



**BOROUGH OF EDGEWATER  
RESOLUTION**

<b>COUNCILPERSON</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
GUTIERREZ				
LAWLOR				
MONTE				
VIDAL				
MARTIN				
BARTOLOMEO				
MAYOR				

DATE: April 21, 2025

RESOLUTION No. 2025-124

INTRODUCED BY: \_\_\_\_\_

SECOND BY: \_\_\_\_\_

**RESOLUTION AUTHORIZING CHAPTER 78 CONTRIBUTION CHANGES AS PER  
N.J.S.A. 40A:10-21.1**

**WHEREAS**, the State of New Jersey adopted Chapter 78 of the Laws of 2011 (the law) affecting the State’s public employee pension systems, and increases the share of health benefits coverage paid by public employees and retirees who receive employer paid health benefits; and

**WHEREAS**, the law changes the health care contribution standards set in Chapter 2 of 2010, by increasing the amounts contributed and expanding the range of employees and retirees covered by the contribution requirement; and

**WHEREAS**, the health benefit contribution calculation is the percent of premium contribution (derived from salary and type of coverage within the tables from Section 39 of (the law)) is multiplied by the total premium due for each employee and deducted from base salary; or as applicable for future retirees, the retirement allowance, including any cost-of-living amount paid; and

**WHEREAS**, for payroll purposes, the employee contribution is treated as a payroll deduction and remitted as the health care provider requires; and

**WHEREAS**, the Borough of Edgewater, due to national economic conditions resulting in significant inflation and an 8% increase in health benefits to be proportionately assessed to employees as per Chapter 78, the Borough of Edgewater had authorized by Resolution 2023-045 on January 3, 2023, to reduce employee chapter 78 contributions for calendar year 2023 only for all employees within every department; and

**WHEREAS**, the authorization of resolution 2023-045 on January 3, 2023 provided that each employee shall remain at the fully-phased in “Tier 4” contribution level, but the Borough of Edgewater will contribute 6% of the 8% increase of each employees’ Chapter 78 contributions, resulting in an employee contributing a 2% increase over 2022 levels for the calendar year 2023 only; and

**WHEREAS**, for record keeping purposes and for calculating contribution amounts, employee Chapter 78 contributions will indicate the full increase for 2023, an additional category will be indicated on the employee advice copy pay stub indicating the proportional refund; and

**WHEREAS**, this one-time Chapter 78 contribution calculation for calendar year 2023 will sunset and expire on December 31, 2023 and effective January 1, 2024 all employee Chapter 78 calculations will resume to the appropriate tier and calculation established by the new employee contribution base amount.

**NOW, THEREFORE, BE IT RESOLVED**, the authorization of resolution 2023-045 on January 3, 2023 by the Edgewater Mayor and Council was consistent with N.J.S.A. 40A:10-21.1 that on June 28, 2015, this law was to sunset providing that each municipality within the State of New Jersey was legally permitted, but not obligated, to modify, amend, and re-calculate Chapter 78 contributions.

**BE IT FURTHER RESOLVED**, that consistent with N.J.S.A. 40A:10-21.1 and its sunset on June 28, 2015, the Borough of Edgewater authorized that the Chapter 78 employee contributions in calendar year 2024 and subsequent years will be calculated from the new base which was established with the amended calendar year 2023 calculation.

**BE IT FURTHER RESOLVED**, the Borough of Edgewater will consider any State of New Jersey grant or aid program which assists municipalities and its employees with Chapter 78 contributions and insurance cost and evaluate which program may be more advantageous to the municipality and employee and select alternatives to either the Borough of Edgewater plan or State of New Jersey plan(s).

**BE IT FURTHER RESOLVED**, that nothing herein shall affect the terms and conditions of any collectively bargained Agreement.

**I hereby certify that the above resolution was adopted by the Governing Body on April 21, 2025.**

---

Michael J. McPartland  
Mayor

---

Stephanie Evans, RMC  
Borough Clerk