

LEGISLATIVE FISCAL ESTIMATE:

No

VETO MESSAGE:

Yes

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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end

Title 43.
Subtitle 10.(New)
"Private Sector
Retirement"
Chapter 23.(New)
"Small Business
Retirement Plans"
§§1-12 -
C.43:23-1 to
43:23-12

P.L.2015, CHAPTER 298, *approved January 19, 2016*
Assembly, No. 4275 (*Third Reprint*)

1 AN ACT ³**[**concerning individual retirement savings for certain
2 workers**]** establishing a retirement savings marketplace³ and
3 supplementing Title 43 of the Revised Statutes.
4

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

8 ³**[**1. This act shall be known and may be cited as the “New
9 Jersey Secure Choice Savings Program Act.”**]**³
10

11 ³1. This act shall be known and may be cited as the “New Jersey
12 Small Business Retirement Marketplace Act.”³
13

14 ³2. The Legislature finds and declares that:

15 a. it is appropriate to create a New Jersey Small Business
16 Retirement Marketplace because there is a retirement savings gap in
17 this State, one in six Americans retire in poverty, and employees
18 who are unable to effectively build their retirement savings risk
19 living on low incomes in their elderly years and are more likely to
20 become dependent on State services;

21 b. small businesses, which employ half of New Jersey’s private
22 workforce, often choose not to offer retirement plans to employees
23 due to concerns about the cost, administrative burden, and potential
24 liability that they believe would be placed on their businesses;

25 c. the federal government has attempted to address the savings
26 gap by establishing the myRA program, a safe, affordable, and
27 accessible retirement vehicle designed to remove barriers to
28 retirement savings;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ALA committee amendments adopted June 18, 2015.

²Assembly AAP committee amendments adopted November 9, 2015.

³Assembly amendments adopted in accordance with Governor’s recommendations January 11, 2016.

- 1 d. the New Jersey Small Business Retirement Marketplace will
2 remove the barriers to entry into the retirement market for small
3 businesses by educating small employers on plan availability and
4 promoting, without mandating participation, qualified, low cost,
5 low burden retirement savings vehicles and myRA; the marketplace
6 furtheres greater retirement plan access for the residents of New
7 Jersey while ensuring that individuals participating in these
8 retirement plans will have all the protections offered by federal law;
- 9 e. the New Jersey Small Business Retirement Marketplace
10 should not place any financial burden upon taxpayers in the State
11 and it should not be implemented if it is determined that there is any
12 financial exposure to the State;
- 13 f. the New Jersey Small Business Retirement Marketplace will
14 be the best way for New Jersey to close the retirement savings
15 access gap, protect the fiscal stability of the State and its citizens
16 well into the future, become a national leader in retirement and
17 investor promotion and protection, and educate and promote
18 retirement saving among employees and small employers;
- 19 g. according to a recent AARP poll, 86 percent of New Jersey
20 residents age 35 and older say they hope to retire one day, but 65
21 percent are anxious about saving enough money so they could
22 afford it, and AARP estimates that roughly 1.7 million private
23 sector workers in New Jersey do not have access to a retirement
24 savings plan through their employer, and the National Institute of
25 Retirement Security describes this as a growing consumer crisis,
26 because the typical family has saved only \$2,500 for their
27 retirement;
- 28 h. AARP has been instrumental in leading a national initiative
29 called Work and Save to deal with retirement insecurity by
30 promoting state run retirement programs, including the Washington
31 Small Business Retirement Marketplace, signed into law in May
32 2015, designed to provide thousands of small business employees
33 access to retirement plans by creating a voluntary public-private
34 partnership marketplace that will educate small business employers
35 on existing private sector retirement plan vendors;
- 36 i. the Washington marketplace was the result of public and
37 private organizations coming together to find the most effective and
38 efficient way to close the retirement savings access gap, and the
39 following organizations have endorsed the Washington
40 marketplace: AARP, Securities Industry and Financial Markets
41 Association, the American Council of Life Insurers, Washington
42 Bankers Association, and various employer groups; and
- 43 j. by following this model, the New Jersey Small Business
44 Retirement Marketplace will provide a market-based approach so
45 that small businesses can offer a simple and inexpensive way to
46 offer private savings to their employees, which will result in
47 workers saving more for retirement throughout their lives.³

1 ³3. As used in this act:

2 “Approved plans” means retirement plans offered by private
3 sector financial services firms that meet the requirements of this act
4 to participate in the marketplace.

5 “Balanced fund” means a mutual fund that has an investment
6 mandate to balance its portfolio holdings and generally includes a
7 mix of stocks and bonds in varying proportions according to the
8 fund’s investment outlook.

9 “Eligible employer” means a person, firm, corporation,
10 partnership, or sole proprietor, or any other employer that is
11 actively engaged in business with fewer than 100 qualified
12 employees at the time of enrollment, and a majority of which
13 employees are employed in New Jersey.

14 “Enrollee” means any employee who is voluntarily enrolled in an
15 approved plan offered by an eligible employer through the
16 marketplace.

17 “myRA” means the myRA retirement program administered by
18 the United States Department of the Treasury that is available to all
19 employers and employees with no fees or no minimum contribution
20 requirements. “myRA” is a Roth IRA option, and investments in
21 these accounts are backed by the United States Department of the
22 Treasury.

23 “New Jersey Small Business Retirement Marketplace” or
24 “marketplace” means the retirement savings program created to
25 connect eligible employers and their employees with approved
26 plans to increase retirement savings.

27 “Participating employer” means any eligible employer with
28 employees enrolled in an approved plan offered through the New
29 Jersey Small Business Retirement Marketplace who chooses to
30 participate in the marketplace and offers approved plans to
31 employees for voluntary enrollment.

32 “Private sector financial services firms” or “financial services
33 firms” means persons or entities licensed or holding a certificate of
34 authority or authorized to do business in the State, in good standing
35 by the Department of Banking and Insurance and the Bureau of
36 Securities in the Division of Consumer Affairs in the Department of
37 Law and Public Safety, and meeting all federal laws and regulations
38 to offer retirement plans.

39 “Qualified employee” means those workers who are defined by
40 the federal Internal Revenue Service to be eligible to participate in a
41 specific qualified plan.

42 “Target date or other similar fund” means a mutual fund that
43 automatically resets the asset mix of stocks, bonds, cash
44 equivalents, and other investments in its portfolio according to a
45 selected time frame that is appropriate for a particular investor and
46 is structured to address a projected retirement date.³

1 ³4. There is established the New Jersey Small Business
2 Retirement Marketplace in the Department of the Treasury.³

3
4 ³5. a. The State Treasurer, or the Treasurer's designee, shall
5 design and implement a plan for the operation of the marketplace
6 pursuant to the provision of this act. Thereafter, the State Treasurer,
7 or the Treasurer's designee, shall facilitate the connections between
8 eligible employers and approved plans included in the marketplace.

9 b. The State Treasurer, or the Treasurer's designee, shall
10 consult with the Director of Investment of the Department of the
11 Treasury, or the director's designee; the Commissioner of Banking
12 and Insurance, or the commissioner's designee; the Commissioner
13 of Labor and Workforce Development, or the commissioner's
14 designee; the Chairperson of the State Investment Council, or the
15 chairperson's designee; the Director of the Division of Pensions and
16 Benefits, or the director's designee; and the Chief Executive Officer
17 of the New Jersey Economic Development Authority, or the chief
18 executive office's designee, in designing and managing the
19 marketplace.

20 c. The State Treasurer, or the Treasurer's designee, shall
21 approve private sector financial service firms as defined in section 3
22 of this act for participation in the marketplace. The State Treasurer,
23 or the Treasurer's designee, shall ensure that the range of
24 investment options offered by the financial service firms is
25 sufficient to meet the needs of investors with various levels of risk
26 tolerance and various ages.

27 d. The State Treasurer, or the Treasurer's designee, shall
28 approve a diverse array of private retirement plan options that are
29 available to employers on a voluntary basis, including life insurance
30 plans that are designed for retirement purposes, and at least two
31 types of plans for eligible employer participation, including:

32 (1) a SIMPLE IRA type plan that provides for employer
33 contributions to participating enrollee accounts; and

34 (2) a payroll deduction individual retirement account type plan
35 or workplace-based individual retirement accounts open to all
36 workers in which the employer does not contribute to the
37 employees' account.

38 e. Prior to approving a plan to be offered on the marketplace,
39 the State Treasurer, or the Treasurer's designee, shall obtain
40 certification from the Department of Banking and Insurance and the
41 Bureau of Securities in the Division of Consumer Affairs in the
42 Department of Law and Public Safety that the financial services
43 firm providing the plan is in good standing with the department and
44 the bureau and shall ensure that the plan meets the requirements of
45 this act. The State Treasurer, or the Treasurer's designee, may at
46 any time remove any approved plan from the marketplace that no
47 longer meets the requirements of this act.

1 f. The financial services firms participating in the marketplace
2 shall offer a minimum of two product options, including:

3 (1) a target date or other similar fund, with asset allocations and
4 maturities designed to coincide with the expected date of
5 retirement; and

6 (2) a balanced fund.

7 The marketplace shall offer myRA in addition to any other
8 approved plan.

9 g. The marketplace shall not operate unless there are at least
10 two financial services firms offering approved plans on the
11 marketplace; however, nothing in this section shall be construed as
12 to limit the number of financial services firms with approved plans
13 participating in the marketplace.

14 h. The State Treasurer, or the Treasurer's designee, shall
15 ensure that approved plans are compliant with any federal law or
16 regulation regarding Internal Revenue Service approved retirement
17 plans.

18 i. Approved plans shall include the option for enrollees to roll
19 pretax contributions into a different individual retirement account or
20 another eligible retirement plan after ceasing participation in a plan
21 approved by the marketplace.

22 j. Financial services firms selected by the State Treasurer, or
23 the Treasurer's designee, to offer approved plans on the
24 marketplace shall not charge the participating employer an
25 administrative fee or surcharge and shall not charge enrollees more
26 than 100 basis points in total annual fees and shall provide
27 information about their product's historical investment
28 performance.

29 k. Participation in the marketplace is voluntary for both eligible
30 employers and qualified employees, and enrollment in any approved
31 plan offered in the marketplace is not an entitlement.

32 l. The State Treasurer, or the Treasurer's designee, shall
33 establish protocol to address rollovers for eligible employers that
34 have workers in other states, and to address whether out-of-state
35 employees with existing IRAs may roll them into the plans offered
36 through the marketplace.

37 m. The State Treasurer, or the Treasurer's designee, may
38 establish a fee system that charges financial services firms that
39 participate in the marketplace in order to cover the startup and
40 annual administrative expenses of the State Treasurer, or the
41 Treasurer's designee, in the performance of its duties under this
42 act.³

43
44 ³6. a. The State Treasurer, or the Treasurer's designee, shall
45 contract with one or more private sector entities to:

46 (1) establish a protocol for reviewing and approving the
47 qualifications of all financial services firms that meet the
48 requirements to participate in the marketplace;

1 (2) design and operate an Internet website that includes
2 information on how eligible employers can voluntarily participate
3 in the marketplace;

4 (3) develop marketing materials about the marketplace that can
5 be distributed electronically or posted on both public and private
6 sector maintained websites;

7 (4) identify and promote existing federal and State tax credits
8 and benefits for employers and employees that are related to
9 encouraging retirement savings or participating in retirement plans;
10 and

11 (5) promote the benefits of retirement savings and other
12 information that promotes financial literacy.

13 b. The State Treasurer, or the Treasurer's designee, shall direct
14 any private sector entity contracted pursuant to subsection a. of this
15 section to assure that licensed professionals who assist their clients
16 that are eligible employers or their employees to enroll in a plan
17 offered through the marketplace will receive routine, market-based
18 commissions or other compensation for their services.

