

P.E.R.C. NO. 2022-4

STATE OF NEW JERSEY
BEFORE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of

BOROUGH OF OLD TAPPAN,

Appellant,

-and-

Docket No. IA-2021-001

PBA LOCAL 206,

Respondent.

SYNOPSIS

The Public Employment Relations Commission affirms an interest arbitration award, as clarified in the remand award ordered in P.E.R.C. No. 2021-43, 47 NJPER 468 (¶110 2021). The Arbitrator's remand award clarified that retirees must contribute towards their healthcare at the statutory levels set forth in P.L. 2011, c. 78.

This synopsis is not part of the Commission decision. It has been prepared for the convenience of the reader. It has been neither reviewed nor approved by the Commission.

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Appearances:

For the Appellant, McCusker, Anselmi, Rosen &
Caravelli, P.C., attorneys (John L. Shahdanian II,
Esq., on the brief)

For the Respondent, Limsky Mitolo, attorneys (Merick H.
Limsky, Esq., on the brief)

DECISION

On April 29, 2021, we remanded an interest arbitration award between the Borough of Old Tappan (Borough) and PBA Local 206 (PBA). P.E.R.C. No. 2021-43, 47 NJPER 468 (¶110 2021). On remand, we asked the arbitrator to provide clarification as to the Borough's final proposal seeking that retirees' healthcare coverage contribution is pursuant with levels set forth by P.L. 2011, §. 78. On June 17, the arbitrator issued a remand award clarifying the sections regarding retiree healthcare coverage contributions in his initial decision. Pursuant to the Commission's Order in P.E.R.C. No. 2021-43, the parties were given an opportunity to file supplementary briefs to respond to

the arbitrator's clarification. On June 24, the Borough submitted its supplementary brief concurring with the arbitrator's clarification and requesting that the Commission affirm the remand award. Pursuant to the Commission's Order, the PBA had seven days from receipt of the Borough's supplementary brief to file its response. The PBA has not filed a supplementary brief.

In P.E.R.C. No. 2021-43, the Borough appealed and sought clarification of the arbitrators's initial award because it failed to completely address retirees' healthcare contributions, as presented in the Borough's final offer. The Borough's final offer submitted to the arbitrator proposed the following two items concerning retirees' healthcare benefits:

1. New hires to receive, after retirement, single coverage until eligible for Medicare and no further healthcare coverage. (Item 1)
2. Retirees' healthcare coverage contribution is pursuant with levels set forth by P.L. 2011, c. 78 (Item 2)

In his initial decision, the arbitrator awarded the following:

Effective the date of this decision new hires will be limited post retirement to single health insurance coverage until eligible for Medicare and then no further coverage.

Current PBA members will be grandfathered. Current Officers will maintain all coverage rights.

We found that the initial award was clear as to Item 1, but unclear as to Item 2.

In the remand award, the arbitrator provided the following clarification regarding the disputed sections of his initial decision:

This Arbitrator's decision was never intended to relieve anyone of their responsibility for paying their Chapter 78 contribution. This decision discussed only moving forward the post-retirement benefits for new hires. Other than the change for new hires, existing retirees are to contribute.

The arbitrator further amended his previous award with the following addition:

Retirees must contribute towards their healthcare at the statutory levels set forth in P.L. 2011, c. 78 (Chapter 78)

As we articulated in P.E.R.C. No. 2021-43, the record demonstrated that the parties reached full implementation of Chapter 78 (Tier Four) in 2015, the first year of their 2015-2018 CNA. The CNA which is the subject of the instant interest arbitration is the first CNA following full implementation where healthcare contribution rates could become negotiable. Absent negotiations in a successor agreement establishing a lower healthcare contribution rate, Tier Four remains the status quo. See Lacey Tp., P.E.R.C. No. 2020-66, 47 NJPER 49 (¶12 2020); Clementon Bd. of Ed., P.E.R.C. No. 2016-10, 42 NJPER 117 (¶34 2015), appeal dismissed as moot, 43 NJPER 125 (¶38 2016).

Given the arbitrator's clarification in his remand award of the retirees' healthcare coverage contribution issue, and the

PBA's lack of opposition to this clarification, we affirm the interest arbitration award, as clarified in the remand award.

ORDER

The interest arbitration award, as clarified in the remand award, is affirmed.

BY ORDER OF THE COMMISSION

Chair Weisblatt, Commissioners Bonanni, Ford, Jones, Papero and Voos voted in favor of this decision. None opposed.

ISSUED: August 26, 2021

Trenton, New Jersey