

vi. Territory F consists of [zip codes 080, 082-084, and 087 or] Atlantic, Cape May, Ocean, Salem, Cumberland, and Gloucester counties.

(b) Notwithstanding (a) above, a carrier may differentiate premium rates charged to different small employers for the same standard health benefits plan, whether it be A, B, C, D, E, HMO, or HMO-POS, on the basis of family structure according to only the following four rating tiers:

1. Employee only;
2. Employee and spouse;
3. Employee and child(ren); and
4. Family.]

11:21-7.16 Obligation to offer individual health benefits plans

(a) Members that offer small employer health benefits plan in this State shall offer and make a good faith effort to market individual health benefits plans pursuant to N.J.S.A. 17B:27A-2 et seq. and N.J.A.C. 11:20-24.6. Such requirement may be satisfied by the member or the member's affiliate since the definition of "carrier" at N.J.S.A. 17B:27A-2 says carriers that are affiliated companies shall be treated as one company.

(b) Members that offer small employer health benefits plans in this State that do not offer individual health benefits plans as of January 4, 2009 shall:

1. File the required forms and rates to enter the individual market within 60 days following January 4, 2009; or
2. File to withdraw from the small employer market pursuant to N.J.A.C. 11:21-16 within 60 days following January 4, 2009.]

SUBCHAPTER 17. FAIR MARKETING STANDARDS

11:21-17.1 Plan identification and marketing materials

(a) Each small employer carrier which issues marketing and/or promotional materials in conjunction with the standard health benefits plans may attach its own name or identification to each of the plans, but shall also identify each of those standard health benefits plans by the alphabetical designation ([A,] B, C, D, E, HMO, HMO POS) assigned to it in N.J.A.C. 11:21-3.1. The alphabetical designation shall be clearly identified in the designation of each of the small employer carrier's standard health benefits plans.

(b) (No change.)

11:21-17.4 Disclosure of premiums for riders

(a) (No change.)

(b) A small employer carrier that files an optional benefit rider pursuant to N.J.A.C. 11:21-3.2 shall include, as part of the certification required by N.J.A.C. 11:21-3.2[(d)6](a)6v(6), a statement that the premium or percentage change for ridered standard health benefits plans will be listed separately from the premium or percentage change for the unridered standard health benefits plan on rate quotes prepared by the carrier.

APPENDIX

OFFICE OF ADMINISTRATIVE LAW NOTE: The New Jersey Small Employer Health Benefits Program Board is proposing amendments to N.J.A.C. 11:21 Appendix Exhibits F, G, K, W, Y, HH, and II. Pursuant to N.J.S.A. 52:14B-7(c) and N.J.A.C. 1:30-5.2(a)2, the Exhibits as proposed for amendment are not published herein, but may be reviewed by contacting:

New Jersey Small Employer Health Benefits Program
 20 West State Street, 10th Floor
 PO Box 325
 Trenton, NJ 08625-0325

New Jersey Office of Administrative Law
 9 Quakerbridge Plaza
 PO Box 049
 Trenton, NJ 08625-0049

TREASURY — GENERAL

(a)

DIVISION OF PENSIONS AND BENEFITS

Supplemental Annuity Collective Trust Program

Proposed Readoption: N.J.A.C. 17:8

Authorized By: Supplemental Annuity Collective Trust Council, Edward Wade, Secretary.

Authority: N.J.S.A. 52:18A-107 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2014-004.

Submit comments by March 7, 2014, to:

Susanne Culliton
 Assistant Director
 Division of Pensions and Benefits
 PO Box 295
 Trenton, NJ 08625-0295

The agency proposal follows:

Summary

The Supplemental Annuity Collective Trust (SACT) is a defined contribution plan available to active members of several State-administered retirement systems. It provides specific benefits to supplement the guaranteed benefits that are provided by their State-administered retirement systems. Members contribute through payroll deductions, which are voluntary contributions that may be suspended at the beginning of any quarter. Members are fully vested for the accumulated units in their respective accounts at all times.

Upon retirement, a member may elect a single cash payment or various forms of monthly annuities or reduced annuity payments with a beneficiary provision based upon the value of the member's account. Upon the death of a member, the designated beneficiary may elect to receive a lump sum equal to the account value or as an annuity under any of the settlement options that a retiree could elect under SACT. Upon termination of employment and withdrawal from a State-administered retirement system, the member must withdraw his or her SACT account balance as a lump sum settlement.

The Council of the Supplemental Annuity Collective Trust (Council) is responsible for promulgating and reviewing the administrative rules within N.J.A.C. 17:8. When the Council becomes aware of a change in the laws or a court decision that possibly could affect the SACT, the administrative rules are reviewed and, if changes therein are mandated, steps are taken to propose changes to those rules to conform to the new statute or court decision. Additionally, the rules are periodically reviewed by the Division of Pensions and Benefits (Division), and staff of the SACT, to ascertain if the rules are necessary and/or cost efficient.

The rules proposed for readoption reflect the requirements for administration, enrollment, contributions, retirement, termination, transfers, and qualified voluntary employee contributions within N.J.S.A. 52:18A-107 through 124, the statutory authority that guides the administration of SACT.

Members, retirees, and survivors of members and retirees rely on the efficient operation of SACT to administer their accounts and to provide the information they need regarding their accounts. They rely on the presence and predictability of the rules that guide the administration of their accounts. The protections and guarantees that these rules afford members and retirees mandate their continued existence. Accordingly, the Council proposes to readopt N.J.A.C. 17:8, which is set to expire on November 20, 2013, pursuant to N.J.S.A. 52:14B-5.1.c. Submission of this notice of proposal to the Office of Administrative Law prior to that date extends that expiration date for 180 days to May 19, 2014, pursuant to N.J.S.A. 52:14B-5.1.c(2).