19 c. The State Treasurer, or the Treasurer's designee, shall
20 establish rules to ensure that there are objective criteria in the
21 protocol established pursuant to subsection a.(1) of this section and
22 that the protocol does not provide an unfair advantage to the private
23 sector entity that establishes the protocol.³

24
25 ³7. In addition to any funds appropriated for the purposes of this
26 act, the State Treasurer, or the Treasurer's designee, shall approve
27 the use of private funding sources, including private foundation
28 grants, to pay for marketplace expenses. On behalf of the
29 marketplace, the Department of Treasury shall seek federal and
30 private grants and is authorized to accept any funds awarded to the
31 State Treasurer, or the Treasurer's designee, for use in designing,
32 implementing, and operating the marketplace.³

33
34 ³8. The Department of Treasury shall not expose the State as an
35 employer or through administration of the marketplace to any
36 liability under the federal "Employee Retirement Income Security
37 Act of 1974" (29 U.S.C. s.1001 et seq.). The Department of
38 Treasury is specifically prohibited from offering and operating a
39 State-sponsored retirement plan for businesses for individuals who
40 are not employed by the State, or any political subdivision thereof.³

41
42 ³9. The State Treasurer, or the Treasurer's designee, shall
43 approve incentive payments to participating employers that enroll in
44 the marketplace if there are sufficient funds provided by private
45 foundations or other private sector entities, or with State funds
46 specifically appropriated for this purpose.³

1 ³10. The State Treasurer, or the Treasurer's designee, shall
2 report biennially to the Legislature on the effectiveness and
3 efficiency of the marketplace, including levels of enrollment and
4 the retirement savings levels of participating enrolled that are
5 obtained in aggregate on a voluntary basis from private sector
6 financial services firms that participate in the marketplace.³

7
8 ³11. The State Treasurer, or the Treasurer's designee, shall
9 ensure that any individual retirement account products proposed for
10 inclusion in the marketplace comply with the requirements of
11 section 5 of this act.³

12
13 ³12. The Department of Treasury shall promulgate regulations,
14 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
15 (C.52:14B-1 et seq.) necessary to effectuate the purposes of this act.
16 In promulgating regulations, the State Treasurer, or the Treasurer's
17 designee, shall consult with organizations representing eligible
18 employers, qualified employees, private and nonprofit sector
19 retirement plan administrators and providers, private sector
20 financial services firms, and any other individual or entities that the
21 State Treasurer, or the Treasurer's designee, determines relevant to
22 the effective and efficient method for effectuating the purposes of
23 this act.³

24
25 ³[2. As used in this act:

26 "Board" means the New Jersey Secure Choice Savings Board
27 established pursuant to this act.

28 "Department" means the Department of the Treasury.

29 "Employee" means any individual who is 18 years of age or
30 older, who ²lives in this State or² is employed by an employer ²in
31 this State², and whose wages are subject to withholding as provided
32 in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.

33 "Employer" means a person or entity engaged in a business,
34 industry, profession, trade, or other enterprise in New Jersey,
35 whether for profit or not for profit, that has at no time during the
36 previous calendar year employed fewer than 25 employees in the
37 State, has been in business at least two years, and has not offered a
38 qualified retirement plan, including, but not limited to, a plan
39 qualified under section 401(a), section 401(k), section 403(a),
40 section 403(b), section 408(k), section 408(p), or section 457(b) of
41 the Internal Revenue Code in the preceding two years. "Employer"
42 shall not mean the State, its political subdivisions, any office,
43 department, division, bureau, board, commission or agency of the
44 State or one of its political subdivisions, or any public body in the
45 State.

46 "Enrollee" means any employee who is enrolled in the program.

1 "Fund" means the New Jersey Secure Choice Savings Program
2 Fund established pursuant to this act.

3 "Internal Revenue Code" means the federal Internal Revenue
4 Code of 1986, 26 U.S.C. s.1 et seq., or any successor law, in effect
5 for the calendar year.

6 "IRA" means a standard Individual Retirement Account under
7 section 408, or a Roth Individual Retirement Account under section
8 408A, of the Internal Revenue Code.

9 "Participating employer" means an employer or small employer
10 that provides a payroll deposit retirement savings arrangement as
11 provided under this act for its employees who are enrollees in the
12 program.

13 "Payroll deposit retirement savings arrangement" means an
14 arrangement by which a participating employer allows enrollees to
15 remit payroll deduction contributions to the program.

16 "Program" means the New Jersey Secure Choice Savings
17 Program established pursuant to this act.

18 "Small employer" means a person or entity engaged in a
19 business, industry, profession, trade, or other enterprise in New
20 Jersey, whether for profit or not for profit, that employed less than
21 25 employees at any one time in the State throughout the previous
22 calendar year, or has been in business less than two years, or both,
23 but that notifies the board that it is interested in being a
24 participating employer.

25 "Wages" means any compensation within the meaning of section
26 219(f)(1) of the Internal Revenue Code that is received by an
27 enrollee from a participating employer during the calendar year. ³

28

29 ³[3. A retirement savings program in the form of an automatic
30 enrollment payroll deduction IRA, known as the New Jersey Secure
31 Choice Savings Program, is hereby established and shall be
32 administered by the board for the purpose of promoting greater
33 retirement savings for private sector employees in a convenient, low
34 cost, and portable manner.]³

35

36 ³[4. a. The New Jersey Secure Choice Savings Program Fund is
37 established as a special fund outside of the General Fund, separate
38 and apart from all public moneys or funds of this State, with the
39 board established pursuant to section 6 of this act as its trustee. The
40 fund shall include the individual retirement accounts of enrollees,
41 which shall be accounted for as individual accounts. Moneys in the
42 fund shall consist of moneys received from enrollees and
43 participating employers pursuant to automatic payroll deductions
44 and contributions to savings made pursuant this act. The fund shall
45 be operated in a manner determined by the board, provided that the
46 fund is operated so that the accounts of enrollees established under

1 the program meet the requirements for IRAs under the Internal
2 Revenue Code.

3 b. The amounts deposited in the fund shall not constitute
4 property of the State and the fund shall not be construed to be a
5 department, institution, or agency of the State. Amounts on deposit
6 in the fund shall not be commingled with State funds and the State
7 shall have no claim to or against, or interest in, such funds.】³

8
9 ³【5. The New Jersey Secure Choice Administrative Fund is
10 created as a nonappropriated separate and apart trust fund in the
11 General Fund. The board shall use moneys in the administrative
12 fund to pay for administrative expenses it incurs in the performance
13 of its duties under this act. The board shall use moneys in the
14 administrative fund to cover startup administrative expenses it
15 incurs in the performance of its duties under this act. The
16 administrative fund may receive any grants or other moneys
17 designated for administrative purposes from the State, or any unit of
18 federal or local government, or any other person, firm, partnership,
19 or corporation. Any interest earnings that are attributable to moneys
20 in the administrative fund shall be deposited into the administrative
21 fund.】³

22
23 ³【6. There is established the New Jersey Secure Choice Savings
24 Board.

25 a. The board shall consist of the following members:

26 (1) the State Treasurer, or the State Treasurer's designee, who
27 shall serve as chair;

28 (2) the State Comptroller, or the State Comptroller's designee;

29 (3) the Director of the Office of Management and Budget, or the
30 director's designee;

31 (4) two representatives of the general public with expertise in
32 retirement savings plan administration or investment, or both, of
33 which one representative shall be appointed by the Speaker of
34 General Assembly and one representative appointed by the Senate
35 President;

36 (5) a representative of participating employers, appointed by the
37 Governor; and

38 (6) a representative of enrollees, appointed by the Governor.

39 b. Members of the board shall serve without compensation.

40 c. The initial terms of the appointees shall be as follows: the
41 public representative appointed by the Senate President, for four
42 years; the public representative appointed by the Speaker of the
43 General Assembly, for two years; the representative of participating
44 employers, for three years; and the representative of enrollees for
45 one year. Thereafter, all of the appointees shall be for terms of four
46 years.

1 d. A vacancy in the term of an appointed board member shall
2 be filled for the balance of the unexpired term in the same manner
3 as the original appointment.

4 e. Each appointment by the Governor shall be subject to the
5 advice and consent of the Senate. In case of a vacancy during a
6 recess of the Senate, the Governor shall make a temporary
7 appointment until the next meeting of the Senate, at which time the
8 Governor shall appoint a person to fill the office.

9 f. Each board member, prior to assuming office, shall take an
10 oath that the member will diligently and honestly administer the
11 affairs of the board and that the member will not knowingly violate
12 or willingly permit to be violated any of the provisions of law
13 applicable to the program. The oath shall be certified by the officer
14 before whom it is taken and immediately filed with the Secretary of
15 State.】³

16

17 ³【7. The board, the individual members of the board, the trustee
18 appointed under subsection b. of section 8 of this act, any other
19 agents appointed or engaged by the board, and all persons serving
20 as program staff shall discharge their duties with respect to the
21 program solely in the interest of the program's enrollees and
22 beneficiaries as follows:

23 a. By investing with the care, skill, prudence, and diligence
24 under the prevailing circumstances that a prudent person acting in a
25 like capacity and familiar with those matters would use in the
26 conduct of an enterprise of a similar character and with similar
27 aims; and

28 b. By using any contributions paid by employees and
29 employers into the fund exclusively for the purpose of paying
30 benefits to the enrollees of the program, for the cost of
31 administration of the program, and for investments made for the
32 benefit of the program.】³

33

34 ³【8. In addition to the other duties and responsibilities provided
35 in this act, the board shall:

36 a. Design, establish, and operate the program in a manner that:

37 (1) accords with best practices for retirement savings vehicles;

38 (2) maximizes participation, savings, and sound investment
39 practices;

40 (3) maximizes simplicity, including ease of administration for
41 participating employers and enrollees;

42 (4) provides an efficient product to enrollees by pooling
43 investment funds;

44 (5) ensures the portability of benefits; and

45 (6) provides for the deaccumulation of enrollee assets in a
46 manner that maximizes financial security in retirement;

- 1 b. Appoint a trustee to the fund in compliance with section 408
2 of the Internal Revenue Code;
- 3 c. Explore and establish investment options, subject to section
4 11 of this act, that offer employees returns on contributions and the
5 conversion of individual retirement savings account balances to
6 secure retirement income without incurring debt or liabilities to the
7 State;
- 8 d. Establish the process by which interest, investment earnings,
9 and investment losses are allocated to individual program accounts
10 on a pro rata basis and are computed at the interest rate on the
11 balance of an individual's account;
- 12 e. Make and enter into contracts necessary for the
13 administration of the program and the fund, including, but not
14 limited to, retaining and contracting with investment managers,
15 private financial institutions, other financial and service providers,
16 consultants, actuaries, counsel, auditors, third-party administrators,
17 and other professionals as necessary;
- 18 f. Conduct a review of the performance of any investment
19 vendors not less than once every ²~~four~~ two² years, including, but
20 not limited to, a review of returns, fees, and customer service, and
21 post a copy of reviews conducted under this subsection to an
22 Internet website established and maintained by the board;
- 23 g. Determine the number and duties of staff members needed to
24 administer the program and employ a staff, including, as needed,
25 appointing a program administrator, and entering into contracts with
26 the State Treasurer to make employees of the department available
27 to administer the program;
- 28 h. Ensure that moneys in the fund ²~~to~~² be held and invested
29 as pooled investments described in section 11 of this act, with a
30 view to achieving cost savings through efficiencies and economies
31 of scale;
- 32 i. Evaluate and establish the process by which an enrollee is
33 able to contribute a portion of the enrollee's wages to the program
34 for automatic deposit of those contributions and the process by
35 which the participating employer provides a payroll deposit
36 retirement savings arrangement to forward those contributions and
37 related information to the program, including, but not limited to,
38 contracting with financial service companies and third-party
39 administrators with the capability to receive and process employee
40 information and contributions for payroll deposit retirement savings
41 arrangements or similar arrangements;
- 42 j. Design and establish the process for enrollment by an
43 employee pursuant to section 14 of this act, including the process
44 by which an employee can opt not to participate in the program,
45 select a contribution level, select an investment option, and
46 terminate participation in the program;
- 47 k. Evaluate and establish the process by which an individual
48 may voluntarily enroll in and make contributions to the program;

- 1 l. Accept any grants, appropriations, or other moneys from the
2 State, any unit of federal, State, or local government, or any other
3 person, firm, partnership, or corporation solely for deposit into the
4 fund, whether for investment or administrative purposes;
- 5 m. Evaluate the need for, and procure as needed, insurance
6 against any and all loss in connection with the property, assets, or
7 activities of the program, and indemnify as needed each member of
8 the board from personal loss or liability resulting from a member's
9 action or inaction as a member of the board;
- 10 n. Make provisions for the payment of administrative costs and
11 expenses for the creation, management, and operation of the
12 program, including the costs associated with subsections e., g., i.,
13 and m. of this section, subsection b. of section 11, subsection a. of
14 section 18, and subsection m. of section 19 of this act, ²and² keep
15 annual administrative fees as low as possible, but in no event ²shall
16 annual administrative fees² exceed ²~~0.75 percent~~ 0.6 percent² of
17 the fund's total balance. ²“Administrative fees” shall include any
18 investment fees incurred pursuant to this section.² Subject to
19 appropriation, the State may pay administrative costs associated
20 with the creation and management of the program until sufficient
21 assets are available in the fund for that purpose. Thereafter, all
22 administrative costs of the fund, including repayment of any funds
23 provided by the State, shall be paid only out of moneys on deposit
24 therein, except that, private funds or federal funding received under
25 subsection l. of this section in order to implement the program shall
26 not be repaid unless those funds were offered contingent upon the
27 promise of repayment;
- 28 o. Allocate administrative fees to individual retirement
29 accounts in the program on a pro rata basis;
- 30 p. Set minimum and maximum contribution levels in
31 accordance with limits established for IRAs by the Internal Revenue
32 Code;
- 33 q. Facilitate education and outreach to employers and
34 employees;
- 35 r. Facilitate compliance by the program with all applicable
36 requirements for the program under the Internal Revenue Code,
37 including tax qualification requirements or any other applicable law
38 and accounting requirements;
- 39 s. Carry out the duties and obligations of the program in an
40 effective, efficient, and low-cost manner;
- 41 t. Exercise any and all other powers reasonably necessary for
42 the effectuation of the purposes, objectives, and provisions of this
43 act pertaining to the program; and
- 44 u. Deposit into the New Jersey Secure Choice Administrative
45 Fund all grants, gifts, donations, fees, and earnings from
46 investments from the New Jersey Secure Choice Savings Program
47 Fund that are used to recover administrative costs. All expenses of

1 the board shall be paid from the New Jersey Secure Choice
2 Administrative Fund.】³

3
4 ³【9. The board shall annually prepare and adopt a written
5 statement of investment policy that includes a risk management and
6 oversight program. This investment policy shall prohibit the board,
7 program, and fund from borrowing for investment purposes. The
8 risk management and oversight program shall be designed to ensure
9 that an effective risk management system is in place to monitor the
10 risk levels of the program and fund portfolio, to ensure that the risks
11 taken are prudent and properly managed, to provide an integrated
12 process for overall risk management, and to assess investment
13 returns as well as risk to determine if the risks taken are adequately
14 compensated compared to applicable performance benchmarks and
15 standards. The board shall consider the statement of investment
16 policy and any changes in the investment policy at a public
17 hearing.】³

18
19 ³【10. a. Moneys in the fund shall be invested, or reinvested, as
20 the case may be, by the department. The department shall comply
21 with any and all applicable federal and State laws, rules, and
22 regulations, as well as any and all rules or regulations promulgated
23 by the board with respect to the program and the investment of the
24 fund, including, but not limited to, the investment policy.

