

ASSEMBLY, No. 804

STATE OF NEW JERSEY

217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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District 1 (Atlantic, Cape May and Cumberland)

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District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Concerns withholdings and deductions from employee wages for certain payments.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning certain withholdings and deductions from
2 employee wages and amending P.L.1965, c.73 and P.L.1967,
3 c.194.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 4 of P.L.1965, c.73 (C.34:11-4.4) is amended to read
9 as follows:

10 4. No employer may withhold or divert any portion of an
11 employee's wages unless:

12 a. The employer is required or empowered to do so by New
13 Jersey or United States law; or

14 b. The amounts withheld or diverted are for:

15 (1) Contributions authorized either in writing by employees, or
16 under a collective bargaining agreement, to employee welfare,
17 insurance, hospitalization, medical or surgical or both, pension,
18 retirement, and profit-sharing plans, and to plans establishing
19 individual retirement annuities on a group or individual basis, as
20 defined by section 408 (b) of the federal Internal Revenue Code of
21 1986 (26 U.S.C.s.408(b)), or individual retirement accounts at any
22 State or federally chartered bank, savings bank, or savings and loan
23 association, as defined by section 408 (a) of the federal Internal
24 Revenue Code of 1986 (26 U.S.C.s.408(a)), for the employee, his
25 spouse or both.

26 (2) Contributions authorized either in writing by employees, or
27 under a collective bargaining agreement, for payment into
28 company-operated thrift plans; or security option or security
29 purchase plans to buy securities of the employing corporation, an
30 affiliated corporation, or other corporations at market price or less,
31 provided such securities are listed on a stock exchange or are
32 marketable over the counter.

33 (3) Payments authorized by employees for payment into
34 employee personal savings accounts, such as payments to a credit
35 union, savings fund society, savings and loan or building and loan
36 association; and payments to banks for Christmas, vacation, or other
37 savings funds; provided all such deductions are approved by the
38 employer.

39 (4) Payments for company products purchased in accordance
40 with a periodic payment schedule contained in the original purchase
41 agreement; payments for employer loans to employees, in
42 accordance with a periodic payment schedule contained in the
43 original loan agreement; payments for safety equipment; payments
44 for the purchase of United States Government bonds; payments to

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.

1 correct payroll errors; and payments of costs and related fees for the
2 replacement of employee identification, which is used to allow
3 employees access to sterile or secured areas of airports, in
4 accordance with a fee schedule described in any airline media plan
5 approved by the federal Transportation Security Administration;
6 provided all such deductions are approved by the employer.

7 (5) Contributions authorized by employees for organized and
8 generally recognized charities, and purchases authorized by
9 employees made at events sponsored by organized and generally
10 recognized charities affiliated with the employer where at least 20
11 percent of the profits from the event are being contributed to
12 organized and generally recognized charities; provided the
13 deductions for such contributions or purchases are approved by the
14 employer.

15 (6) Payments authorized by employees or their collective
16 bargaining agents for the rental of work clothing or uniforms or for
17 the laundering or dry cleaning of work clothing or uniforms;
18 provided the deductions for such payments are approved by the
19 employer.

20 (7) Labor organization dues and initiation fees, and such other
21 labor organization charges permitted by law.

22 (8) Contributions authorized in writing by employees, pursuant
23 to a collective bargaining agreement, to a political committee,
24 continuing political committee, or both, as defined in section 3 of
25 P.L.1973, c.83 (C.19:44A-3), established by the employees' labor
26 union for the purpose of making contributions to aid or promote the
27 nomination, election or defeat of any candidate for a public office
28 of the State or of a county, municipality or school district or the
29 passage or defeat of any public question, subject to the conditions
30 specified in section 2 of P.L.1991, c.190 (C.34:11-4.4a).

31 (9) Contributions authorized in writing by employees to any
32 political committee or continuing political committee, other than a
33 committee provided for in paragraph (8) of this subsection, for the
34 purpose of making contributions to aid or promote the nomination,
35 election or defeat of any candidate for a public office of the State or
36 of a county, municipality or school district or the passage or defeat
37 of any public question, subject to the conditions specified in section
38 2 of P.L.1991, c.190 (C.34:11-4.4a); in making a payroll deduction
39 pursuant to this paragraph the administrative expenses incurred by
40 the employer shall be borne by such committee, at the option of the
41 employer.

42 (10) Payments authorized by employees for employer-sponsored
43 programs for the purchase of insurance or annuities on a group or
44 individual basis, if otherwise permitted by law.

45 (11) Such other contributions, deductions and payments as the
46 Commissioner of Labor and Workforce Development may authorize
47 by regulation as proper and in conformity with the intent and

1 purpose of this act, if such deductions are approved by the
2 employer.

3 (cf: P.L.2009, c.226, s.1)

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5 2. Section 1 of P.L.1967, c.194 (C.52:14-15.9d) is amended to
6 read as follows:

7 1. a. Whenever any person holding public office, position or
8 employment, whose compensation is paid by this State or by any
9 board, body, agency, authority or commission thereof, shall indicate
10 in writing to the proper disbursing officer his desire to have any
11 deductions made from his compensation for payment to a credit
12 union the membership of which is limited to public employees,
13 organized under the laws of this State or of the United States, such
14 deductions shall be made by the State Treasurer, if such
15 compensation is payable by the State Treasurer, or by any other
16 disbursing officer of the board, body, agency, authority or
17 commission, if such compensation is payable by him, and shall be
18 transmitted to the treasurer of the credit union. Any such written
19 authorization may be withdrawn upon filing notice of such
20 withdrawal with the State Treasurer or such disbursing officer, as
21 the case may be.

22 b. The provisions of this section shall not be interpreted to
23 prevent a person holding public office, position or employment,
24 whose compensation is paid by this State or by any board, body,
25 agency, authority or commission thereof, from indicating in writing
26 to the proper disbursing officer his desire to have more than one
27 deduction made from his compensation for payment to more than
28 one credit union account and, once indicated, such deductions shall
29 be made by the State Treasurer or disbursing officer, as appropriate,
30 and shall be transmitted to the treasurer of the credit union. Any
31 such written authorization may be withdrawn upon filing notice of
32 such withdrawal with the State Treasurer or disbursing officer, as
33 the case may be.

34 (cf: P.L.1973, c.35, s.2)

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36 3. This act shall take effect immediately.

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STATEMENT

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41 This bill permits an employer to withhold a portion of an
42 employee's wages for purchases authorized by employees made at
43 events sponsored by organized and generally recognized charities
44 that are affiliated with the employer where at least 20 percent of the
45 profits from the event are being contributed to organized and
46 generally recognized charities.

47 Under current law, withholdings from an employee's wages are
48 permitted for contributions directly to organized and generally

1 recognized charities, not purchases made by an employee from third
2 party vendors at events sponsored by charities affiliated with an
3 employer.

4 This bill will allow withholdings of an employee's wages for
5 purchases made at events sponsored by charities where at least 20
6 percent of the profits from the event are being contributed to
7 charities.

8 This bill also permits public employees to request multiple
9 payroll deductions for payment to multiple credit union accounts.

10 The bill provides that a person holding public office, position or
11 employment, whose compensation is paid by this State or by any
12 board, body, agency, authority or commission thereof, may indicate
13 in writing to the proper disbursing officer a desire to have more
14 than one deduction to more than one credit union account and, once
15 so indicated, such deductions must be made by the State Treasurer
16 or disbursing officer, as appropriate, and must be transmitted to the
17 treasurer of the credit union. Any such written authorization may
18 be withdrawn with the State Treasurer or disbursing officer, as the
19 case may be.