

# NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND



DECEMBER 19, 2023  
ZOOM CONFERENCE CALL  
9:30 AM  
AGENDA AND REPORTS

## ZOOM INFORMATION:

<https://permainc.zoom.us/j/7737417209?omn=95516267045>

Meeting ID: 773 741 7209

+13052241968,,7737417209# US

+13092053325,,7737417209# US

## STATEMENT OF COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT

NOTICE OF THIS MEETING WAS GIVEN BY (1) SENDING SUFFICIENT NOTICE HEREWITH TO THE STAR LEDGER, (2) FILING ADVANCE WRITTEN NOTICE OF THIS MEETING WITH THE CLERK/ADMINISTRATOR OF EACH MEMBER MUNICIPALITY AND (3) POSTING A COPY OF THE MEETING NOTICE ON THE PUBLIC BULLETIN BOARD OF ALL MEMBER MUNICIPALITIES AND SCHOOL BOARDS.

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND  
AGENDA MEETING: DECEMBER 19, 2023  
ZOOM - CONFERENCE CALL  
9:30 AM**

**MEETING CALLED TO ORDER - OPEN PUBLIC MEETING NOTICE READ**

**ROLL CALL OF 2023 EXECUTIVE COMMITTEE**

**FLAG SALUTE**

**CORRESPONDENCE - None**

**REPORTS:**

**EXECUTIVE DIRECTOR (PERMA)**

Dividend Discussion ..... **Page 3**

Resolution 38-23: Dividend Declaration..... **Page 9**

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**MEETING ADJOURNED**

**NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND  
EXECUTIVE DIRECTOR'S REPORT  
DECEMBER 19, 2023**

**FINANCE**

**PRO FORMA REPORTS**

- **Fast Track Financial Report** – as of October 31, 2023

**DIVIDEND DISCUSSION**

The Finance Committee met on December 15<sup>th</sup> virtually to discuss the below dividend options. They are recommending the distribution of \$1,991,409. This leaves the Fund in a comfortable surplus position going in to 2024.

<b>North Jersey Regional Employee Benefits Fund</b>			
<b>Dividend Options</b>			
<b>Financial Transactions through 10/31/2023</b>			
<b>1) 2024 Monthly Proposed Claims Budget</b>	<b>\$4,023,048</b>		
<b>2) Surplus Target @ 2.5 Months of Budgeted Claims</b>	<b>\$10,057,620</b>		
<b>3) Surplus as of October 31, 2023</b>	<b>\$13,806,961</b>		
<b>Available for Dividend</b>	<b>\$3,749,341</b>		
<b>Available for Dividend Distribution Options</b>			
<b>Distribution %</b>	<b>\$ Amount</b>	<b>Remaining Surplus</b>	<b># of Months of Claims</b>
<b>53%</b>	<b>\$1,991,409</b>	<b>\$11,815,552</b>	<b>2.9</b>

Included in the report is a listing of distribution by entity.

Our goal is to have distribution checks in hand by the end of the year. To achieve that, we will need distribution request letters back by 10:00 am Wednesday, 12/20.

Resolution 38-23 approves the distribution of \$1,991,409 as recommended by the Finance Committee.