25 b. The department shall provide reports as the board deems
26 necessary for the board to oversee the department's performance
27 and the performance of the fund.】³

28
29 ³【11. a. The board shall establish as an investment option a life-
30 cycle fund with a target date based upon the age of the enrollee.
31 This fund shall be the default investment option for enrollees who
32 fail to elect an investment option unless and until the board
33 designates by rule or regulation a new investment option as the
34 default as described in subsection c. of this section.

35 b. The board may also establish any or all of the following
36 additional investment options:

37 (1) a conservative principal protection fund;

38 (2) a growth fund;

39 (3) a secure return fund whose primary objective is the
40 preservation of the safety of principal and the provision of a stable
41 and low-risk rate of return. If the board elects to establish a secure
42 return fund, the board may procure any insurance, annuity, or other
43 product to insure the value of enrollees' accounts and guarantee a
44 rate of return. The cost of this funding mechanism shall be paid out
45 of the fund. Under no circumstances shall the board, program,
46 fund, the State, or any participating employer assume any liability
47 for investment or actuarial risk. The board shall determine whether

1 to establish such investment options based upon an analysis of their
2 cost, risk profile, benefit level, feasibility, and ease of
3 implementation; or

4 (4) an annuity fund.

5 c. If the board elects to establish a secure return fund, the
6 board shall then determine whether that option shall replace the
7 target date or life-cycle fund as the default investment option for
8 enrollees who do not elect an investment option. In making this
9 determination, the board shall consider the cost, risk profile, benefit
10 level, and ease of enrollment in the secure return fund. The board
11 may at any time thereafter replace the default investment option
12 and, based upon an analysis of these criteria, establish either the
13 secure return fund or the life-cycle fund as the default for enrollees
14 who do not elect an investment option.

15 ²d. Notwithstanding any other provision of this section, the
16 board shall not offer more than five investment options in any given
17 calendar year.²]³
18

19 ³[12. Interest, investment earnings, and investment losses
20 shall be allocated to individual program accounts as established by
21 the board pursuant to subsection d. of section 8 of this act. An
22 individual's retirement savings benefit under the program shall be
23 an amount equal to the balance in the individual's program account
24 on the date the retirement savings benefit becomes payable. The
25 State shall have no liability for the payment of any benefit to any
26 participant in the program.]³
27

28 ³[13. a. Prior to the opening of the program for enrollment, the
29 board shall design and disseminate to all employers an employer
30 information packet and an employee information packet, which
31 shall include background information on the program, appropriate
32 disclosures for employees, and, if necessary, information regarding
33 the vendor Internet website described in subsection ²[i.] j.² of
34 section 14 of this act.

35 b. For the first six months following the opening of the
36 program, the board shall provide a process by which employers may
37 register for participation in the program.

38 c. The employee information packet designed by the board
39 shall include a disclosure form. The disclosure form shall explain,
40 but not be limited to, all of the following:

41 (1) the benefits and risks associated with making contributions
42 to the program;

43 (2) the mechanics of how to make contributions to the program;

44 (3) how to opt out of the program;

45 (4) how to participate in the program with a level of employee
46 contributions other than three percent;

47 (5) the process for withdrawal of retirement savings;

- 1 (6) how to obtain additional information about the program;
- 2 (7) that employees seeking financial advice should contact
3 financial advisors, that participating employers are not in a position
4 to provide financial advice, and that participating employers are not
5 liable for decisions employees make pursuant to this act;
- 6 (8) that the program is not an employer-sponsored retirement
7 plan; and
- 8 (9) that the program fund is not guaranteed by the State.
- 9 d. The employee information packet shall also include a form
10 for an employee to note his or her decision to opt out of
11 participation in the program or elect to participate with a level of
12 employee contributions other than three percent.
- 13 e. Participating employers shall supply the employee
14 information packet to employees upon implementation of the
15 program. Participating employers shall supply the employee
16 information packet to new employees at the time of hiring, and new
17 employees may opt out of participation in the program or elect to
18 participate with a level of employee contributions other than three
19 percent at that time.
20
- 21 14. Except as otherwise provided in section 21 of this act, the
22 program shall be implemented, and enrollment of employees shall
23 begin, within 24 months after the effective date of this act. The
24 following provisions of this section shall be in force after the board
25 opens the program for enrollment:
- 26 a. Each employer shall establish a payroll deposit retirement
27 savings arrangement to allow each employee to participate in the
28 program not more than nine months after the board opens the
29 program for enrollment.
- 30 b. Employers shall automatically enroll in the program each of
31 their employees who has not opted out of participation in the
32 program using the form described in subsection d. of section 13 of
33 this act and shall provide payroll ²~~deduction~~ deposit² retirement
34 savings arrangements for their employees and, on behalf of the
35 employees, deposit these funds into the program. Small employers
36 may, but are not required to, provide payroll ²~~deduction~~ deposit²
37 retirement savings arrangements for each employee who elects to
38 participate in the program.
- 39 c. Enrollees shall have the ability to select a contribution level
40 into the fund. This level may be expressed as a percentage of
41 wages or as a dollar amount up to the deductible amount for the
42 enrollee's taxable year under section 219(b)(1)(A) of the Internal
43 Revenue Code. Enrollees may change their contribution level no
44 more than once every calendar quarter, subject to rules and
45 regulations promulgated by the board. If an enrollee fails to select a
46 contribution level using the form described in subsection ²~~c.~~ d.²
47 of section 13 of this act, then the enrollee shall contribute three
48 percent of the enrollee's wages to the program, so long as the

1 contributions do not cause the enrollee's total contributions to IRAs
2 for the year to exceed the deductible amount for the enrollee's
3 taxable year under section 219(b)(1)(A) of the Internal Revenue
4 Code.

5 d. Enrollees may select an investment option from the
6 permitted investment options listed in section 11 of this act.
7 Enrollees may change their investment option no more than once
8 every calendar quarter, subject to the rules and regulations
9 promulgated by the board. In the event that an enrollee fails to
10 select an investment option, that enrollee shall be placed in the
11 investment option selected by the board as the default under
12 subsection c. of section 11 of this act. If the board has not selected
13 a default investment option under subsection c. of section 11 of this
14 act, then an enrollee who fails to select an investment option shall
15 be placed in the life-cycle fund investment option.

16 e. Following initial implementation of the program pursuant to
17 this section, at least once every year, participating employers shall
18 designate an open enrollment period during which employees who
19 previously opted out of the program may enroll in the program.

20 f. ¹(1) For any employee hired by an employer more than six
21 months after the board opens the program for enrollment, the
22 employer shall enroll the employee in the program no later than
23 three months following the date of hire of the employee, unless the
24 employee opts out of enrollment in the program prior to being
25 enrolled.

26 (2) Any newly hired employee who has previously been enrolled
27 in the program shall have the option of making direct contributions
28 into that employee's existing account, provided that paragraph (1)
29 of this subsection also applies to the employer of a newly hired
30 employee who has been previously enrolled in the program.

31 g.¹ An employee who opts out of the program who subsequently
32 wants to participate through the participating employer's payroll
33 deposit retirement savings arrangement may only enroll during the
34 participating employer's designated open enrollment period or if
35 permitted by the participating employer at an earlier time.

36 ¹**[g.] h.**¹ Employers shall retain the option at all times to set up
37 any type of employer-sponsored retirement plan, such as a defined
38 benefit plan or a 401(k), Simplified Employee Pension (SEP) plan,
39 or Savings Incentive Match Plan for Employees (SIMPLE) plan, or
40 to offer an automatic enrollment payroll deduction IRA, instead of
41 having a payroll deposit retirement savings arrangement to allow
42 employee participation in the program.

43 ¹**[h.] i.**¹ An employee may terminate his or her participation
44 in the program at any time in a manner prescribed by the board.

45 ¹**[i.] j.**¹ The board may establish and maintain an Internet
46 website designed to assist employers in identifying private sector
47 providers of retirement arrangements that can be set up by the

1 employer rather than allowing employee participation in the
2 program under this act. The board ¹~~must~~ shall¹ provide public
3 notice of the availability of and the process for inclusion on the
4 Internet website before it becomes publicly available.]³

5
6 ³[15. Employee contributions deducted by the participating
7 employer through payroll deduction shall be paid by the
8 participating employer to the fund using one or more payroll
9 deposit retirement savings arrangements established by the board
10 under subsection i. of section 8 of this act, either:

11 a. On or before the last day of the month following the month
12 in which the compensation otherwise would have been payable to
13 the employee; or

14 b. Before a later deadline prescribed by the board for making
15 the payments, but not later than the due date for the federal income
16 tax return deposit of tax required to be deducted and withheld
17 relating to collection of State income tax at source on wages for the
18 payroll period to which the payments relate.]³

19
20 ³[16. a. The State shall have no duty or liability to any party for
21 the payment of any retirement savings benefits accrued by any
22 individual under the program. Any financial liability for the
23 payment of retirement savings benefits in excess of funds available
24 under the program shall be borne solely by the entities with whom
25 the board contracts to provide insurance to protect the value of the
26 program.

27 b. No State entity, board, commission, or agency, or any
28 officer, employee, or member thereof is liable for any loss or
29 deficiency resulting from particular investments selected under this
30 act, except for any liability that arises out of a breach of fiduciary
31 duty under section 7 of this act.]³

32
33 ³[17. a. Participating employers shall not have any liability for
34 an employee's decision to participate in, or opt out of, the program
35 or for the investment decisions of the board or of any enrollee.

36 b. A participating employer shall not be a fiduciary, or
37 considered to be a fiduciary, over the program. A participating
38 employer shall not bear responsibility for the administration,
39 investment, or investment performance of the program. A
40 participating employer shall not be liable with regard to investment
41 returns, program design, and benefits paid to program
42 participants.]³

43
44 ³[18. a. The board shall annually submit:

45 (1) an audited financial report, prepared in accordance with
46 generally accepted accounting principles, on the operations of the
47 program for each calendar year, to be submitted no later than July 1

1 of the following year to the Governor, and to the Legislature
2 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1); and

3 (2) a report prepared by the board, including, but not limited to,
4 a summary of the benefits provided by the program, the number of
5 enrollees in the program, the percentage and amounts of investment
6 options and rates of return, fees paid to any vendors or contractors
7 for purposes of implementing or operating the program, and other
8 information that is relevant to make a full, fair, and effective
9 disclosure of the operations of the program and the fund.

10 The annual audit shall be made by an independent certified
11 public accountant and shall include, but is not limited to, direct and
12 indirect costs attributable to the use of outside consultants,
13 independent contractors, and any other persons who are not State
14 employees for the administration of the program.

