

SENATE, No. 208

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator CHRISTOPHER J. CONNORS

District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Allows judgment for restitution of stolen public funds to be levied against convicted employee's retirement allowance or pension contributions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the garnishment of the retirement allowance or
2 pension contributions of certain convicted public employees and
3 amending various parts of the statutory law.

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

7
8 1. N.J.S.18A:66-51 is amended to read as follows:

9 18A:66-51. The right of a person to a pension, an annuity, or a
10 retirement allowance, to the return of contributions, any benefit or
11 right accrued or accruing to a person under the provisions of this
12 article, and the moneys in the various funds created under this
13 article~~[,]~~:

14 a. shall be exempt from any State or municipal tax and from
15 levy and sale, garnishment, attachment or any other process arising
16 out of any State or Federal court, except that the State or other
17 public employer shall be entitled to the enforcement of an order of
18 garnishment against the withdrawal of any contributions by, or the
19 payment of a retirement allowance to, a member or beneficiary in
20 the amount of a money judgment obtained by the State or other
21 public employer and rendered against that member if convicted of
22 an offense under the provisions of chapter 27 of Title 2C of the
23 New Jersey Statutes, or any other offense involving a theft or
24 misuse of public funds, or any attempt or conspiracy to commit any
25 such offense. Such judgment may include the cost of prosecution as
26 well as the amount of restitution ordered; and~~[,]~~

27 b. except as hereafter in this section and as in this article
28 otherwise provided, shall be unassignable.

29 Nothing in this section shall prohibit any person insured under a
30 group insurance policy, pursuant to an arrangement among the
31 insured, the group policyholder and the insurer, from making to any
32 person other than his employer, a gift assignment of the rights and
33 benefits conferred on him by any provision of such policy or by law
34 including specifically but not by way of limitation the right to
35 exercise the conversion privilege and the right to name a
36 beneficiary. Any such assignment, whether made before or after the
37 effective date of this act, shall entitle the insurer to deal with the
38 assignee as the owner of all rights and benefits conferred on the
39 insured under the policy in accordance with the terms of the
40 assignment.

41 (cf: P.L.1969, c.98, s.1)

42
43 2. Section 41 of P.L.1973, c.140 (C.43:6A-41) is amended to
44 read as follows:

45 41. The right of a person to a pension, retirement allowance or
46 any benefit or right accrued or accruing to a person under the

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 provisions of this act and the moneys in the various funds created
2 under this act~~],]~~:

3 a. shall be exempt from any State or municipal tax and from
4 levy and sale, garnishment, attachment or any other process arising
5 out of any State or federal court, except that the State or other
6 public employer shall be entitled to the enforcement of an order of
7 garnishment against the withdrawal of any contributions by, or the
8 payment of a retirement allowance to, a member or beneficiary in
9 the amount of a money judgment obtained by the State or other
10 public employer and rendered against that member if convicted of
11 an offense under the provisions of chapter 27 of Title 2C of the
12 New Jersey Statutes, or any other offense involving a theft or
13 misuse of public funds, or any attempt or conspiracy to commit any
14 such offense. Such judgment may include the cost of prosecution as
15 well as the amount of restitution ordered; and~~],]~~

16 b. except as hereinafter in this section and as in this act
17 otherwise provided, shall be unassignable.

18 Nothing in this section shall prohibit any person insured under a
19 group insurance policy, pursuant to an arrangement among the
20 insured, the group policyholder and the insurer, from making to any
21 person other than his employer, a gift assignment of the rights and
22 benefits conferred on him by any provision of such policy or by law
23 including specifically but not by way of limitation the right to
24 exercise the conversion privilege and the right to name a
25 beneficiary. Any such assignment, whether made before or after the
26 effective date of this act, shall entitle the insurer to deal with the
27 assignee as the owner of all rights and benefits conferred on the
28 insured under the policy in accordance with the terms of the
29 assignment.

30 (cf: P.L.1981, c.470, s.21)

31

32 3. Section 53 of P.L.1954, c.84 (C.43:15A-53) is amended to
33 read as follows:

34 53. The right of a person to a pension, an annuity, or a
35 retirement allowance, to the return of contributions, any benefit or
36 right accrued or accruing to a person under the provisions of this act
37 and the moneys in the various funds created under this act~~],]~~:

38 a. shall be exempt from any State or municipal tax and from
39 levy and sale, garnishment, attachment or any other process arising
40 out of any State or Federal court, except that the State or other
41 public employer shall be entitled to the enforcement of an order of
42 garnishment against the withdrawal of any contributions by, or the
43 payment of a retirement allowance to, a member or beneficiary in
44 the amount of a money judgment obtained by the State or other
45 public employer and rendered against that member if convicted of
46 an offense under the provisions of chapter 27 of Title 2C of the
47 New Jersey Statutes, or any other offense involving a theft or
48 misuse of public funds, or any attempt or conspiracy to commit any

1 such offense. Such judgment may include the cost of prosecution as
2 well as the amount of restitution ordered; and **[,]**

3 b. except as in this section and in this act otherwise provided,
4 shall be unassignable.

