

[Third Reprint]

ASSEMBLY, No. 720

STATE OF NEW JERSEY
215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Assemblyman MATTHEW W. MILAM

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman CONNIE WAGNER

District 38 (Bergen and Passaic)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Co-Sponsored by:

Assemblymen Egan, Caputo, Coutinho, Giblin, Burzichelli,
Assemblywoman Mosquera, Assemblymen Prieto, O'Scanlon, Wimberly,
Senators Gordon and Oroho

SYNOPSIS

Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, county college, municipality, and local school district to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014.

CURRENT VERSION OF TEXT

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on September 20, 2012, with amendments.

(Sponsorship Updated As Of: 12/21/2012)

1 AN ACT concerning the use of direct deposit for ¹**[all]**¹ State
 2 ²**[and]**,² county¹ ³, county college³ ², municipal, and school
 3 district² employee compensation and amending P.L.1981, c.385
 4 ¹and P.L.1987, c.38¹ ²and supplementing P.L.1981, c.385
 5 (C.52:14-15a et seq.)².

6
 7 **BE IT ENACTED** by the Senate and General Assembly of the State
 8 of New Jersey:

9
 10 1. Section 1 of P.L.1981, c.385 (C.52:14-15a) is amended to
 11 read as follows:

12 1. a. Whenever any person holding public office, position or
 13 employment, whose compensation is paid by this State or by any
 14 board, body, agency, authority or commission thereof, hereinafter
 15 referred to as "employee", shall indicate in writing to the proper
 16 disbursing officer his desire to have his net pay deposited in a
 17 specific banking institution in a designated checking account,
 18 savings account, or share account for such employee, the State
 19 Treasurer shall make the deposit in the respective banking
 20 institution on behalf of the employee.

21 With respect to compensation paid on and after July 1, 2014, all
 22 such persons shall have net pay directly deposited as described in
 23 this section. The State Treasurer is authorized to grant an
 24 exemption from the requirements of this section on such terms and
 25 conditions as the State Treasurer may deem necessary. ³The State
 26 Treasurer is authorized to grant an exemption for seasonal and
 27 temporary employees as the State Treasurer may deem necessary.³

28 b. Commencing on the first day of the fourth month following
 29 the enactment of P.L. , c. (pending before the Legislature as this
 30 bill), the State Treasurer shall make available for employees who
 31 have net pay directly deposited as described in this section any
 32 information concerning net pay, any accompanying information
 33 approved for distribution with net pay, and W-2 forms ³in
 34 accordance with applicable federal law³ , only on the Internet with
 35 restricted access and policies and procedures to protect the integrity
 36 and confidentiality of the information.

37 c. The requirements of this section shall also be applicable to
 38 all State entities that do not utilize the State centralized payroll
 39 system, including public institutions of higher education.

40 (cf: P.L.1981, c.385, s.1)

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ASG committee amendments adopted June 14, 2012.

²Assembly floor amendments adopted June 21, 2012.

³Senate SSG committee amendments adopted September 20, 2012.

1 2. Section 4 of P.L.1981, c.385 (C.52:14-15d) is amended to
2 read as follows:

3 4. Any written designation may be withdrawn by an employee
4 at any time by filing the notice of withdrawal with his respective
5 disbursing officer. The filing of notice of withdrawal shall be
6 effective to halt deposits as of the thirtieth day next succeeding the
7 date on which it is filed.

8 With respect to compensation paid on and after July 1, 2014,
9 withdrawal of written designation shall be prohibited, unless the
10 State Treasurer or appropriate officer grants an exemption to this
11 prohibition as deemed necessary.

12 (cf: P.L.1981, c.385, s.4)

13

14 ¹3. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read
15 as follows:

16 2. a. Upon the adoption of an ordinance or resolution, as
17 appropriate, the governing body of a county or municipality may
18 provide for the deposit of the net pay of any employee of the county
19 or municipality, or of a board, commission, bureau, department, or
20 other public agency thereof, in a specific banking institution in a
21 designated checking account, savings account, or share account.
22 When the employee shall indicate in writing to the proper
23 disbursing officer his or her desire to have his or her net pay
24 deposited, the disbursing officer shall make the deposit in the
25 respective banking institution on behalf of the employee. As used
26 in P.L.1981, c.385 (C.52:14-15a et seq.), "employee" shall also
27 mean any person holding public office, position, or employment
28 whose compensation is paid by a county or municipality or any
29 board, commission, bureau, department, or other public agency
30 thereof.