15 b. In addition to any other statements or reports required by
16 law, the board shall provide periodic reports at least annually to
17 participating employers, reporting the names of each enrollee
18 employed by the participating employer and the amounts of
19 contributions made by the participating employer on behalf of each
20 employee during the reporting period, as well as to enrollees,
21 reporting contributions and investment income allocated to,
22 withdrawals from, and balances in their program accounts for the
23 reporting period. The reports may include any other information
24 regarding the program as the board determines is appropriate.】³

25

26 ³【19. a. An employer who fails without reasonable cause to
27 enroll ¹【an】 any¹ employee ¹who has not opted out of participation¹
28 in the program within the time prescribed under section 14 of this
29 act shall be subject to ¹【a penalty equal to】¹:

30 (1) ¹【\$250 for each employee for each calendar year or portion
31 of a calendar year during which the employee neither was enrolled
32 in the program nor had elected out of participation in the program;
33 or】 for the first calendar year during which at any point a violation
34 occurs, a written warning by the department;¹

35 (2) ¹【for each calendar year beginning after the date a penalty
36 has been assessed with respect to an employee, \$500 for any portion
37 of that calendar year during which such employee continues to be
38 unenrolled without electing out of participation in the program】 for
39 the second calendar year during which at any point a violation
40 occurs, a fine of \$100;

41 (3) for the third and fourth calendar year during which at any
42 point a violation occurs, a fine of \$250 for each employee who was
43 neither enrolled in nor opted out of participation in the program;
44 and

45 (4) for the fifth and any subsequent calendar year during which
46 at any point a violation occurs, a fine of \$500 for each employee

- 1 who was neither enrolled in nor opted out of participation in the
2 program¹.
- 3 b. An employer who collects employee contributions but fails
4 to remit any portion of the contributions to the fund shall be subject
5 to a penalty of \$2,500 for a first offense, and \$5,000 for the second
6 and each subsequent offense.
- 7 c. After a determination that an employer is subject to penalty
8 pursuant to this section, the department shall issue a notice of
9 proposed penalty to the employer. For purposes of subsection a. of
10 this section, the notice issued by the department to the employer
11 shall state the number of employees for which the penalty is
12 proposed under paragraph ¹~~[(1)]~~ (3) or (4)¹ of subsection a. of this
13 section ¹~~],~~ or the number of employees for which the penalty is
14 proposed under paragraph (2) of subsection a. of this section, or
15 both,¹ and the total amount of penalties proposed. For purposes of
16 subsection b. of this section, the department shall issue a notice of
17 proposed penalty to the employer stating the total amount of
18 penalties proposed under subsection b. of this section. Upon the
19 expiration of 90 days after the date on which a notice of proposed
20 penalty was issued, the penalties specified therein shall be deemed
21 assessed, unless the employer had filed a protest with the
22 department under subsection d. of this section. If, within 90 days
23 after the date on which the notice of proposed penalty was issued, a
24 protest is filed under subsection d. of this section, the penalties
25 specified in the notice shall be deemed assessed when the decision
26 of the department with respect to the protest is final.
- 27 d. A written protest against the proposed penalty shall be filed
28 with the department in a form prescribed by the department, setting
29 forth the grounds on which the protest is based. If a protest is filed
30 within 90 days after the date the notice of proposed penalty is
31 issued, the department shall reconsider the proposed penalty and
32 shall grant the employer a hearing. As soon as practicable after a
33 reconsideration and hearing of the protest filed by the employer, the
34 department shall issue a notice of decision to the employer, setting
35 forth the department's findings of fact and the basis of decision.
36 The decision of the department shall become final.
- 37 e. As soon as practicable after the penalties specified in a
38 notice of proposed penalty are deemed assessed, the department
39 shall give notice to the employer liable for any unpaid portion of the
40 penalty, stating the amount due and demanding payment. The
41 department shall provide a payment plan to employers for purposes
42 of complying with the demand of payment for the penalty.
- 43 f. An employer who has overpaid a penalty assessed under this
44 section may file a claim for refund with the department. A claim
45 shall be in writing in a form prescribed by the department and shall
46 state the specific grounds upon which it is founded. As soon as
47 practicable after a claim for refund is filed, the department shall

1 examine it and either issue a refund or issue a notice of denial. If a
2 protest is filed, the department shall reconsider the denial and grant
3 the employer a hearing. As soon as practicable after the
4 reconsideration and hearing, the department shall issue a notice of
5 decision to the employer. The notice shall set forth briefly the
6 department's findings of fact and the basis of decision in each case
7 decided in whole or in part adversely to the employer. A denial of a
8 claim for refund shall be final 90 days after the date of issuance of
9 the notice of the denial, except for those amounts denied as to
10 which the employer has filed a protest with the department. If a
11 protest has been timely filed, the decision of the department shall
12 become final.

13 g. No notice of proposed assessment shall be issued with
14 respect to a calendar year after June 30 of the fourth subsequent
15 calendar year. No claim for refund may be filed more than one year
16 after the date of payment of the amount to be refunded.

17 h. Whenever a notice is required by this section, it shall be
18 issued by first class mail addressed to the person concerned at the
19 person's last known address.

20 i. All books and records and other papers and documents
21 relevant to the determination of any penalty due under this section
22 shall, at all times during business hours of the day, be subject to
23 inspection by the department or the department's authorized
24 representatives.

25 j. The department shall require employers to report
26 information relevant to their compliance with this act on their State
27 income tax return ¹~~and failure~~. Failure¹ to provide the
28 ¹~~requested~~ compliance¹ information ¹~~requested~~ shall ¹~~not~~
29 the ¹income tax¹ return to be treated as unprocessable ¹for purposes
30 of the applicable tax law¹.

31 k. For purposes of any provision of State law allowing the
32 department or any other agency of this State to offset an amount
33 owed to a taxpayer against a tax liability of that taxpayer or
34 allowing the department to offset an overpayment of tax against any
35 liability owed to the State, a penalty assessed under this section
36 shall be deemed to be a tax liability of the employer and any refund
37 due to an employer shall be deemed to be an overpayment of tax of
38 the employer.

39 l. Except as provided in this subsection, all information
40 received by the department from returns filed by an employer or
41 from any investigation conducted under the provisions of this act
42 shall be confidential, except for official purposes within the
43 department or pursuant to official procedures for collection of
44 penalties assessed under this act. No provision of this subsection
45 shall be construed as prohibiting the department from publishing or
46 making available to the public reasonable statistics concerning the
47 operation of this act wherein the contents of returns are grouped

1 into aggregates in such a way that the specific information of any
2 individual employer shall not be disclosed. No provision of this
3 subsection shall be construed as prohibiting the department from
4 divulging information to an authorized representative of the
5 employer or to any person pursuant to a request or authorization
6 made by the employer or by an authorized representative of the
7 employer.

8 m. The department may charge the board a reasonable fee for its
9 costs in performing its duties under this section to the extent that
10 those costs have not been recovered from penalties imposed under
11 this section.

12 n. This section shall become operative nine months after the
13 board notifies the department that the program has been
14 implemented. Upon receipt of the notification from the board, the
15 department shall immediately post on its Internet website a notice
16 stating that this section is operative and the date that it is first
17 operative. This notice shall include a statement that, rather than
18 enrolling employees in the program under this act, employers may
19 sponsor an alternative arrangement, including, but not limited to, a
20 defined benefit plan, 401(k) plan, a Simplified Employee Pension
21 (SEP) plan, a Savings Incentive Match Plan for Employees
22 (SIMPLE) plan, or an automatic payroll deduction IRA offered
23 through a private provider. The board shall provide a link to the
24 vendor Internet website described in subsection ¹[i.] ₁ of section
25 14 of this act. ³]

26

27 ³[20. The board, in consultation with the department, shall
28 adopt, pursuant to the "Administrative Procedure Act," P.L.1968,
29 c.410 (C.52:14B-1 et seq.), any rules and regulations as may be
30 necessary for the implementation of this act. ³]

31

32 ³[21. If the board does not obtain adequate funds to implement
33 the program within the time frame set forth under section 14 of this
34 act, the board may delay the implementation of the program. ³]

35

36 ³[22. The board shall request in writing an opinion or ruling
37 from the appropriate entity with jurisdiction over the federal
38 "Employee Retirement Income Security Act of 1974," 29 U.S.C.
39 s.1001 et seq. regarding the applicability of that act to the program.
40 The board shall not implement the program if the IRA arrangements
41 offered under the program fail to qualify for the favorable federal
42 income tax treatment ordinarily accorded to IRAs under the Internal
43 Revenue Code or if it is determined that the program is an employee
44 benefit plan and State or employer liability is established under the
45 "Employee Retirement Income Security Act of 1974," 29 U.S.C.
46 s.1001 et seq. ³]

1 ³**[23.]** 13.³ This act shall take effect immediately.

2

3

4

5

6

“New Jersey Small Business Retirement Marketplace Act.”

ASSEMBLY, No. 4275

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED MARCH 9, 2015

Sponsored by:

Assemblyman VINCENT PRIETO
District 32 (Bergen and Hudson)
Assemblyman TIM EUSTACE
District 38 (Bergen and Passaic)
Assemblyman JOSEPH A. LAGANA
District 38 (Bergen and Passaic)
Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)
Assemblywoman ANNETTE QUIJANO
District 20 (Union)
Assemblyman JOE DANIELSEN
District 17 (Middlesex and Somerset)
Assemblyman RAJ MUKHERJI
District 33 (Hudson)

Co-Sponsored by:

Assemblywoman N.Munoz, Assemblymen Diegnan, Garcia, Benson, S.Kean, Assemblywoman Mosquera, Assemblyman Ciattarelli, Assemblywoman Caride, Assemblyman Moriarty, Assemblywoman Muoio, Assemblymen Ribble, Giblin, Assemblywomen Handlin, Jasey, Lampitt and Assemblyman Holley

SYNOPSIS

“New Jersey Secure Choice Savings Program Act”; establishes retirement savings program for certain workers.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/19/2015)

1 AN ACT concerning individual retirement savings for certain
2 workers and supplementing Title 43 of the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the "New Jersey
8 Secure Choice Savings Program Act."

9

10 2. As used in this act:

11 "Board" means the New Jersey Secure Choice Savings Board
12 established pursuant to this act.

13 "Department" means the Department of the Treasury.

14 "Employee" means any individual who is 18 years of age or
15 older, who is employed by an employer, and whose wages are
16 subject to withholding as provided in the "New Jersey Gross
17 Income Tax Act," N.J.S.54A:1-1 et seq.

18 "Employer" means a person or entity engaged in a business,
19 industry, profession, trade, or other enterprise in New Jersey,
20 whether for profit or not for profit, that has at no time during the
21 previous calendar year employed fewer than 25 employees in the
22 State, has been in business at least two years, and has not offered a
23 qualified retirement plan, including, but not limited to, a plan
24 qualified under section 401(a), section 401(k), section 403(a),
25 section 403(b), section 408(k), section 408(p), or section 457(b) of
26 the Internal Revenue Code in the preceding two years. "Employer"
27 shall not mean the State, its political subdivisions, any office,
28 department, division, bureau, board, commission or agency of the
29 State or one of its political subdivisions, or any public body in the
30 State.

31 "Enrollee" means any employee who is enrolled in the program.

32 "Fund" means the New Jersey Secure Choice Savings Program
33 Fund established pursuant to this act.

34 "Internal Revenue Code" means the federal Internal Revenue
35 Code of 1986, 26 U.S.C. s.1 et seq., or any successor law, in effect
36 for the calendar year.

37 "IRA" means a standard Individual Retirement Account under
38 section 408, or a Roth Individual Retirement Account under section
39 408A, of the Internal Revenue Code.

40 "Participating employer" means an employer or small employer
41 that provides a payroll deposit retirement savings arrangement as
42 provided under this act for its employees who are enrollees in the
43 program.

44 "Payroll deposit retirement savings arrangement" means an
45 arrangement by which a participating employer allows enrollees to
46 remit payroll deduction contributions to the program.

47 "Program" means the New Jersey Secure Choice Savings
48 Program established pursuant to this act.

1 "Small employer" means a person or entity engaged in a
2 business, industry, profession, trade, or other enterprise in New
3 Jersey, whether for profit or not for profit, that employed less than
4 25 employees at any one time in the State throughout the previous
5 calendar year, or has been in business less than two years, or both,
6 but that notifies the board that it is interested in being a
7 participating employer.

8 "Wages" means any compensation within the meaning of section
9 219(f)(1) of the Internal Revenue Code that is received by an
10 enrollee from a participating employer during the calendar year.

11

12 3. A retirement savings program in the form of an automatic
13 enrollment payroll deduction IRA, known as the New Jersey Secure
14 Choice Savings Program, is hereby established and shall be
15 administered by the board for the purpose of promoting greater
16 retirement savings for private sector employees in a convenient, low
17 cost, and portable manner.

18

19 4. a. The New Jersey Secure Choice Savings Program Fund is
20 established as a special fund outside of the General Fund, separate
21 and apart from all public moneys or funds of this State, with the
22 board established pursuant to section 6 of this act as its trustee. The
23 fund shall include the individual retirement accounts of enrollees,
24 which shall be accounted for as individual accounts. Moneys in the
25 fund shall consist of moneys received from enrollees and
26 participating employers pursuant to automatic payroll deductions
27 and contributions to savings made pursuant this act. The fund shall
28 be operated in a manner determined by the board, provided that the
29 fund is operated so that the accounts of enrollees established under
30 the program meet the requirements for IRAs under the Internal
31 Revenue Code.

