

# Cost Savings If You Switch From Horizon PPO Family to Horizon EHP

Chapter 78 Health Care Premium Contribution \$9,502.24

Chapter 44 Health Care Premium Contribution \$5319.42

$\$9,502.24 - \$5319.42 = \$4,182.82$

Cost Savings of \$4,182.82 per year

That is a lot but you MUST look at what you may have to pay more out of pocket for. Check to see if your doctors are in network. Check the medications you and your family members take regularly. Really compare the plans and see what your true cost saving maybe. The new plan may not be for you or it may work for you and you now have the cost savings. Make sure you educate yourself on the plans.

## Email from Liz George October 23, 2020. You can click on the link for the informational video from Brown & Brown

As you may be aware on July 1 2020, Governor Murphy signed P.L. 2020, Chapter 44 which created a new health plan and shifts the required employee contribution from a percentage of the cost of the plan to a percentage of salary. The new plan will be in effect on January 1 2021. This new plan will be mandatory for all employees hired on July 1, 2020 or after and OPTIONAL for those hired prior to that date.

Open enrollment for the new plan will be during the month of November. At this point we are just providing information regarding the new plan. Open enrollment information will be sent at a later date, prior to November 1.

- Please review the presentation prepared by Brown & Brown, our health benefit consultant that provides an overview of the new plan offering. The presentation can be viewed using this link and password:
  - <https://vimeo.com/469885787>
  - WashTwpOEASP
- A Zoom meeting will be held on Thursday, October 29 at 7PM to give you the opportunity to ask any questions you may have. Information on how to access that meeting will be sent next week. It is intended to be a question and answer session and will not be a rehash of the entire presentation.
- The employee portal will have a new section under the employer forms tab titled 2020 SPECIAL OPEN ENROLLMENT for documents related to the open enrollment process and information on the new plan and contribution rates.

**Again, for those hired prior to July 1 2020 changing to the new plan is OPTIONAL. I encourage you to educate yourself as to what plan best suits your particular needs and consider all relevant factors including employee premium contributions, out of pocket expenses and income tax implications before making your decision.**

## **Where to go for information:**

Click [HERE](#) for a screencast on where to find all the benefits information.

# SPECIAL OPEN ENROLLMENT:

Email sent from Liz George November 1, 2020.

You need to complete this survey whether you plan on keeping your current coverage or changing.

Open enrollment for the new plan offering is now open and will end on November 30.

Please respond to the below survey. **By law if you do not respond by November 30 you will be automatically switched to the new plan.** We do not want that to happen to anyone so please take a moment and answer the survey question.

SPECIAL OPEN ENROLLMENT SURVEY

# FAQ

1. Do I need to change my health benefits?  
*No. It is optional to make the change UNLESS you were hired after July 1, 2020.*
2. Do I need to participate in the Open Enrollment?  
*Yes you do even if you do not want to change your benefit coverage. See the email from Liz George dated November 1, 2020.*
3. When do I have to let the District know of my plans?  
*By November 30, 2020*
4. What if I waive my health benefits, will the amount change?  
*No, it will not change. The cost was negotiated and is not affected by the new law.*
5. What if I waive my health benefits so I have to complete the district Open Enrollment survey?  
*Yes, you still need to complete the survey that you are not making any changes.*