

CHAPTER 28

AN ACT concerning the use of direct deposit for State, county, county college, municipal, and school district employee compensation and amending P.L.1981, c.385 and P.L.1987, c.38 and supplementing P.L.1981, c.385 (C.52:14-15a et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.52:14-15a Direct deposit; required, exemptions, information available to employees.

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

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

b. Commencing on the first day of the fourth month following the enactment of P.L.2013, c.28, the State Treasurer shall make available for employees who have net pay directly deposited as described in this section any information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information.

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

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

C.52:14-15d Withdrawal of designation prohibited; exemptions.

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 Any written designation may be withdrawn by an employee at any time by filing the notice of withdrawal with his respective disbursing officer.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

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

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

C.52:14-15f Deposit of net pay; information available to employees.

2. a. Upon the adoption of an ordinance or resolution, as appropriate, the governing body of a county or municipality may provide for the deposit of the net pay of any employee of the county or municipality, or of a board, commission, bureau, department, or other public

agency thereof, in a specific banking institution in a designated checking account, savings account, or share account. When the employee shall indicate in writing to the proper disbursing officer his or her desire to have his or her net pay deposited, the disbursing officer shall make the deposit in the respective banking institution on behalf of the employee. As used in P.L.1981, c.385 (C.52:14-15a et seq.), "employee" shall also mean any person holding public office, position, or employment whose compensation is paid by a county or municipality or any board, commission, bureau, department, or other public agency thereof.

b. On or after July 1, 2014, the governing body of a county or municipality may determine by the adoption of an ordinance or resolution, as appropriate, to provide for the mandatory direct deposit of net pay for all employees of the county or municipality, or of a board, commission, bureau, department or other public agency thereof, in a specific banking institution based on information provided by the employee. If the governing body provides for such direct deposit, compliance by an employee shall be mandatory. No ordinance or resolution shall be adopted under subsection a. of this section on or after July 1, 2014. The governing body is authorized to grant an exemption from the requirements adopted pursuant to this subsection on such terms and conditions as the governing body may deem necessary. The governing body is authorized to grant an exemption for seasonal and temporary employees as the governing body may deem necessary.

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

C.52:14-15h Direct deposit of net pay for board of education employees; exemptions; information available to employees.

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

C.52:14-15i Direct deposit of net pay for county college employees; exemptions; information available to employees.

5. On or after July 1, 2014, the board of trustees of a county college may determine to have net pay for all employees directly deposited in a specific banking institution in a checking account, savings account, or share account designated in writing by the employee.

If the board provides for such direct deposit, compliance by an employee shall be mandatory. The board is authorized to grant an exemption from the requirements adopted pursuant to this section on such terms and conditions as the board may deem necessary. The board is authorized to grant an exemption for seasonal and temporary employees as the board may deem necessary. The board shall make available for such employees who have net pay directly deposited as described in this section all information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information. As used in this section, "county college" shall have the meaning set forth in N.J.S.18A:64A-1, and "board of trustees" shall mean such boards established under N.J.S.18A:64A-8.

6. This act shall take effect immediately.

Approved March 12, 2013.