32 b. The amounts deposited in the fund shall not constitute
33 property of the State and the fund shall not be construed to be a
34 department, institution, or agency of the State. Amounts on deposit
35 in the fund shall not be commingled with State funds and the State
36 shall have no claim to or against, or interest in, such funds.

37

38 5. The New Jersey Secure Choice Administrative Fund is
39 created as a nonappropriated separate and apart trust fund in the
40 General Fund. The board shall use moneys in the administrative
41 fund to pay for administrative expenses it incurs in the performance
42 of its duties under this act. The board shall use moneys in the
43 administrative fund to cover startup administrative expenses it
44 incurs in the performance of its duties under this act. The
45 administrative fund may receive any grants or other moneys
46 designated for administrative purposes from the State, or any unit of
47 federal or local government, or any other person, firm, partnership,
48 or corporation. Any interest earnings that are attributable to moneys

1 in the administrative fund shall be deposited into the administrative
2 fund.

3

4 6. There is established the New Jersey Secure Choice Savings
5 Board.

6 a. The board shall consist of the following members:

7 (1) the State Treasurer, or the State Treasurer's designee, who
8 shall serve as chair;

9 (2) the State Comptroller, or the State Comptroller's designee;

10 (3) the Director of the Office of Management and Budget, or the
11 director's designee;

12 (4) two representatives of the general public with expertise in
13 retirement savings plan administration or investment, or both, of
14 which one representative shall be appointed by the Speaker of
15 General Assembly and one representative appointed by the Senate
16 President;

17 (5) a representative of participating employers, appointed by the
18 Governor; and

19 (6) a representative of enrollees, appointed by the Governor.

20 b. Members of the board shall serve without compensation.

21 c. The initial terms of the appointees shall be as follows: the
22 public representative appointed by the Senate President, for four
23 years; the public representative appointed by the Speaker of the
24 General Assembly, for two years; the representative of participating
25 employers, for three years; and the representative of enrollees for
26 one year. Thereafter, all of the appointees shall be for terms of four
27 years.

28 d. A vacancy in the term of an appointed board member shall
29 be filled for the balance of the unexpired term in the same manner
30 as the original appointment.

31 e. Each appointment by the Governor shall be subject to the
32 advice and consent of the Senate. In case of a vacancy during a
33 recess of the Senate, the Governor shall make a temporary
34 appointment until the next meeting of the Senate, at which time the
35 Governor shall appoint a person to fill the office.

36 f. Each board member, prior to assuming office, shall take an
37 oath that the member will diligently and honestly administer the
38 affairs of the board and that the member will not knowingly violate
39 or willingly permit to be violated any of the provisions of law
40 applicable to the program. The oath shall be certified by the officer
41 before whom it is taken and immediately filed with the Secretary of
42 State.

43

44 7. The board, the individual members of the board, the trustee
45 appointed under subsection b. of section 8 of this act, any other
46 agents appointed or engaged by the board, and all persons serving
47 as program staff shall discharge their duties with respect to the

1 program solely in the interest of the program's enrollees and
2 beneficiaries as follows:

3 a. By investing with the care, skill, prudence, and diligence
4 under the prevailing circumstances that a prudent person acting in a
5 like capacity and familiar with those matters would use in the
6 conduct of an enterprise of a similar character and with similar
7 aims; and

8 b. By using any contributions paid by employees and
9 employers into the fund exclusively for the purpose of paying
10 benefits to the enrollees of the program, for the cost of
11 administration of the program, and for investments made for the
12 benefit of the program.

13

14 8. In addition to the other duties and responsibilities provided
15 in this act, the board shall:

16 a. Design, establish, and operate the program in a manner that:

17 (1) accords with best practices for retirement savings vehicles;

18 (2) maximizes participation, savings, and sound investment
19 practices;

20 (3) maximizes simplicity, including ease of administration for
21 participating employers and enrollees;

22 (4) provides an efficient product to enrollees by pooling
23 investment funds;

24 (5) ensures the portability of benefits; and

25 (6) provides for the deaccumulation of enrollee assets in a
26 manner that maximizes financial security in retirement;

27 b. Appoint a trustee to the fund in compliance with section 408
28 of the Internal Revenue Code;

29 c. Explore and establish investment options, subject to section
30 11 of this act, that offer employees returns on contributions and the
31 conversion of individual retirement savings account balances to
32 secure retirement income without incurring debt or liabilities to the
33 State;

34 d. Establish the process by which interest, investment earnings,
35 and investment losses are allocated to individual program accounts
36 on a pro rata basis and are computed at the interest rate on the
37 balance of an individual's account;

38 e. Make and enter into contracts necessary for the
39 administration of the program and the fund, including, but not
40 limited to, retaining and contracting with investment managers,
41 private financial institutions, other financial and service providers,
42 consultants, actuaries, counsel, auditors, third-party administrators,
43 and other professionals as necessary;

44 f. Conduct a review of the performance of any investment
45 vendors not less than once every four years, including, but not
46 limited to, a review of returns, fees, and customer service, and post
47 a copy of reviews conducted under this subsection to an Internet
48 website established and maintained by the board;

- 1 g. Determine the number and duties of staff members needed to
2 administer the program and employ a staff, including, as needed,
3 appointing a program administrator, and entering into contracts with
4 the State Treasurer to make employees of the department available
5 to administer the program;
- 6 h. Ensure that moneys in the fund to be held and invested as
7 pooled investments described in section 11 of this act, with a view
8 to achieving cost savings through efficiencies and economies of
9 scale;
- 10 i. Evaluate and establish the process by which an enrollee is
11 able to contribute a portion of the enrollee's wages to the program
12 for automatic deposit of those contributions and the process by
13 which the participating employer provides a payroll deposit
14 retirement savings arrangement to forward those contributions and
15 related information to the program, including, but not limited to,
16 contracting with financial service companies and third-party
17 administrators with the capability to receive and process employee
18 information and contributions for payroll deposit retirement savings
19 arrangements or similar arrangements;
- 20 j. Design and establish the process for enrollment by an
21 employee pursuant to section 14 of this act, including the process
22 by which an employee can opt not to participate in the program,
23 select a contribution level, select an investment option, and
24 terminate participation in the program;
- 25 k. Evaluate and establish the process by which an individual
26 may voluntarily enroll in and make contributions to the program;
- 27 l. Accept any grants, appropriations, or other moneys from the
28 State, any unit of federal, State, or local government, or any other
29 person, firm, partnership, or corporation solely for deposit into the
30 fund, whether for investment or administrative purposes;
- 31 m. Evaluate the need for, and procure as needed, insurance
32 against any and all loss in connection with the property, assets, or
33 activities of the program, and indemnify as needed each member of
34 the board from personal loss or liability resulting from a member's
35 action or inaction as a member of the board;
- 36 n. Make provisions for the payment of administrative costs and
37 expenses for the creation, management, and operation of the
38 program, including the costs associated with subsections e., g., i.,
39 and m. of this section, subsection b. of section 11, subsection a. of
40 section 18, and subsection m. of section 19 of this act, keep annual
41 administrative fees as low as possible, but in no event exceed 0.75
42 percent of the fund's total balance. Subject to appropriation, the
43 State may pay administrative costs associated with the creation and
44 management of the program until sufficient assets are available in
45 the fund for that purpose. Thereafter, all administrative costs of the
46 fund, including repayment of any funds provided by the State, shall
47 be paid only out of moneys on deposit therein, except that, private
48 funds or federal funding received under subsection l. of this section

- 1 in order to implement the program shall not be repaid unless those
2 funds were offered contingent upon the promise of repayment;
- 3 o. Allocate administrative fees to individual retirement
4 accounts in the program on a pro rata basis;
- 5 p. Set minimum and maximum contribution levels in
6 accordance with limits established for IRAs by the Internal Revenue
7 Code;
- 8 q. Facilitate education and outreach to employers and
9 employees;
- 10 r. Facilitate compliance by the program with all applicable
11 requirements for the program under the Internal Revenue Code,
12 including tax qualification requirements or any other applicable law
13 and accounting requirements;
- 14 s. Carry out the duties and obligations of the program in an
15 effective, efficient, and low-cost manner;
- 16 t. Exercise any and all other powers reasonably necessary for
17 the effectuation of the purposes, objectives, and provisions of this
18 act pertaining to the program; and
- 19 u. Deposit into the New Jersey Secure Choice Administrative
20 Fund all grants, gifts, donations, fees, and earnings from
21 investments from the New Jersey Secure Choice Savings Program
22 Fund that are used to recover administrative costs. All expenses of
23 the board shall be paid from the New Jersey Secure Choice
24 Administrative Fund.
- 25
- 26 9. The board shall annually prepare and adopt a written
27 statement of investment policy that includes a risk management and
28 oversight program. This investment policy shall prohibit the board,
29 program, and fund from borrowing for investment purposes. The
30 risk management and oversight program shall be designed to ensure
31 that an effective risk management system is in place to monitor the
32 risk levels of the program and fund portfolio, to ensure that the risks
33 taken are prudent and properly managed, to provide an integrated
34 process for overall risk management, and to assess investment
35 returns as well as risk to determine if the risks taken are adequately
36 compensated compared to applicable performance benchmarks and
37 standards. The board shall consider the statement of investment
38 policy and any changes in the investment policy at a public hearing.
39
- 40 10. a. Moneys in the fund shall be invested, or reinvested, as the
41 case may be, by the department. The department shall comply with
42 any and all applicable federal and State laws, rules, and regulations,
43 as well as any and all rules or regulations promulgated by the board
44 with respect to the program and the investment of the fund,
45 including, but not limited to, the investment policy.
- 46 b. The department shall provide reports as the board deems
47 necessary for the board to oversee the department's performance
48 and the performance of the fund.

1 11. a. The board shall establish as an investment option a life-
2 cycle fund with a target date based upon the age of the enrollee.
3 This fund shall be the default investment option for enrollees who
4 fail to elect an investment option unless and until the board
5 designates by rule or regulation a new investment option as the
6 default as described in subsection c. of this section.

7 b. The board may also establish any or all of the following
8 additional investment options:

9 (1) a conservative principal protection fund;

10 (2) a growth fund;

11 (3) a secure return fund whose primary objective is the
12 preservation of the safety of principal and the provision of a stable
13 and low-risk rate of return. If the board elects to establish a secure
14 return fund, the board may procure any insurance, annuity, or other
15 product to insure the value of enrollees' accounts and guarantee a
16 rate of return. The cost of this funding mechanism shall be paid out
17 of the fund. Under no circumstances shall the board, program,
18 fund, the State, or any participating employer assume any liability
19 for investment or actuarial risk. The board shall determine whether
20 to establish such investment options based upon an analysis of their
21 cost, risk profile, benefit level, feasibility, and ease of
22 implementation; or

23 (4) an annuity fund.

24 c. If the board elects to establish a secure return fund, the
25 board shall then determine whether that option shall replace the
26 target date or life-cycle fund as the default investment option for
27 enrollees who do not elect an investment option. In making this
28 determination, the board shall consider the cost, risk profile, benefit
29 level, and ease of enrollment in the secure return fund. The board
30 may at any time thereafter replace the default investment option
31 and, based upon an analysis of these criteria, establish either the
32 secure return fund or the life-cycle fund as the default for enrollees
33 who do not elect an investment option.

34

35 12. Interest, investment earnings, and investment losses shall be
36 allocated to individual program accounts as established by the board
37 pursuant to subsection d. of section 8 of this act. An individual's
38 retirement savings benefit under the program shall be an amount
39 equal to the balance in the individual's program account on the date
40 the retirement savings benefit becomes payable. The State shall
41 have no liability for the payment of any benefit to any participant in
42 the program.

43

44 13. a. Prior to the opening of the program for enrollment, the
45 board shall design and disseminate to all employers an employer
46 information packet and an employee information packet, which
47 shall include background information on the program, appropriate
48 disclosures for employees, and, if necessary, information regarding

1 the vendor Internet website described in subsection i. of section 14
2 of this act.

3 b. For the first six months following the opening of the
4 program, the board shall provide a process by which employers may
5 register for participation in the program.

6 c. The employee information packet designed by the board
7 shall include a disclosure form. The disclosure form shall explain,
8 but not be limited to, all of the following:

9 (1) the benefits and risks associated with making contributions
10 to the program;

11 (2) the mechanics of how to make contributions to the program;

12 (3) how to opt out of the program;

13 (4) how to participate in the program with a level of employee
14 contributions other than three percent;

15 (5) the process for withdrawal of retirement savings;

16 (6) how to obtain additional information about the program;

17 (7) that employees seeking financial advice should contact
18 financial advisors, that participating employers are not in a position
19 to provide financial advice, and that participating employers are not
20 liable for decisions employees make pursuant to this act;

21 (8) that the program is not an employer-sponsored retirement
22 plan; and

23 (9) that the program fund is not guaranteed by the State.