As the Council has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The rules proposed for readoption benefit SACT members, retirees, and survivors of members and retirees. Members, retirees, and survivors of members and retirees rely on the efficient operation of the SACT to provide them with monthly retirement benefits, with proper crediting of contributions and earnings, with death benefits, and with the information they need regarding their individual accounts. Members, retirees, and survivors of members and retirees rely upon the presence and predictability of the rules that guide the administration of their benefits and the stability of the SACT. The protections and guarantees that these rules afford members, retirees, and survivors of members and retirees mandate their continued existence. The taxpaying public is also affected by these rules, since public moneys are used to administer these benefits, and they too, benefit from the proper and efficient administration of the SACT.

Economic Impact

The rules proposed for readoption will not impose any adverse economic effects on the public; they will continue existing, long-standing, regulatory requirements. The rules proposed for readoption do not impose any additional recordkeeping or other requirements, and will serve to preserve the efficient administration and operation of the SACT. The current rules set forth in N.J.A.C. 17:8 have proven effective over time in the proper administration of the SACT. Without the rules at N.J.A.C. 17:8, the efficient operation of the SACT could not be ensured.

Participation in the SACT is an economic benefit to its members and a means of securing, through a voluntary investment program, retirement income separate from, and in addition to, the State-administered retirement systems. Contributions made by members are invested in the stock market.

SACT consists of two separate plans, the Regular Plan and the Tax Sheltered Plan (Internal Revenue Code Section 403(b)). Under the Regular Plan, contributions are taken from salary that has been subject to Federal income tax. When funds are withdrawn at retirement or separation, the contributions are not subject to Federal income tax, but the earnings on those contributions are taxable. Under the Tax Sheltered Plan, a salary reduction agreement is entered into with the employer, so that the salary the employer reports to the Internal Revenue Service is reduced by the amount of contributions. When the funds are withdrawn at retirement or separation, the contributions and earnings are subject to Federal taxation as ordinary income. The New Jersey Gross Income Tax and Social Security do not afford similar tax-sheltered benefits and those taxes must be paid on gross salary during participation in the SACT.

Only actively contributing members of one of the State-administered retirement systems are eligible to participate in the Regular Plan. Eligibility for the Tax-Sheltered Plan also requires membership in a State-administered retirement system and employment by a public educational institution. Elected officials are ineligible for the Tax-Sheltered Plan.

Federal Standards Statement

The rules proposed for readoption meet but do not exceed the applicable Federal standards, that is, 26 U.S.C. § 403(b). There are no other Federal standards applicable to the subject matter of these rules.

Jobs Impact

Implementation of the rules proposed for readoption will not result in the generation or loss of jobs. The Division invites any interested parties to submit any data or studies concerning the jobs impact of the rules proposed for readoption with their written comments.

Agriculture Industry Impact

The rules proposed for readoption will not have any impact on the agriculture industry.

Regulatory Flexibility Statement

The rules proposed for readoption only affect SACT members and retirees and survivors of SACT members and retirees. Thus, the rules proposed for readoption do not impose any reporting, recordkeeping, or other compliance requirements upon small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is not required.

Housing Affordability Impact Analysis

The rules proposed for readoption will have no impact on affordable housing in New Jersey nor will they evoke a change in the average costs associated with housing because the rules pertain to administration of the SACT for members, retirees, and survivors of members and retirees.

Smart Growth Development Impact Analysis

The rules proposed for readoption will not have any impact on the achievement of smart growth nor will they evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan because the rules pertain to administration of the SACT for members, retirees, and survivors of members and retirees.

Full text of the rules proposed readoption may be found in the New Jersey Administrative Code at N.J.A.C. 17:8.

TREASURY — TAXATION

(a)

DIVISION OF TAXATION

Organization of the Division of Taxation

Proposed Readoption with Amendments: N.J.A.C.

18:1

Authorized By: Michael Bryan, Director, Division of Taxation.

Authority: N.J.S.A. 54:50-1.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposed Number: PRN 2014-009.

Submit comments by March 7, 2014, to:

Mitchell Smith
Administrative Practice Officer
Division of Taxation
P.O. Box 269
Trenton, NJ 08695-0269

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14B-5.1.c(2), the expiration date of N.J.A.C. 18:1 is extended 180 days to February 3, 2014. The Division has reviewed these rules and has determined them to be necessary, reasonable, and proper for the purposes for which they were originally promulgated.

The rules proposed for readoption contain two subchapters. Subchapter 1 contains information about the organization of the Division of Taxation. N.J.A.C. 18:1-1.1 provides certain information about the organization of the Division and directs the public to the Division's website for detailed information about the organizational structure of the Division. N.J.A.C. 18:1-1.1(b) is proposed to be amended to rephrase language regarding designation and allowing for any deputy director to serve as acting Director. N.J.A.C. 18:1-1.1(c), setting forth existing functional subunits under the Director is proposed for deletion and replacement with a statement that the Director may create subunits headed by a Deputy Director as the Director determines to be useful and efficient for the operation of the Division. N.J.A.C. 18:1-1.1(d) is proposed for amendment to replace assistant director with deputy director, to state that subunits beneath the deputy are headed by assistant directors, and to state that further subunits beneath the assistant directors are headed by branch chiefs.

N.J.A.C. 18:1-1.2 provides guidance for the public as to how to obtain general information regarding their rights and responsibilities, forms, and publications. N.J.A.C. 18:1-1.2(a) regarding obtaining general information is proposed for amendment to add that general information regarding taxpayers' rights and responsibilities under the tax laws of New Jersey, as well as tax forms, publications, and other general tax information is available on the Division's website. N.J.A.C. 18:1-1.2(b) is proposed for amendment to reorder language explaining that before or at