<b>NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND</b>						
<b>FINANCIAL FAST TRACK REPORT</b>						
		<b>AS OF</b>	<b>October 31, 2023</b>			
		<b>THIS</b>	<b>YTD</b>	<b>PRIOR</b>	<b>FUND</b>	
		<b>MONTH</b>	<b>CHANGE</b>	<b>YEAR END</b>	<b>BALANCE</b>	
1.	<b>UNDERWRITING INCOME</b>	<b>4,689,602</b>	<b>41,813,840</b>	<b>788,537,107</b>	<b>830,350,947</b>	
2.	<b>CLAIM EXPENSES</b>					
	Paid Claims	3,488,977	33,911,801	656,480,325	690,392,126	
	IBNR	86,170	652,197	2,857,945	3,510,142	
	Less Specific Excess	30	(621,664)	(20,853,873)	(21,475,537)	
	Less Aggregate Excess	-	-	-	-	
	<b>TOTAL CLAIMS</b>	<b>3,575,176</b>	<b>33,942,333</b>	<b>638,484,398</b>	<b>672,426,731</b>	
3.	<b>EXPENSES</b>					
	MA & HMO Premiums	270,936	2,363,622	23,211,850	25,575,472	
	Excess Premiums	314,245	2,969,683	31,388,303	34,357,986	
	Administrative	248,456	2,261,313	53,003,855	55,265,167	
	<b>TOTAL EXPENSES</b>	<b>833,636</b>	<b>7,594,618</b>	<b>107,604,008</b>	<b>115,198,626</b>	
4.	<b>UNDERWRITING PROFIT/(LOSS) (1-2-3)</b>	280,789	276,889	42,448,701	42,725,591	
5.	<b>INVESTMENT INCOME</b>	63,075	501,684	4,877,619	5,379,303	
6.	<b>DIVIDEND INCOME</b>	0	282,649	5,929,601	6,212,250	
7.	<b>STATUTORY PROFIT/(LOSS) (4+5+6)</b>	<b>343,864</b>	<b>1,061,222</b>	<b>53,255,922</b>	<b>54,317,144</b>	
8.	<b>DIVIDEND</b>	0	0	40,510,183	40,510,183	
9.	<b>Transferred Surplus</b>	0	0	0	0	
<b>STATUTORY SURPLUS (7-8+9)</b>		<b>343,864</b>	<b>1,061,222</b>	<b>12,745,739</b>	<b>13,806,961</b>	
<b>SURPLUS (DEFICITS) BY FUND YEAR</b>						
	<b>Closed</b>	<b>Surplus</b>	39,143	504,066	11,259,935	11,764,001
		<b>Cash</b>	(24,822)	(582,369)	14,526,795	13,944,426
	<b>2022</b>	<b>Surplus</b>	15,564	(7,489)	1,485,803	1,478,314
		<b>Cash</b>	140,938	867,775	698,529	1,566,304
	<b>2023</b>	<b>Surplus</b>	289,157	564,645		564,645
		<b>Cash</b>	(357,602)	956,653		956,653
<b>TOTAL SURPLUS (DEFICITS)</b>		<b>343,864</b>	<b>1,061,222</b>	<b>12,745,738</b>	<b>13,806,960</b>	
<b>TOTAL CASH</b>		<b>(241,486)</b>	<b>1,242,060</b>	<b>15,225,324</b>	<b>16,467,384</b>	
<b>CLAIM ANALYSIS BY FUND YEAR</b>						
<b>TOTAL CLOSED YEAR CLAIMS</b>		<b>9,505</b>	<b>185,388</b>	<b>606,242,143</b>	<b>606,427,531</b>	
<b>FUND YEAR 2022</b>						
	Paid Claims	26,853	3,614,989	29,590,988	33,205,976	
	IBNR	(22,864)	(2,762,203)	2,857,945	95,742	
	Less Specific Excess	0	(630,920)	(206,676)	(837,596)	
	Less Aggregate Excess	0	0	0	0	
	<b>TOTAL FY 2022 CLAIMS</b>	<b>3,989</b>	<b>221,866</b>	<b>32,242,257</b>	<b>32,464,122</b>	
<b>FUND YEAR 2023</b>						
	Paid Claims	3,452,649	30,120,680		30,120,680	
	IBNR	109,034	3,414,400		3,414,400	
	Less Specific Excess	0	0		0	
	Less Aggregate Excess	0	0		0	
	<b>TOTAL FY 2023 CLAIMS</b>	<b>3,561,683</b>	<b>33,535,080</b>		<b>33,535,080</b>	
<b>COMBINED TOTAL CLAIMS</b>		<b>3,575,176</b>	<b>33,942,333</b>	<b>638,484,399</b>	<b>672,426,732</b>	

This report is based upon information which has not been audited nor certified by an actuary and as such may not truly represent the condition of the fund.