24 d. The employee information packet shall also include a form
25 for an employee to note his or her decision to opt out of
26 participation in the program or elect to participate with a level of
27 employee contributions other than three percent.

28 e. Participating employers shall supply the employee
29 information packet to employees upon implementation of the
30 program. Participating employers shall supply the employee
31 information packet to new employees at the time of hiring, and new
32 employees may opt out of participation in the program or elect to
33 participate with a level of employee contributions other than three
34 percent at that time.

35
36 14. Except as otherwise provided in section 21 of this act, the
37 program shall be implemented, and enrollment of employees shall
38 begin, within 24 months after the effective date of this act. The
39 following provisions of this section shall be in force after the board
40 opens the program for enrollment:

41 a. Each employer shall establish a payroll deposit retirement
42 savings arrangement to allow each employee to participate in the
43 program not more than nine months after the board opens the
44 program for enrollment.

45 b. Employers shall automatically enroll in the program each of
46 their employees who has not opted out of participation in the
47 program using the form described in subsection d. of section 13 of
48 this act and shall provide payroll deduction retirement savings

1 arrangements for their employees and, on behalf of the employees,
2 deposit these funds into the program. Small employers may, but are
3 not required to, provide payroll deduction retirement savings
4 arrangements for each employee who elects to participate in the
5 program.

6 c. Enrollees shall have the ability to select a contribution level
7 into the fund. This level may be expressed as a percentage of
8 wages or as a dollar amount up to the deductible amount for the
9 enrollee's taxable year under section 219(b)(1)(A) of the Internal
10 Revenue Code. Enrollees may change their contribution level no
11 more than once every calendar quarter, subject to rules and
12 regulations promulgated by the board. If an enrollee fails to select a
13 contribution level using the form described in subsection c. of
14 section 13 of this act, then the enrollee shall contribute three
15 percent of the enrollee's wages to the program, so long as the
16 contributions do not cause the enrollee's total contributions to IRAs
17 for the year to exceed the deductible amount for the enrollee's
18 taxable year under section 219(b)(1)(A) of the Internal Revenue
19 Code.

20 d. Enrollees may select an investment option from the
21 permitted investment options listed in section 11 of this act.
22 Enrollees may change their investment option no more than once
23 every calendar quarter, subject to the rules and regulations
24 promulgated by the board. In the event that an enrollee fails to
25 select an investment option, that enrollee shall be placed in the
26 investment option selected by the board as the default under
27 subsection c. of section 11 of this act. If the board has not selected
28 a default investment option under subsection c. of section 11 of this
29 act, then an enrollee who fails to select an investment option shall
30 be placed in the life-cycle fund investment option.

31 e. Following initial implementation of the program pursuant to
32 this section, at least once every year, participating employers shall
33 designate an open enrollment period during which employees who
34 previously opted out of the program may enroll in the program.

35 f. An employee who opts out of the program who subsequently
36 wants to participate through the participating employer's payroll
37 deposit retirement savings arrangement may only enroll during the
38 participating employer's designated open enrollment period or if
39 permitted by the participating employer at an earlier time.

40 g. Employers shall retain the option at all times to set up any
41 type of employer-sponsored retirement plan, such as a defined
42 benefit plan or a 401(k), Simplified Employee Pension (SEP) plan,
43 or Savings Incentive Match Plan for Employees (SIMPLE) plan, or
44 to offer an automatic enrollment payroll deduction IRA, instead of
45 having a payroll deposit retirement savings arrangement to allow
46 employee participation in the program.

47 h. An employee may terminate his or her participation in the
48 program at any time in a manner prescribed by the board.

1 i. The board may establish and maintain an Internet website
2 designed to assist employers in identifying private sector providers
3 of retirement arrangements that can be set up by the employer rather
4 than allowing employee participation in the program under this act.
5 The board must provide public notice of the availability of and the
6 process for inclusion on the Internet website before it becomes
7 publicly available.

8
9 15. Employee contributions deducted by the participating
10 employer through payroll deduction shall be paid by the
11 participating employer to the fund using one or more payroll
12 deposit retirement savings arrangements established by the board
13 under subsection i. of section 8 of this act, either:

14 a. On or before the last day of the month following the month
15 in which the compensation otherwise would have been payable to
16 the employee; or

17 b. Before a later deadline prescribed by the board for making
18 the payments, but not later than the due date for the federal income
19 tax return deposit of tax required to be deducted and withheld
20 relating to collection of State income tax at source on wages for the
21 payroll period to which the payments relate.

22
23 16. a. The State shall have no duty or liability to any party for
24 the payment of any retirement savings benefits accrued by any
25 individual under the program. Any financial liability for the
26 payment of retirement savings benefits in excess of funds available
27 under the program shall be borne solely by the entities with whom
28 the board contracts to provide insurance to protect the value of the
29 program.

30 b. No State entity, board, commission, or agency, or any
31 officer, employee, or member thereof is liable for any loss or
32 deficiency resulting from particular investments selected under this
33 act, except for any liability that arises out of a breach of fiduciary
34 duty under section 7 of this act.

35
36 17. a. Participating employers shall not have any liability for an
37 employee's decision to participate in, or opt out of, the program or
38 for the investment decisions of the board or of any enrollee.

39 b. A participating employer shall not be a fiduciary, or
40 considered to be a fiduciary, over the program. A participating
41 employer shall not bear responsibility for the administration,
42 investment, or investment performance of the program. A
43 participating employer shall not be liable with regard to investment
44 returns, program design, and benefits paid to program participants.

45
46 18. a. The board shall annually submit:

47 (1) an audited financial report, prepared in accordance with
48 generally accepted accounting principles, on the operations of the

1 program for each calendar year, to be submitted no later than July 1
2 of the following year to the Governor, and to the Legislature
3 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1); and

4 (2) a report prepared by the board, including, but not limited to,
5 a summary of the benefits provided by the program, the number of
6 enrollees in the program, the percentage and amounts of investment
7 options and rates of return, fees paid to any vendors or contractors
8 for purposes of implementing or operating the program, and other
9 information that is relevant to make a full, fair, and effective
10 disclosure of the operations of the program and the fund.

11 The annual audit shall be made by an independent certified
12 public accountant and shall include, but is not limited to, direct and
13 indirect costs attributable to the use of outside consultants,
14 independent contractors, and any other persons who are not State
15 employees for the administration of the program.

16 b. In addition to any other statements or reports required by
17 law, the board shall provide periodic reports at least annually to
18 participating employers, reporting the names of each enrollee
19 employed by the participating employer and the amounts of
20 contributions made by the participating employer on behalf of each
21 employee during the reporting period, as well as to enrollees,
22 reporting contributions and investment income allocated to,
23 withdrawals from, and balances in their program accounts for the
24 reporting period. The reports may include any other information
25 regarding the program as the board determines is appropriate.

26

27 19. a. An employer who fails without reasonable cause to enroll
28 an employee in the program within the time prescribed under
29 section 14 of this act shall be subject to a penalty equal to:

30 (1) \$250 for each employee for each calendar year or portion of
31 a calendar year during which the employee neither was enrolled in
32 the program nor had elected out of participation in the program; or

33 (2) for each calendar year beginning after the date a penalty has
34 been assessed with respect to an employee, \$500 for any portion of
35 that calendar year during which such employee continues to be
36 unenrolled without electing out of participation in the program.

37 b. An employer who collects employee contributions but fails
38 to remit any portion of the contributions to the fund shall be subject
39 to a penalty of \$2,500 for a first offense, and \$5,000 for the second
40 and each subsequent offense.

41 c. After a determination that an employer is subject to penalty
42 pursuant to this section, the department shall issue a notice of
43 proposed penalty to the employer. For purposes of subsection a. of
44 this section, the notice issued by the department to the employer
45 shall state the number of employees for which the penalty is
46 proposed under paragraph (1) of subsection a. of this section, or the
47 number of employees for which the penalty is proposed under
48 paragraph (2) of subsection a. of this section, or both, and the total

1 amount of penalties proposed. For purposes of subsection b. of this
2 section, the department shall issue a notice of proposed penalty to
3 the employer stating the total amount of penalties proposed under
4 subsection b. of this section. Upon the expiration of 90 days after
5 the date on which a notice of proposed penalty was issued, the
6 penalties specified therein shall be deemed assessed, unless the
7 employer had filed a protest with the department under subsection
8 d. of this section. If, within 90 days after the date on which the
9 notice of proposed penalty was issued, a protest is filed under
10 subsection d. of this section, the penalties specified in the notice
11 shall be deemed assessed when the decision of the department with
12 respect to the protest is final.

13 d. A written protest against the proposed penalty shall be filed
14 with the department in a form prescribed by the department, setting
15 forth the grounds on which the protest is based. If a protest is filed
16 within 90 days after the date the notice of proposed penalty is
17 issued, the department shall reconsider the proposed penalty and
18 shall grant the employer a hearing. As soon as practicable after a
19 reconsideration and hearing of the protest filed by the employer, the
20 department shall issue a notice of decision to the employer, setting
21 forth the department's findings of fact and the basis of decision.
22 The decision of the department shall become final.

23 e. As soon as practicable after the penalties specified in a
24 notice of proposed penalty are deemed assessed, the department
25 shall give notice to the employer liable for any unpaid portion of the
26 penalty, stating the amount due and demanding payment. The
27 department shall provide a payment plan to employers for purposes
28 of complying with the demand of payment for the penalty.

29 f. An employer who has overpaid a penalty assessed under this
30 section may file a claim for refund with the department. A claim
31 shall be in writing in a form prescribed by the department and shall
32 state the specific grounds upon which it is founded. As soon as
33 practicable after a claim for refund is filed, the department shall
34 examine it and either issue a refund or issue a notice of denial. If a
35 protest is filed, the department shall reconsider the denial and grant
36 the employer a hearing. As soon as practicable after the
37 reconsideration and hearing, the department shall issue a notice of
38 decision to the employer. The notice shall set forth briefly the
39 department's findings of fact and the basis of decision in each case
40 decided in whole or in part adversely to the employer. A denial of a
41 claim for refund shall be final 90 days after the date of issuance of
42 the notice of the denial, except for those amounts denied as to
43 which the employer has filed a protest with the department. If a
44 protest has been timely filed, the decision of the department shall
45 become final.

46 g. No notice of proposed assessment shall be issued with
47 respect to a calendar year after June 30 of the fourth subsequent

- 1 calendar year. No claim for refund may be filed more than one year
2 after the date of payment of the amount to be refunded.
- 3 h. Whenever a notice is required by this section, it shall be
4 issued by first class mail addressed to the person concerned at the
5 person's last known address.
- 6 i. All books and records and other papers and documents
7 relevant to the determination of any penalty due under this section
8 shall, at all times during business hours of the day, be subject to
9 inspection by the department or the department's authorized
10 representatives.
- 11 j. The department shall require employers to report
12 information relevant to their compliance with this act on their State
13 income tax return and failure to provide the requested information
14 shall cause the return to be treated as unprocessable.
- 15 k. For purposes of any provision of State law allowing the
16 department or any other agency of this State to offset an amount
17 owed to a taxpayer against a tax liability of that taxpayer or
18 allowing the department to offset an overpayment of tax against any
19 liability owed to the State, a penalty assessed under this section
20 shall be deemed to be a tax liability of the employer and any refund
21 due to an employer shall be deemed to be an overpayment of tax of
22 the employer.
- 23 l. Except as provided in this subsection, all information
24 received by the department from returns filed by an employer or
25 from any investigation conducted under the provisions of this act
26 shall be confidential, except for official purposes within the
27 department or pursuant to official procedures for collection of
28 penalties assessed under this act. No provision of this subsection
29 shall be construed as prohibiting the department from publishing or
30 making available to the public reasonable statistics concerning the
31 operation of this act wherein the contents of returns are grouped
32 into aggregates in such a way that the specific information of any
33 individual employer shall not be disclosed. No provision of this
34 subsection shall be construed as prohibiting the department from
35 divulging information to an authorized representative of the
36 employer or to any person pursuant to a request or authorization
37 made by the employer or by an authorized representative of the
38 employer.
- 39 m. The department may charge the board a reasonable fee for its
40 costs in performing its duties under this section to the extent that
41 those costs have not been recovered from penalties imposed under
42 this section.
- 43 n. This section shall become operative nine months after the
44 board notifies the department that the program has been
45 implemented. Upon receipt of the notification from the board, the
46 department shall immediately post on its Internet website a notice
47 stating that this section is operative and the date that it is first
48 operative. This notice shall include a statement that, rather than

1 enrolling employees in the program under this act, employers may
2 sponsor an alternative arrangement, including, but not limited to, a
3 defined benefit plan, 401(k) plan, a Simplified Employee Pension
4 (SEP) plan, a Savings Incentive Match Plan for Employees
5 (SIMPLE) plan, or an automatic payroll deduction IRA offered
6 through a private provider. The board shall provide a link to the
7 vendor Internet website described in subsection i. of section 14 of
8 this act.

