

# ASSEMBLY, No. 3405

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**SYNOPSIS**

Requires State to provide recipients of State tax refunds, unemployment insurance benefits and State employee compensation certain payment options.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning certain payments made by the State,  
2 supplementing Title 52 of the Revised Statutes, Title 43 of the  
3 Revised Statutes and Title 54 of the Revised Statutes.

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

7  
8 1. Whenever any person holding public office, position or  
9 employment, whose compensation is paid by this State or by any  
10 board, body, agency, authority or commission thereof, hereinafter  
11 referred to as "employee," shall indicate in writing to the proper  
12 disbursing officer his desire to have his net pay issued in the form  
13 of a paper check, the State Treasurer shall disburse the employee's  
14 net pay in the form indicated by the employee. The requirements of  
15 this section shall also be applicable to all State entities that do not  
16 utilize the State centralized payroll system, including public  
17 institutions of higher education.

18  
19 2. a. The Division of Unemployment and Temporary  
20 Disability Insurance of the Department of Labor and Workforce  
21 Development shall provide to any claimant, upon filing a claim for  
22 benefits, written notice of benefit payment options, which shall  
23 include prepaid debit card, direct deposit, and paper check. The  
24 written notice shall require a claimant's signature, to be kept on  
25 record by the division, in order to designate his benefit payment  
26 method as prepaid debit card, direct deposit, or paper check.

27 b. The division shall afford a claimant the opportunity to  
28 change his benefit payment option at any time. The written notice,  
29 required pursuant to subsection a. of this section, shall also serve as  
30 the form upon which a claimant may change his benefit payment  
31 option. The written notice shall require a claimant's signature, to be  
32 kept on record by the division, in order to change his designated  
33 benefit payment option.

34 c. Any claimant who has filed a claim for benefits and is either  
35 awaiting a determination by the division or is currently receiving  
36 benefits as of the effective date of this section shall be provided  
37 written notice pursuant to subsection a. of this section within 30  
38 days of that date and shall be afforded the opportunity to change his  
39 benefit payment option pursuant to subsection b. of this section.

40  
41 3. Notwithstanding any other law, rule or regulation to the  
42 contrary, the Director of the Division of Taxation shall provide a  
43 taxpayer due a refund of any State tax the option of receiving the  
44 refund in the form of a paper check.

45  
46 4. This act shall take effect immediately.

## STATEMENT

This bill requires certain State payments to be made available to recipients in the form of a paper check. Under the bill, the appropriate state agencies are required to provide State employees, taxpayers, and unemployment insurance (UI) benefit claimants the option to receive their payment in the form of a paper check.

With respect to UI benefit payments, the bill requires the Division of Unemployment and Temporary Disability Insurance to provide UI claimants with written notice of benefit payment options. The written notice requires a claimant's signature designating his benefit payment method as prepaid debit card, direct deposit, or paper check.

The Department of Labor and Workforce Development has already entered a partnership with Bank of America to provide debit card accounts to UI claimants. Beginning November 1, 2010, the department began automatically converting claimants who receive benefits by paper check to prepaid debit cards. At this time, paper checks are no longer issued to claimants. Currently, a claimant will automatically receive a debit card, unless he chooses to register for direct deposit. This bill ensures that claimants may opt to receive benefit payments in the form of a paper check as an alternative to prepaid debit cards or direct deposit.

With respect to State employee compensation, the bill requires the State Treasurer to disburse a State employee's net pay in the form indicated in writing by the employee. If an employee indicates, in writing to the proper disbursing officer, his desire to have his net pay disbursed in the form of a paper check the State Treasurer shall disburse the employee's net pay in the form indicated by the employee. This provision would apply to all State entities, including any person holding public office, position or employment, whose compensation is paid by the State or by any board, body, agency, authority or commission thereof, whether or not the entity is part of the State centralized payroll system including public institutions of higher education.

The bill also provides that the Director of the Division of Taxation shall provide a taxpayer due a refund of any State tax payment the option of receiving the refund in the form of a paper check.