

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF RAHWAY

RESOLUTION NO. 1504

DATE OF ADOPTION: SEPTEMBER 10, 2015

SUBJECT: PROPOSAL TO CHANGE FULL-TIME EMPLOYEE'S MEDICAL BENEFITS FROM NJ DIRECT 10 TO NJ DIRECT 15

THE FOLLOWING RESOLUTION was presented by Kenneth Pushko, Executive Director/Secretary at a Regular Meeting held on September 10, 2015:

WHEREAS, Rahway Housing Authority currently allows Full-Time Employees to select NJ Direct 10 as their medical benefit coverage; and

WHEREAS, NJ Direct 10 is a State Health Benefits Plan which requires a \$10 payment for a Doctor's office visit; and

WHEREAS, the State employees are no longer offered NJ Direct 10 due to the high cost of the plan; and

WHEREAS, the State Health Benefits Plan does offer NJ Direct 15 at a lower cost than NJ Direct 10 with the same coverage except an office visit charge is \$15; and

WHEREAS, Health Benefits this year increased close to 10% and expect to substantially increase again in January 2016; and

WHEREAS, to give the Commissioners a perspective, NJ Direct 10 for a family coverage costs just shy of \$31,000 per year and if the medical benefits cost increases by just 5% the same coverage would cost at least \$32,550; and

WHEREAS, with the Budget cuts (proration @ 83%, lowest it has ever been) already in place and no indication of relief, operational streamlining must be considered; and

WHEREAS, requesting approval to change from NJ Direct 10 to NJ Direct 15 is not expected to reduce overall medical insurance costs but most likely limit increasing medical insurance costs next year; and

WHEREAS, if an employee does not sign up for NJ Direct 15 from NJ Direct 10 during open enrollment, a weekly charge of \$10 will be assigned to the individuals pay check and will go up \$5 per week per year as long as the Employee chooses to remain with NJ Direct 10.

NOW, THEREFORE, BE IT RESOLVED, that Full-Time RHA Employees will be offered NJ Direct 15 instead of NJ Direct 10 (exactly the same except for the \$15 office visit charge instead of \$10) starting January 1, 2016 to limit the ever increasing cost of medical benefits especially with the reality of continuing federal budget cuts.

COMMISSIONER Parson made a motion to adopt the above resolution, which was seconded by **COMMISSIONER** Pekarofski, and on a roll call vote the Ayes and Nays were as follows:

AYES

Bailey
Parson
Pekarofski
Ragan

NAYS


ABSTAIN

ABSENT

Lesinski
Thomas

THE CHAIRPERSON thereupon declared Resolution No. 1504 adopted.

I certify that the foregoing is a true copy of a resolution of the Housing Authority of the City of Rahway adopted on September 10, 2015.



Kenneth Pushko
Secretary/Executive Director

Kap