9
10 20. The board, in consultation with the department, shall adopt,
11 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
12 (C.52:14B-1 et seq.), any rules and regulations as may be necessary
13 for the implementation of this act.

14
15 21. If the board does not obtain adequate funds to implement the
16 program within the time frame set forth under section 14 of this act,
17 the board may delay the implementation of the program.

18
19 22. The board shall request in writing an opinion or ruling from
20 the appropriate entity with jurisdiction over the federal "Employee
21 Retirement Income Security Act of 1974," 29 U.S.C. s.1001 et seq.
22 regarding the applicability of that act to the program. The board
23 shall not implement the program if the IRA arrangements offered
24 under the program fail to qualify for the favorable federal income
25 tax treatment ordinarily accorded to IRAs under the Internal
26 Revenue Code or if it is determined that the program is an employee
27 benefit plan and State or employer liability is established under the
28 "Employee Retirement Income Security Act of 1974," 29 U.S.C.
29 s.1001 et seq.

30
31 23. This act shall take effect immediately.

32
33
34 STATEMENT

35
36 This bill establishes the "New Jersey Secure Choice Savings
37 Program" (program) to create a retirement savings program for
38 private sector workers in the form of an automatic enrollment
39 payroll deduction Individual Retirement Account (IRA). The
40 program will promote greater retirement savings for private sector
41 employees in a convenient, low cost, and portable manner. The bill
42 creates the New Jersey Secure Choice Savings Program Fund (fund)
43 which will consist of funds received from enrollees in the program
44 and participating employers.

45 The bill also creates the New Jersey Secure Choice Savings
46 Board (board) to implement the program and oversee the fund. The
47 board will consist of the following seven members: the State
48 Treasurer, or the State Treasurer's designee, who shall serve as

1 chair; the State Comptroller, or the State Comptroller's designee;
2 the Director of the Office of Management and Budget, or the
3 director's designee; two public representatives with expertise in
4 retirement savings plan administration or investment, or both, of
5 which one is appointed by the Speaker of the General Assembly and
6 one is appointed by the Senate President; a representative of
7 participating employers, appointed by the Governor; and a
8 representative of enrollees, appointed by the Governor. Members
9 of the board will serve without compensation. Each appointment to
10 the board by the Governor will be subject to the advice and consent
11 of the Senate.

12 The bill sets forth several duties of the board with respect to
13 designing and implementing the program, appointing a trustee to the
14 fund, governing risk management, determining investment options,
15 entering into contracts necessary for the administration of the
16 program and the fund, and employing a staff to support the
17 implementation of the program. The bill also requires the board to
18 establish a process for enrollment in the program, including the
19 process by which an employee can opt not to participate in the
20 program, select a contribution level, select an investment option,
21 and terminate participation in the program, as well as a process by
22 which an individual may voluntarily enroll in and make
23 contributions to the program.

24 The bill requires the board, prior to the opening of the program
25 for enrollment, to design and disseminate to all employers an
26 employer information packet and an employee information packet,
27 which must include background information on the program, and
28 appropriate disclosures for employees.

29 The bill provides that the program must be implemented, and
30 that enrollment of employees will begin, within 24 months after the
31 effective date of the bill. No later than nine months after
32 implementation of the program and the opening of enrollment, each
33 employer covered by the bill must establish a payroll deposit
34 retirement savings arrangement to allow its employees to participate
35 in the program. An employer will automatically enroll in the
36 program each of its employees who has not opted out of
37 participation in the program. The employer will provide payroll
38 deduction retirement savings arrangements for each of its
39 employees and deposit, on behalf of its employees, these funds into
40 the program. Small employers may, but are not required to, provide
41 payroll deduction retirement savings arrangements for each
42 employee who elects to participate in the program.

43 The bill defines "employer" as a person or entity engaged in a
44 business, industry, profession, trade, or other enterprise in New
45 Jersey, whether for profit or not for profit, that has at no time during
46 the previous calendar year employed fewer than 25 employees in
47 the State, has been in business at least two years, and has not
48 offered a qualified retirement plan, including, but not limited to, a

1 plan qualified under section 401(a), section 401(k), section 403(a),
2 section 403(b), section 408(k), section 408(p), or section 457(b) of
3 the Internal Revenue Code of 1986 in the preceding two years. The
4 term “employer” does not mean the State, its political subdivisions,
5 any office, department, division, bureau, board, commission or
6 agency of the State or of its political subdivisions, or any public
7 body in the State. The bill defines “small employer” as a person or
8 entity engaged in a business, industry, profession, trade, or other
9 enterprise in New Jersey, whether for profit or not for profit, that
10 employed less than 25 employees at any one time in the State
11 throughout the previous calendar year, or has been in business less
12 than two years, or both, but that notifies the Department of the
13 Treasury that it is interested in being a participating employer.

14 The bill provides that employees will have the ability to select a
15 contribution level into the fund. Employees may change their
16 contribution level at any time, subject to rules and regulations
17 promulgated by the board. If an employee fails to select a
18 contribution level, then the employee will contribute three percent
19 of the employee’s wages to the program. Employees may select an
20 investment option from the permitted investment options provided
21 by the board. Employees may change their investment option at
22 any time, subject to the rules and regulations promulgated by the
23 board. In the event that an employee fails to select an investment
24 option, that employee shall be placed in the investment option
25 selected by the board as the default investment option. Initially, the
26 life-cycle fund will be the default investment option. If the board
27 has not selected a different default investment option, then an
28 employee who fails to select an investment option will be placed in
29 the life-cycle fund investment option. Employees may terminate
30 their participation in the program at any time in a manner
31 prescribed by the board.

32 The bill also provides that, following initial implementation of
33 the program, at least once every year, participating employers must
34 designate an open enrollment period during which employees who
35 previously opted out of the program may enroll in the program. An
36 employee who opts out of the program who subsequently wants to
37 participate through the participating employer's payroll deposit
38 retirement savings arrangement may only enroll during the
39 participating employer's designated open enrollment period or if
40 permitted by the participating employer at an earlier time.

41 The bill provides that the State will have no duty or liability to
42 any party for the payment of any retirement savings benefits
43 accrued by any individual under the program. Any financial
44 liability for the payment of retirement savings benefits in excess of
45 funds available under the program shall be borne solely by the
46 entities with whom the board contracts to provide insurance to
47 protect the value of the program. No State entity, board,
48 commission, or agency, or any officer, employee, or member

1 thereof is liable for any loss or deficiency resulting from particular
2 investments selected under the bill, except for any liability that
3 arises out of a breach of fiduciary duty.

4 Participating employers will not have any liability for an
5 employee's decision to participate in, or opt out of, the program or
6 for the investment decisions of the board or of any enrollee. A
7 participating employer will not be a fiduciary, or considered to be a
8 fiduciary, over the program. Nor will a participating employer bear
9 responsibility for the administration, investment, or investment
10 performance of the program. A participating employer will not be
11 liable with regard to investment returns, program design, and
12 benefits paid to program participants.

13 The bill provides that an employer who fails without reasonable
14 cause to enroll an employee in the program within the time
15 prescribed under provisions of the bill will be subject to a penalty
16 equal to \$250 for each employee for each calendar year or portion
17 of a calendar year during which the employee neither was enrolled
18 in the program nor had elected out of participation in the program;
19 or, for each calendar year beginning after the date a penalty has
20 been assessed with respect to an employee, \$500 for any portion of
21 that calendar year during which the employee continues to be
22 unenrolled without electing out of participation in the program.
23 The bill also provides that an employer who collects employee
24 contributions but fails to remit any portion of the contributions to
25 the fund shall be subject to a penalty of \$2,500 for a first offense,
26 and \$5,000 for the second and each subsequent offense.

27 Finally, the bill provides that if the board does not obtain
28 adequate funds to implement the program within the time frame set
29 forth by the bill, the board may delay the implementation of the
30 program. The board must request in writing an opinion or ruling
31 from the appropriate entity with jurisdiction over the federal
32 "Employee Retirement Income Security Act of 1974" (29 U.S.C.
33 s.1001 et seq.) regarding the applicability of that act to the program.
34 The board may not implement the program if the IRA arrangements
35 offered under the program fail to qualify for the favorable federal
36 income tax treatment ordinarily accorded to IRAs under the Internal
37 Revenue Code or if it is determined that the program is an employee
38 benefit plan and State or employer liability is established under the
39 "Employee Retirement Income Security Act of 1974."

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4275

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 2015

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4275 (1R), with committee amendments.

As amended, this bill establishes the “New Jersey Secure Choice Savings Program” (program), a retirement savings program in the form of an automatic enrollment payroll deduction Individual Retirement Account (IRA) for certain private sector employees. The program promotes retirement savings for private sector employees employed by “employers” and “small employers,” as defined by the bill, in a convenient, low cost, and portable manner.

The bill defines “employer” as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that has at no time during the previous calendar year employed fewer than 25 employees in the State, has been in business at least two years, and has not offered a qualified retirement plan, including, but not limited to, a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986 in the preceding two years. The term “employer” does not mean the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or of its political subdivisions, or any public body in the State. A “small employer,” is defined in the bill as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that employed less than 25 employees at any one time in the State throughout the previous calendar year, or has been in business less than two years, or both, but that notifies the Department of the Treasury that it is interested in being a participating employer. The bill defines “employee” as any individual who is 18 years of age or older, who lives in this State or is employed by an employer in this State, and whose wages are subject to withholding as provided in the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.

The bill creates the New Jersey Secure Choice Savings Program Fund (fund) which will consist of funds received from enrollees in the

program and participating employers, and is separate and apart from all public moneys or funds of this State. The bill provides that amounts deposited in the fund shall not constitute property of the State, the fund shall not be construed to be a department, institution, or agency of the State, and that amounts deposited in the fund shall not be commingled with State funds.

The bill creates the New Jersey Secure Choice Savings Board (board) to implement the program and oversee the fund. The bill also creates the New Jersey Secure Choice Administrative Fund as a nonappropriated separate and apart trust fund in the General Fund, to be used to pay administrative expenses incurred by the board in the performance of its duties hereunder. The administrative fund may receive any grants or other moneys designated for administrative purposes from the State, or any federal or local government, or other person, firm, partnership, or corporation.

The bill sets forth the method by which the members of the board will be appointed and by whom. The board will consist of the following seven members: the State Treasurer, or his or her designee, who shall serve as chair; the State Comptroller, or his or her designee; the Director of the Office of Management and Budget, or the director's designee; two public representatives with expertise in retirement savings plan administration or investment, or both, of which one is appointed by the Speaker of the General Assembly and one is appointed by the Senate President; a representative of participating employers, and a representative of enrollees, both of whom are appointed by the Governor. Members of the board will serve without compensation. Each appointment to the board by the Governor will be subject to the advice and consent of the Senate.

The bill sets forth several duties of the board with respect to implementing the program, including appointing a fund trustee, governing risk management, determining investment options, entering into contracts necessary for the administration of the program and the fund, employing a staff to support the implementation of the program, and conducting a performance review of any investment vendors. The bill also requires the board to establish a process for enrollment in the program, opting out of participation, selecting a contribution level and investment option, and terminating participation. The bill provides that other duties of the board include accepting grants, appropriations, or other moneys from the State, any unit of federal, State, or local government, or any other person, firm, partnership or corporation for deposit into the fund, whether for investment or administrative purposes, making provisions for the payment of administrative costs and expenses for the creation, management and operation of the program, and keeping annual administrative fees, which include investment fees, as low as possible, but not to exceed 0.6 percent of the fund's total balance. The bill also provides that subject to appropriation, the State may pay administrative costs associated with

the creation and management of the program until sufficient assets are available in the fund for that purpose.

The bill requires that the program be implemented, and that enrollment of employees begin, within 24 months after the effective date of the bill. No later than nine months after program implementation and the opening of enrollment, each employer covered by the bill must establish a payroll deposit retirement savings arrangement to allow its employees to participate in the program. An employer will automatically enroll in the program each of its employees who has not opted out of participation in the program. The employer will provide payroll deduction retirement savings arrangements for each of its employees and deposit, on behalf of its employees, these funds into the program. Small employers may, but are not required to, provide payroll deduction retirement savings arrangements for each employee who elects to participate in the program.