5 Nothing in this section shall prohibit any person insured under a
6 group insurance policy, pursuant to an arrangement among the
7 insured, the group policyholder and the insurer, from making to any
8 person other than his employer, a gift assignment of the rights and
9 benefits conferred on him by any provision of such policy or by law
10 including specifically but not by way of limitation the right to
11 exercise the conversion privilege and the right to name a
12 beneficiary. Any such assignment, whether made before or after the
13 effective date of this act, shall entitle the insurer to deal with the
14 assignee as the owner of all rights and benefits conferred on the
15 insured under the policy in accordance with the terms of the
16 assignment.

17 (cf: P.L.1969, c.98, s.2)

18
19 4. Section 17 of P.L.1944, c.255 (C.43:16A-17) is amended to
20 read as follows:

21 17. The right of a person to a pension, an annuity, or a
22 retirement allowance, to the return of contributions, any benefit or
23 right accrued or accruing to a person under the provisions of this act
24 and the moneys in the various funds created under this act **[,]**:

25 a. shall be exempt from any State or municipal tax and from
26 levy and sale, garnishment, attachment or any other process, except
27 that the State or other public employer shall be entitled to the
28 enforcement of an order of garnishment against the withdrawal of
29 any contributions by, or the payment of a retirement allowance to, a
30 member or beneficiary in the amount of a money judgment obtained
31 by the State or other public employer and rendered against that
32 member if convicted of an offense under the provisions of chapter
33 27 of Title 2C of the New Jersey Statutes, or any other offense
34 involving a theft or misuse of public funds, or any attempt or
35 conspiracy to commit any such offense. Such judgment may
36 include the cost of prosecution as well as the amount of restitution
37 ordered; and

38 b. except as hereinafter in this section and as in this act
39 otherwise provided, shall be unassignable.

40 Nothing in this section shall prohibit any person insured under a
41 group insurance policy, pursuant to an arrangement among the
42 insured, the group policyholder and the insurer, from making to any
43 person other than his employer, a gift assignment of the rights and
44 benefits conferred on him by any provision of such policy or by law
45 including specifically but not by way of limitation the right to
46 exercise the conversion privilege and the right to name a
47 beneficiary. Any such assignment, whether made before or after the
48 effective date of this act, shall entitle the insurer to deal with the

1 assignee as the owner of all rights and benefits conferred on the
2 insured under the policy in accordance with the terms of the
3 assignment.

4 (cf: P.L.1969, c.98, s.3)

5
6 5. Section 45 of P.L.1965, c.89 (C.53:5A-45) is amended to
7 read as follows:

8 45. The right of a person to a pension, an annuity, or a
9 retirement allowance, to the return of contributions, any benefit or
10 right accrued or accruing to a person under the provisions of this act
11 and the moneys in the various funds created under this act~~],~~:

12 a. shall be exempt from any State or municipal tax and from
13 levy and sale, garnishment, attachment or any other process arising
14 out of any State or Federal court, except that the State or other
15 public employer shall be entitled to the enforcement of an order of
16 garnishment against the withdrawal of any contributions by, or the
17 payment of a retirement allowance to, a member or beneficiary in
18 the amount of a money judgment obtained by the State or other
19 public employer and rendered against that member if convicted of
20 an offense under the provisions of chapter 27 of Title 2C of the
21 New Jersey Statutes, or any other offense involving a theft or
22 misuse of public funds, or any attempt or conspiracy to commit any
23 such offense. Such judgment may include the cost of prosecution as
24 well as the amount of restitution ordered; and~~],~~

25 b. except as hereinafter in this section and as in this act
26 otherwise provided, shall be unassignable.

27 Nothing in this section shall prohibit any person insured under a
28 group insurance policy, pursuant to an arrangement among the
29 insured, the group policyholder and the insurer, from making to any
30 person other than his employer, a gift assignment of the rights and
31 benefits conferred on him by any provision of such policy or by law
32 including specifically but not by way of limitation the right to
33 exercise the conversion privilege and the right to name a
34 beneficiary. Any such assignment, whether made before or after the
35 effective date of this act, shall entitle the insurer to deal with the
36 assignee as the owner of all rights and benefits conferred on the
37 insured under the policy in accordance with the terms of the
38 assignment.

39 (cf: P.L.1969, c.98, s.4)

40
41 6. This act shall take effect immediately.

42 43 44 STATEMENT

45
46 This bill allows a public employer to levy a judgment for
47 restitution of illegally obtained funds against a convicted public
48 employee's retirement allowance from any of the principal State-

1 administered retirement systems or from the employee's pension
2 contributions to any of these systems.

3 Under current law, the right of a public employee to a pension,
4 an annuity, or a retirement allowance or to the return of
5 contributions from the Teachers' Pension and Annuity Fund, the
6 Judicial Retirement System, the Public Employees' Retirement
7 System, the Police and Firemen's Retirement System or the State
8 Police Retirement System is exempt from levy and sale,
9 garnishment, attachment or any other process arising out of any
10 State or federal court.

11 Under this bill, the State or other public employer will be entitled
12 to an order of garnishment against the withdrawal of any
13 contributions by, or the payment of a retirement allowance to, a
14 retirement system member or beneficiary in the amount of a money
15 judgment obtained by the employer and rendered against that
16 member if convicted of an offense under the provisions of chapter
17 27 of Title 2C of the New Jersey Statutes (concerning bribery and
18 corrupt influence), or any other offense involving a theft or misuse
19 of public funds, or any attempt or conspiracy to commit any such
20 offense. The judgment may include the cost of prosecution as well
21 as the amount of restitution ordered.