31 b. On or after July 1, 2014, the governing body of a county ²or
32 municipality² may determine by the adoption of an ordinance or
33 resolution, as appropriate, to provide for the mandatory ³direct³
34 deposit of net pay for all employees of the county ²or municipality²,
35 or of a board, commission, bureau, department or other public
36 agency thereof, in a specific banking institution based on
37 information provided by the employee. If the governing body
38 provides for such direct deposit, compliance by an employee shall
39 be mandatory ³[², except for seasonal and temporary employees²]³.
40 No ordinance or resolution shall be adopted under subsection a. of
41 this section on or after July 1, 2014. The governing body is
42 authorized to grant an exemption from the requirements adopted
43 pursuant to this subsection on such terms and conditions as the
44 governing body may deem necessary. ³The governing body is
45 authorized to grant an exemption for seasonal and temporary
46 employees as the governing body may deem necessary.³

1 c. The governing body may make available for such employees
2 who have net pay directly deposited as described in subsection a. of
3 this section, and shall make available for such employees who have
4 net pay directly deposited as described in subsection b. of this
5 section, any information concerning net pay, any accompanying
6 information approved for distribution with net pay, and W-2 forms
7 ²in accordance with applicable federal law,² only on the Internet
8 with restricted access and policies and procedures to protect the
9 integrity and confidentiality of the information.¹

10 (cf: P.L.1987, c.38, s.2)

11
12 ²4. (New section) On or after July 1, 2014, the board of
13 education of every local school district may ³determine to³ have net
14 pay for all employees directly deposited in a specific banking
15 institution in a checking account, savings account, or share account
16 designated in writing by the employee. If the board provides for
17 such direct deposit, compliance by an employee shall be mandatory
18 ³[, except for seasonal and temporary employees]. The board is
19 authorized to grant an exemption from the requirements adopted
20 pursuant to this section on such terms and conditions as the board
21 may deem necessary. The board is authorized to grant an
22 exemption for seasonal and temporary employees as the board may
23 deem necessary.³ The board shall make available for such
24 employees who have net pay directly deposited as described in this
25 section all information concerning net pay, any accompanying
26 information approved for distribution with net pay, and W-2 forms
27 in accordance with applicable federal law, only on the Internet with
28 restricted access and policies and procedures to protect the integrity
29 and confidentiality of the information. As used in this section,
30 “local school district” shall have the meaning set forth in section 3
31 of P.L.1991, c.393 (C.18A:12-23).²

32
33 ³5. (New section) On or after July 1, 2014, the board of trustees
34 of a county college may determine to have net pay for all employees
35 directly deposited in a specific banking institution in a checking
36 account, savings account, or share account designated in writing by
37 the employee. If the board provides for such direct deposit,
38 compliance by an employee shall be mandatory. The board is
39 authorized to grant an exemption from the requirements adopted
40 pursuant to this section on such terms and conditions as the board
41 may deem necessary. The board is authorized to grant an exemption
42 for seasonal and temporary employees as the board may deem
43 necessary. The board shall make available for such employees who
44 have net pay directly deposited as described in this section all
45 information concerning net pay, any accompanying information
46 approved for distribution with net pay, and W-2 forms in
47 accordance with applicable federal law, only on the Internet with

1 restricted access and policies and procedures to protect the integrity
2 and confidentiality of the information. As used in this section,
3 “county college” shall have the meaning set forth in N.J.S.
4 18A:64A-1, and “board of trustees” shall mean such boards
5 established under N.J.S.18A:64A-8.³

6

7 ¹[3.]²[4.]¹ ³[5.]² 6.³ This act shall take effect immediately.