

I.R. NO. 95-17

STATE OF NEW JERSEY  
BEFORE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of

TOWNSHIP OF ROCKAWAY,

Respondent,

-and-

Docket No. CO-95-276

FOP LODGE NO. 31 and  
FOP LODGE NO. 31 (Superiors),

Charging Parties.

SYNOPSIS

A Commission Designee declines to restrain the Township of Rockaway from changing health insurance carriers. The Township had announced that it would no longer supply health benefits for its employees through the State Health Benefits Plan and would provide health insurance through an independent carrier. The Township took the position that it was maintaining the same level of benefits for its employees as they enjoyed in the State Health Benefits Plan. It argued that if there were a dispute as to the level of benefits, such a dispute should be resolved through binding arbitration. The application for interim relief was denied and the unfair practice charge deferred to arbitration.

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Appearances:

For the Respondent,  
Dorsey and Fisher, attorneys  
(John H. Dorsey, of counsel)

For the Charging Party,  
Markowitz & Richman, attorneys  
(Stephen C. Richman, of counsel)

INTERLOCUTORY DECISION

On February 27, 1995, I heard an application for interim relief brought by FOP Lodge 31 and FOP Lodge 31 (Superiors) against the Township of Rockaway. The application was denied.

The Township was about to leave the State Health Benefits Plan and enter into a contract for a private health insurance plan for all of its employees. The FOP alleged that this new plan did not maintain the same level of benefits as employees enjoyed under the State Health Benefits Plan, yet notwithstanding that, the contracts between the FOP and Township provides for health insurance coverage, the Township refuses to negotiate with the FOP over the change in benefits. It was further alleged that the Township

refused to permit the FOP to review the insurance plan documents.<sup>1/</sup>

The Township, through its attorney and supporting affidavits, stated that the new insurance plan maintains the same level of benefits. To the extent that the plan fails to do so, the Township acknowledged that it is obligated to make up the difference and it further acknowledged that any dispute concerning the level of benefits may be resolved through the binding arbitration mechanism of the collective negotiations contracts. The Township further represented that it would provide an opportunity for a FOP representative to review the insurance plan documents.

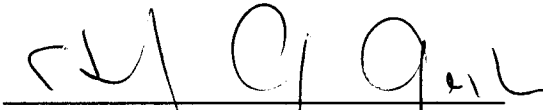
The Township's position that disputes concerning the level of benefits can be resolved in binding arbitration is consistent with Commission policy. The preferred mechanism for the resolution of contractual disputes is through the dispute resolution mechanism of the parties' collective negotiations. State of New Jersey (Department of Human Services), P.E.R.C. No. 84-148, 10 NJPER 419

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<sup>1/</sup> It was specifically alleged that the Township's conduct violated N.J.S.A. 34:13A-5.4(a)(1) and (5). These subsections prohibit public employers, their representatives or agents from: "(1) Interfering with, restraining or coercing employees in the exercise of the rights guaranteed to them by this act. (5) Refusing to negotiate in good faith with a majority representative of employees in an appropriate unit concerning terms and conditions of employment of employees in that unit, or refusing to process grievances presented by the majority representative."

(¶15191 1984). Accordingly, the application for interim relief was denied and the unfair practice charge deferred to arbitration.<sup>2/</sup>

BY ORDER OF THE COMMISSION

  
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Edmund G. Gerber  
Commission Designee

DATED: March 10, 1995  
Trenton, New Jersey

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<sup>2/</sup> After a matter is deferred to arbitration, it is the responsibility of the Charging Party to initiate the contractual grievance/binding arbitration proceeding.

This matter may be reopened upon a proper showing that (a) the dispute has not either been promptly resolved by amicable settlement in the grievance procedure or promptly submitted to arbitration, or (b) the grievance or arbitration procedures have not been fair and regular, or (c) the grievance or arbitration procedures have reached a result which is repugnant to the Act.