

ASSEMBLY, No. 1545

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROBERT D. CLIFTON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Requires use of direct deposit and Internet for State, local government, and school district employee compensation and certain retirement payments and information.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning use of direct deposit and Internet for public
 2 employee compensation and retirement payments, amending
 3 P.L.1981, c.385 and P.L.1987, c.38, and supplementing
 4 P.L.1987, c.38 and Title 43 of the Revised Statutes.

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

8
 9 1. Section 1 of P.L.1981, c.385 (C.52:14-15a) is amended to
 10 read as follows:

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

20 Commencing on January 1st following the enactment of P.L. ,
 21 c. (pending before the Legislature as this bill), the State Treasurer
 22 shall have net pay for all employees directly deposited in a specific
 23 banking institution as designated pursuant to this section. The State
 24 Treasurer shall make available for such employees all information
 25 concerning net pay, and any accompanying information approved
 26 for distribution with net pay, only on the Internet with restricted
 27 access and policies and procedures to protect the integrity and
 28 confidentiality of the information. The provisions of this paragraph
 29 shall also be applicable to all State entities that do not utilize the
 30 State centralized payroll system, including public institutions of
 31 higher education.

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

33
 34 2. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read
 35 as follows:

36 2. Upon the adoption of an ordinance or resolution, as
 37 appropriate, the governing body of a county or municipality may
 38 provide for the deposit of the net pay of any employee of the county
 39 or municipality, or of a board, commission, bureau, department, or
 40 other public agency thereof, in a specific banking institution in a
 41 designated checking account, savings account, or share account.
 42 When the employee shall indicate in writing to the proper
 43 disbursing officer his or her desire to have his or her net pay
 44 deposited, the disbursing officer shall make the deposit in the
 45 respective banking institution on behalf of the employee. As used

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 in P.L.1981, c.385, "employee" shall also mean any person holding
2 public office, position, or employment whose compensation is paid
3 by a county or municipality or any board, commission, bureau,
4 department, or other public agency thereof.

5 Commencing on January 1st following the enactment of
6 P.L. , c. (pending before the Legislature as this bill), the
7 governing body of a county or municipality shall have net pay for
8 all employees directly deposited in a specific banking institution as
9 designated pursuant to this section. The governing body shall make
10 available for such employees all information concerning net pay
11 and any accompanying information approved for distribution with
12 net pay, only on the Internet with restricted access and policies and
13 procedures to protect the integrity and confidentiality of the
14 information.

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

16
17 3. (New section) Commencing on January 1st following the
18 enactment of P.L. , c. (pending before the Legislature as this
19 bill), the board of education of every local school district shall have
20 net pay for all employees directly deposited in a specific banking
21 institution in a checking account, savings account, or share account
22 designated in writing by the employee. The board shall make
23 available for such employees all information concerning net pay,
24 and any accompanying information approved for distribution with
25 net pay, only on the Internet with restricted access and policies and
26 procedures to protect the integrity and confidentiality of the
27 information. As used in this section, "local school district" shall
28 have the meaning set forth in section 3 of P.L.1991, c.393
29 (C.18A:12-23).

30
31 4. (New section) Commencing on January 1st following the
32 enactment of P.L. , c. (pending before the Legislature as this
33 bill) for all public employees who retire on or after such date, all
34 recurring payments due and payable from State and locally-
35 administered retirement systems shall be directly deposited in a
36 specific banking institution in a checking account, savings account,
37 or share account designated in writing by the payment recipient.
38 The retirement systems shall make available to such recipients all
39 payment information, and any accompanying information approved
40 for distribution with the payments, only on the Internet with
41 restricted access and policies and procedures to protect the integrity
42 and confidentiality of the information.

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44 5. This act shall take effect immediately.

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47 STATEMENT

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49 This bill requires that the State Treasurer directly deposit net pay

1 for all public employees of the State into an account in a banking
2 institution designated by the employee, commencing January 1st
3 following the bill's enactment. This requirement will also apply to
4 State entities that do not use the centralized payroll system,
5 including public institutions of higher education. The bill makes
6 the same requirement for all county and municipal government
7 employees.

8 Currently, public employees have the option to designate in
9 writing a specific banking institution and a checking account,
10 savings account, or share account for receipt of the direct deposit.
11 Commencing on January 1st following enactment of the bill, this
12 option will be eliminated and direct deposit will be mandatory. In
13 addition, all information concerning net pay and any accompanying
14 information will be available to the employee only on the Internet
15 with restricted access to protect the integrity and confidentiality of
16 the information.

17 The bill also mandates that the boards of education for every
18 school district have net pay for all employees directly deposited, in
19 the manner described above, and accompanying information made
20 available to the employee only on the Internet in a similar manner
21 as required for State and local employees.

22 Finally, the bill mandates that all recurring payments from State
23 and locally administered retirement systems for public employees
24 who retire on or after January 1st following the enactment of the
25 bill be directly deposited for all recipients into a specific banking
26 institution in a checking account, savings account, or share account
27 designated in writing by the recipient, and that all information
28 concerning net retirement payments be made available to the
29 recipient only on the Internet in the same manner as for public
30 employees.