<b>NORTH JERSEY MUNICIPAL EMPLOYEE BENEFITS FUND</b>												
<b>RATIOS</b>												
<b>INDICES</b>	<b>2022</b>	<b>FY2023</b>										
		<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	
Cash Position	15,225,324	\$ 14,433,593	\$ 15,575,818	\$ 15,539,414	\$ 17,032,185	\$ 17,340,361	\$ 16,646,714	\$ 18,267,684	\$ 15,096,688	\$ 16,708,870	\$ 16,467,384	
IBNR	2,857,945	\$ 2,916,741	\$ 2,675,111	\$ 2,741,413	\$ 2,878,108	\$ 3,005,113	\$ 3,118,240	\$ 3,191,437	\$ 3,267,962	\$ 3,423,972	\$ 3,510,142	
Assets	19,094,495	\$ 19,118,296	\$ 18,894,098	\$ 19,381,323	\$ 19,646,647	\$ 19,402,893	\$ 19,689,784	\$ 19,896,787	\$ 18,936,453	\$ 19,319,513	\$ 19,716,074	
Liabilities	6,348,758	\$ 6,232,119	\$ 5,449,234	\$ 5,457,966	\$ 5,538,377	\$ 5,632,683	\$ 5,682,818	\$ 5,676,496	\$ 5,727,002	\$ 5,856,418	\$ 5,909,115	
Surplus	12,745,737	\$ 12,886,177	\$ 13,444,864	\$ 13,923,357	\$ 14,108,270	\$ 13,770,210	\$ 14,006,966	\$ 14,220,290	\$ 13,209,451	\$ 13,463,095	\$ 13,806,959	
Claims Paid -- Month	939,338	\$ 2,890,944	\$ 2,883,392	\$ 2,982,906	\$ 3,196,437	\$ 3,659,320	\$ 3,247,036	\$ 3,183,687	\$ 4,522,064	\$ 3,857,038	\$ 3,488,977	
Claims Budget -- Month	2,795,937	\$ 3,106,718	\$ 3,112,136	\$ 3,129,419	\$ 3,293,429	\$ 3,424,269	\$ 3,422,574	\$ 3,440,954	\$ 3,529,394	\$ 3,763,115	\$ 3,816,780	
Claims Paid -- YTD	33,390,346	\$ 2,890,944	\$ 5,774,336	\$ 8,757,242	\$ 11,953,678	\$ 15,612,998	\$ 18,860,034	\$ 22,043,721	\$ 26,565,786	\$ 30,422,824	\$ 33,911,801	
Claims Budget -- YTD	33,709,481	\$ 3,106,718	\$ 6,218,854	\$ 9,348,273	\$ 12,641,702	\$ 16,065,971	\$ 19,488,545	\$ 22,934,490	\$ 26,460,717	\$ 30,343,137	\$ 34,152,472	
<b>RATIOS</b>												
Cash Position to Claims Paid	16.21	4.99	5.40	5.21	5.33	4.74	5.13	5.74	3.34	4.33	4.72	
Claims Paid to Claims Budget -- Month	0.34	0.93	0.93	0.95	0.97	1.07	0.95	0.93	1.28	1.02	0.91	
Claims Paid to Claims Budget -- YTD	0.99	0.93	0.93	0.94	0.95	0.97	0.97	0.96	1.00	1	0.99	
Cash Position to IBNR	5.33	4.95	5.82	5.67	5.92	5.77	5.34	5.72	4.62	4.88	4.69	
Assets to Liabilities	3.01	3.07	3.47	3.55	3.55	3.44	3.46	3.51	3.31	3.3	3.34	
Surplus as Months of Claims	4.56	4.15	4.32	4.45	4.28	4.02	4.09	4.13	3.74	3.58	3.62	
IBNR to Claims Budget -- Month	1.02	0.94	0.86	0.88	0.87	0.88	0.91	0.93	0.93	0.91	0.92	

**North Jersey Municipal Employee Benefits Fund**  
**2023 Budget Report**  
AS OF OCTOBER 31, 2023

				Cumulative	\$ Variance	% Variance
	Cumulative	Annual	Latest Filed	Expensed		
<b>LINE ITEMS</b>						
Medical Claims Aetna	30,300,319	37,091,222	30,452,833			
Medical Claims Aetna BOEs	455,194	549,900	596,684			
Subtotal Medical Claims	30,755,513	37,641,122	31,049,517	30,297,692	457,821	1%
Prescription Claims	2,819,202	3,487,333	2,882,428			
Less Rebates	(845,760)	(1,046,199)	(864,728)			
Subtotal Rx Claims	1,973,442	2,441,134	2,017,700	1,863,187	110,255	6%
Dental Claims	1,423,517	1,712,779	1,706,182	1,362,651	60,866	4%
Subtotal	34,152,472	41,795,035	34,773,399	33,523,530	628,942	2%
Medicare Advantage - United	473,053	566,231	620,112	Included in Medicare Advantage-Aetna below		
Medicare Advantage - Aetna	1,888,753	2,343,558	1,602,509	2,363,622	(1,817)	0%
Reinsurance						
Specific	2,974,479	3,616,487	3,254,218	2,969,683	4,796	0%
Wellness	195,833	235,000	235,000	138,192	57,641	29%
Total Loss Fund	39,684,590	48,556,311	40,485,238	38,995,027	689,563	2%
Expenses						
Legal	16,667	20,000	20,000	26,544	(9,877)	-59%
Treasurer	19,145	22,974	22,974	19,145	(0)	0%
Administrator	367,693	447,534	403,683	367,869	(176)	0%
Program Manager -	481,169	587,232	509,764	435,782	45,387	9%
Program Manager - Brokerage	568,626	680,023	562,835	625,581	(56,955)	-10%
TPA - Aetna	652,133	799,697	660,153	651,184	949	0%
Wellness Coordinator	20,833	25,000	25,000	20,834	(1)	0%
Dental TPA	61,618	74,137	72,673	61,745	(127)	0%
Actuary	10,404	12,485	12,485	10,400	4	0%
Auditor	14,552	17,462	17,462	14,551	1	0%
Subtotal Expenses	2,212,839	2,686,543	2,307,029	2,233,634	(20,795)	-1%
Miscellaneous and Special Services						
Misc/Cont(incl. A4 surcharge)	19,250	23,100	23,100	18,796	454	2%
Claims and Service Audits	33,333	40,000	40,000	33,333	-	0%
Affordable Care Act Taxes	9,434	11,569	9,314	12,172	(2,738)	-29%
Subtotal Misc/Sp Svcs	62,017	74,669	72,414	64,301	(2,284)	-4%
Total Expenses	2,274,857	2,761,212	2,379,444	2,297,935	(23,078.28)	-1%
Total Budget	41,959,447	51,317,523	42,864,681	41,292,961	666,485	2%

**North Jersey Municipal Employee Benefits Fund**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF OCTOBER 31, 2023**

**BY FUND YEAR**

	NJMEB 2023	NJMEB 2022	CLOSED YEAR	FUND BALANCE
<b>ASSETS</b>				
Cash & Cash Equivalents	956,653	1,566,304	13,944,426	16,467,384
Assesments Receivable (Prepaid)	1,728,974	(3,147)	-	1,725,827
Interest Receivable	10,516	7,899	71,533	89,947
Specific Excess Receivable	-	0	-	0
Aggregate Excess Receivable	-	-	-	-
Dividend Receivable	-	-	-	-
Prepaid Admin Fees	2,080	-	-	2,080
Other Assets	1,427,836	3,000	-	1,430,836
<b>Total Assets</b>	<b>4,126,059</b>	<b>1,574,056</b>	<b>14,015,959</b>	<b>19,716,074</b>
<b>LIABILITIES</b>				
Accounts Payable	-	0	-	0
IBNR Reserve	3,414,400	95,742	-	3,510,142
A4 Retiree Surcharge	8,169	-	-	8,169
Dividends Payable	-	-	129,429	129,429
Retained Dividends	-	-	2,122,531	2,122,531
Accrued/Other Liabilities	138,845	(0)	-	138,845
<b>Total Liabilities</b>	<b>3,561,414</b>	<b>95,742</b>	<b>2,251,959</b>	<b>5,909,115</b>
<b>EQUITY</b>				
Surplus / (Deficit)	564,645	1,478,314	11,764,000	13,806,959
<b>Total Equity</b>	<b>564,645</b>	<b>1,478,314</b>	<b>11,764,000</b>	<b>13,806,959</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,126,059</b>	<b>1,574,056</b>	<b>14,015,959</b>	<b>19,716,074</b>
<b>BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

This report is based upon information which has not been audited nor certified  
by an actuary and as such may not truly represent the condition of the fund.  
Fund Year allocation of claims have been estimated.

<b>Dividend Illustration as of 10/31/2023</b>	
<b>Andover Township</b>	<b>\$ 2,195</b>
<b>Berkeley Heights</b>	<b>\$ 123,526</b>
<b>Bloomington</b>	<b>\$ 60,636</b>
<b>Byram</b>	<b>\$ 52,880</b>
<b>Dover</b>	<b>\$ 198,041</b>
<b>Hanover</b>	<b>\$ 153,165</b>
<b>Hardyston Township</b>	<b>\$ 51,648</b>
<b>Hopatcong</b>	<b>\$ 79,061</b>
<b>Knowlton Board of Education</b>	<b>\$ 16,942</b>
<b>Lincoln Park</b>	<b>\$ 90,985</b>
<b>Madison</b>	<b>\$ 14,380</b>
<b>Montville</b>	<b>\$ 108,225</b>
<b>Mountain Lakes Borough</b>	<b>\$ 1,549</b>
<b>Netcong</b>	<b>\$ 1,371</b>
<b>Newton</b>	<b>\$ 92,082</b>
<b>Prospect Park</b>	<b>\$ 923</b>
<b>Randolph</b>	<b>\$ 217,116</b>
<b>Ringwood</b>	<b>\$ 75,202</b>
<b>Roxbury</b>	<b>\$ 13,608</b>
<b>SPARTA</b>	<b>\$ 148,375</b>
<b>Wantage</b>	<b>\$ 28,727</b>
<b>West Milford</b>	<b>\$ 192,059</b>
<b>Wharton</b>	<b>\$ 41,514</b>
<b>Woodland Park</b>	<b>\$ 105,980</b>
<b>Borough of Harding</b>	<b>\$ 18,951</b>
<b>Kinnelon</b>	<b>\$ 642</b>
<b>Jefferson Township</b>	<b>\$ 1,372</b>
<b>Pequannock</b>	<b>\$ 100,254</b>
	<b>\$ 1,991,409</b>



**RESOLUTION NO. 38-23**

**RESOLUTION AUTHORIZING REFUND FROM  
CLOSED YEARS ACCOUNT**

**WHEREAS**, N.J.A.C. 11:15-2.21 provides that a FUND may seek approval from the Commissioner of Insurance for a refund of excess monies from any FUND year upon compliance with certain requirements; and

**WHEREAS**, the FUND has obtained a calculation from its Actuary and Executive Director as to the amount of money which is available for distribution consistent with the aforementioned regulations, and the financial integrity of the FUND; and

**WHEREAS**, the Fund Commissioners have determined that it would be in the best interest of the FUND and its member municipalities and school boards to make certain refunds to be released to the membership through the shares determined by member contributions;

**NOW, THEREFORE, BE IT RESOLVED** by the Fund Commissioners of The North Jersey Municipal Employee Benefits Fund, as follows:

1. The Fund Commissioners have balanced the interests of the member municipalities/school boards in obtaining the benefit of such monies as are available for refund against the need for the FUND to protect and preserve its financial integrity.
2. As of October 31, 2023 all years combined, the Fund has a surplus balance of \$13,806,961. Of that, the Fund Commissioners declare a dividend of \$1,991,409 to members included in the Fund during the Closed Years of 2021 and before.
3. The members have an option to take the dividend as a check, invoice credit or retain with the Fund for future distribution.
4. The Executive Director is, therefore, authorized and directed to submit such documents as the regulations require to the Department of Insurance and the Department of Community Affairs.
5. The FUND Treasurer is authorized to prepare and execute checks for the pro-rated amount of the aforementioned refunds due to each former member municipality and school board for the year in question, provided, however, the FUND Treasurer shall deduct any outstanding assessment receivable balances without regard for Fund year, upon receipt of written documentation of approval or acquiescence of these refunds from the Department of Insurance and the Department of Community Affairs. Said refunds shall be

made to the municipalities/school boards which were members of the FUND for the years in question in the same ratio as said municipalities/school boards were assessed for the years in question.

**NOW, THEREFORE, BE IT RESOLVED**, that the Executive Committee hereby states that they have complied with N.J.A.C. 11:15-2.21 and does hereby submit a certified copy of this resolution to said Board to show evidence of said compliance.

**ADOPTED: December 19, 2023**

**BY:** \_\_\_\_\_  
**Chairperson**

**ATTEST:** \_\_\_\_\_  
**Secretary**