The bill requires that employers enroll new employees within three months after the date of hire, unless the employee opts out of enrollment. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

The bill provides that employees have the ability to select a contribution level, and may change their contribution level no more than once every calendar quarter, subject to rules and regulations promulgated by the board. If an employee fails to select a contribution level, then the default contribution level will be three percent of the employee's wages. Employees may select an investment option from the investment options provided by the board, which shall not offer more than five investment options in any calendar year. Employees may change their investment option no more than once every calendar quarter, subject to the rules and regulations promulgated by the board. If an employee fails to select an investment option, that employee's contributions shall be placed in the default investment option selected by the board. Initially, the life-cycle fund will be the default investment option. Employees may terminate their participation in the program at any time in a manner prescribed by the board.

The bill also provides that, following initial implementation of the program, at least once every year, participating employers must designate an open enrollment period during which employees who previously opted out of the program may enroll in the program. An employee who opts out of the program but subsequently wants to participate through the participating employer's payroll deposit retirement savings arrangement may only enroll during the participating employer's designated open enrollment period, or at an earlier time if permitted by the participating employer.

The bill provides that the State has no duty or liability to any party for the payment of any retirement savings benefits accrued by any individual under the program. The bill requires that any financial liability for the payment of retirement savings benefits in excess of funds available under the program be borne solely by the entities with whom the board contracts to provide insurance to protect the value of the program. No State entity, board, commission, or agency, or any officer, employee, or member thereof is liable for any loss or deficiency resulting from particular investments selected under the bill, except for any liability that arises out of a breach of fiduciary duty.

The bill provides that participating employers will not have any liability for an employee's decision to participate in, or opt out of, the program or for the investment decisions of the board or of any enrollee. A participating employer will not be a fiduciary, or considered to be a fiduciary, over the program. Nor will a participating employer bear responsibility for the administration, investment, or investment performance of the program. A participating employer will not be liable with regard to investment returns, program design, and benefits paid to program participants.

The bill establishes penalties for employers who, without reasonable cause, fail to enroll employees who have not opted out of participation in the program. Those employers are subject to: for the first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program. The bill also provides that an employer who collects employee contributions but fails to remit any portion of the contributions to the fund shall be subject to a penalty of \$2,500 for a first offense, and \$5,000 for the second and each subsequent offense.

The bill provides that the Department of the Treasury require employers to report information relevant to their compliance with this act on their State income tax return, but the tax return will not be treated as unprocessable for tax purposes if the employer fails to provide the requested compliance information. The bill also provides that a penalty assessed under the provisions of the bill shall be deemed to be a tax liability of the employer for purposes of any State law allowing the department or other agency of the State to offset an amount owed to a taxpayer against a tax liability of that taxpayer or allowing the department to offset an overpayment of tax against any liability owed to the State.

Finally, the bill provides that if the board does not obtain adequate funds to implement the program within the time frame set forth by the bill, the board may delay the implementation of the program. The board must request in writing an opinion or ruling from the appropriate entity with jurisdiction over the federal "Employee Retirement Income Security Act of 1974" (29 U.S.C. s.1001 et seq.) regarding the applicability of that act to the program. The board may not implement the program if the IRA arrangements offered under the program fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code or if it is determined that the program is an employee benefit plan and State or employer liability is established under the "Employee Retirement Income Security Act of 1974."

COMMITTEE AMENDMENTS:

The amendments clarify that an "employee," as defined in the bill, either lives in this State or works for an employer in this State; require that the required performance reviews of investment vendors occur not less than once every two years, rather than once every four years; clarify that annual administrative fees associated with the program include investment fees; and limit those total annual administrative fees to 0.6 percent of the fund balance. The amendments provide that the board not offer more than five investment options in any given calendar year. The amendments also make certain technical changes, including correcting internal subsection references and making the retirement savings arrangement terminology consistent throughout the bill.

FISCAL IMPACT:

This bill has not been certified as requiring a fiscal note.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]
ASSEMBLY, No. 4275

STATE OF NEW JERSEY

DATED: DECEMBER 21, 2015

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 4275 (2R).

This bill establishes the “New Jersey Secure Choice Savings Program,” a retirement savings program in the form of an automatic enrollment payroll deduction Individual Retirement Account for certain private sector employees. The program promotes retirement savings for private sector employees employed by “employers” and “small employers,” as defined by the bill, in a convenient, low cost, and portable manner.

The bill creates the New Jersey Secure Choice Savings Program Fund which will consist of funds received from enrollees in the program and participating employers, and is separate and apart from all public moneys or funds of this State. The bill provides that amounts deposited in the fund shall not constitute property of the State, the fund shall not be construed to be a department, institution, or agency of the State, and amounts deposited in the fund shall not be commingled with State funds.

The bill creates the New Jersey Secure Choice Savings Board to implement the program and oversee the fund. The bill also creates the New Jersey Secure Choice Administrative Fund as a nonappropriated separate and apart trust fund in the General Fund, to be used to pay administrative expenses incurred by the board in the performance of its duties hereunder. The administrative fund may receive any grants or other moneys designated for administrative purposes from the State, or any federal or local government, or other person, firm, partnership, or corporation.

The bill establishes the method by which members of the board will be appointed and by whom. The board will consist of the following seven members: the State Treasurer, or his or her designee, who shall serve as chair; the State Comptroller, or his or her designee; the Director of the Office of Management and Budget, or the director’s designee; two public representatives with expertise in retirement savings plan administration or investment, or both, of which one is appointed by the Speaker of the General Assembly and one is appointed by the Senate President; a representative of participating

employers, and a representative of enrollees, both of whom are appointed by the Governor. Members of the board will serve without compensation. Each appointment to the board by the Governor will be subject to the advice and consent of the Senate.

The bill sets forth several duties of the board with respect to implementing the program, including appointing a fund trustee, governing risk management, determining investment options, entering into contracts necessary for the administration of the program and the fund, employing a staff to support the implementation of the program, and conducting a performance review of any investment vendors. The bill also requires the board to establish a process for enrollment in the program, opting out of participation, selecting a contribution level and investment option, and terminating participation. The bill provides that other duties of the board include accepting grants, appropriations, or other moneys from the State, any unit of federal, State, or local government, or any other person, firm, partnership or corporation for deposit into the fund, whether for investment or administrative purposes, making provisions for the payment of administrative costs and expenses for the creation, management and operation of the program, and keeping annual administrative fees, which include investment fees, as low as possible, but not to exceed 0.6 percent of the fund's total balance. The bill also provides that subject to appropriation, the State may pay administrative costs associated with the creation and management of the program until sufficient assets are available in the fund for that purpose.

The bill requires that the program be implemented, and that enrollment of employees must begin, within 24 months after the effective date of the bill. No later than nine months after program implementation and the opening of enrollment, each employer covered by the bill must establish a payroll deposit retirement savings arrangement to allow its employees to participate in the program. An employer will automatically enroll in the program each of its employees who has not opted out of participation in the program. The employer will provide payroll deduction retirement savings arrangements for each of its employees and deposit, on behalf of its employees, these funds into the program. Small employers may, but are not required to, provide payroll deduction retirement savings arrangements for each employee who elects to participate in the program.

The bill requires that employers enroll new employees within three months after the date of hire, unless the employee opts out of enrollment. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

The bill provides that employees have the ability to select a contribution level, and may change their contribution level no more

than once every calendar quarter, subject to rules and regulations promulgated by the board. If an employee fails to select a contribution level, then the default contribution level will be three percent of the employee's wages. Employees may select an investment option from the investment options provided by the board, which shall not offer more than five investment options in any calendar year. Employees may change their investment option no more than once every calendar quarter, subject to the rules and regulations promulgated by the board. If an employee fails to select an investment option, that employee's contributions shall be placed in the default investment option selected by the board. Initially, the life-cycle fund will be the default investment option. Employees may terminate their participation in the program at any time in a manner prescribed by the board.

The bill also provides that, following initial implementation of the program, at least once every year, participating employers must designate an open enrollment period during which employees who previously opted out of the program may enroll in the program. An employee who opts out of the program but subsequently wants to participate through the participating employer's payroll deposit retirement savings arrangement may only enroll during the participating employer's designated open enrollment period, or at an earlier time if permitted by the participating employer.

The bill provides that the State has no duty or liability to any party for the payment of any retirement savings benefits accrued by any individual under the program. The bill requires that any financial liability for the payment of retirement savings benefits in excess of funds available under the program be borne solely by the entities with whom the board contracts to provide insurance to protect the value of the program. No State entity, board, commission, or agency, or any officer, employee, or member thereof is liable for any loss or deficiency resulting from particular investments selected under the bill, except for any liability that arises out of a breach of fiduciary duty.

The bill provides that participating employers will not have any liability for an employee's decision to participate in, or opt out of, the program or for the investment decisions of the board or of any enrollee. A participating employer will not be a fiduciary, or considered to be a fiduciary, over the program. Nor will a participating employer bear responsibility for the administration, investment, or investment performance of the program. A participating employer will not be liable with regard to investment returns, program design, and benefits paid to program participants.

The bill establishes penalties for employers who, without reasonable cause, fail to enroll employees who have not opted out of participation in the program. Those employers are subject to: for the first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during

which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program. The bill also provides that an employer who collects employee contributions but fails to remit any portion of the contributions to the fund shall be subject to a penalty of \$2,500 for a first offense, and \$5,000 for the second and each subsequent offense.

The bill provides that the Department of the Treasury require employers to report information relevant to their compliance with this act on their State income tax return, but the tax return will not be treated as unprocessable for tax purposes if the employer fails to provide the requested compliance information. The bill also provides that a penalty assessed under the provisions of the bill shall be deemed to be a tax liability of the employer for purposes of any State law allowing the department or other agency of the State to offset an amount owed to a taxpayer against a tax liability of that taxpayer or allowing the department to offset an overpayment of tax against any liability owed to the State.

The bill provides that if the board does not obtain adequate funds to implement the program within the time frame set forth by the bill, the board may delay the implementation of the program. The board must request in writing an opinion or ruling from the appropriate entity with jurisdiction over the federal "Employee Retirement Income Security Act of 1974" (29 U.S.C. s.1001 et seq.) regarding the applicability of that act to the program. The board may not implement the program if the IRA arrangements offered under the program fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code or if it is determined that the program is an employee benefit plan and State or employer liability is established under the "Employee Retirement Income Security Act of 1974."

The bill defines "employer" as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that has at no time during the previous calendar year employed fewer than 25 employees in the State, has been in business at least two years, and has not offered a qualified retirement plan, including, but not limited to, a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986 in the preceding two years. The term "employer" does not mean the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or of its political subdivisions, or any public body in the

State. A “small employer,” is defined in the bill as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that employed less than 25 employees at any one time in the State throughout the previous calendar year, or has been in business less than two years, or both, but that notifies the Department of the Treasury that it is interested in being a participating employer. The bill defines “employee” as any individual who is 18 years of age or older, who lives in this State or is employed by an employer in this State, and whose wages are subject to withholding as provided in the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.

The bill takes effect immediately upon enactment.

As reported, this bill is identical to Senate Bill No. 2831 (1R), as amended and reported by the committee.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4275

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 18, 2015

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 4275.

As amended, this bill establishes the “New Jersey Secure Choice Savings Program” (program) to create a retirement savings program for private sector workers in the form of an automatic enrollment payroll deduction Individual Retirement Account (IRA). The program will promote greater retirement savings for private sector employees in a convenient, low cost, and portable manner. The bill creates the New Jersey Secure Choice Savings Program Fund (fund) which will consist of funds received from enrollees in the program and participating employers.

The bill also creates the New Jersey Secure Choice Savings Board (board) to implement the program and oversee the fund. The board will consist of the following seven members: the State Treasurer, or the State Treasurer’s designee, who shall serve as chair; the State Comptroller, or the State Comptroller’s designee; the Director of the Office of Management and Budget, or the director’s designee; two public representatives with expertise in retirement savings plan administration or investment, or both, of which one is appointed by the Speaker of the General Assembly and one is appointed by the Senate President; a representative of participating employers, appointed by the Governor; and a representative of enrollees, appointed by the Governor. Members of the board will serve without compensation. Each appointment to the board by the Governor will be subject to the advice and consent of the Senate.

The bill sets forth several duties of the board with respect to designing and implementing the program, appointing a trustee to the fund, governing risk management, determining investment options, entering into contracts necessary for the administration of the program and the fund, and employing a staff to support the implementation of the program. The bill also requires the board to establish a process for enrollment in the program, including the process by which an employee can opt not to participate in the program, select a contribution level, select an investment option, and terminate participation in the program, as well as a process by which an

individual may voluntarily enroll in and make contributions to the program.

The bill requires the board, prior to the opening of the program for enrollment, to design and disseminate to all employers an employer information packet and an employee information packet, which must include background information on the program, and appropriate disclosures for employees.

The bill provides that the program must be implemented, and that enrollment of employees will begin, within 24 months after the effective date of the bill. No later than nine months after implementation of the program and the opening of enrollment, each employer covered by the bill must establish a payroll deposit retirement savings arrangement to allow its employees to participate in the program. An employer will automatically enroll in the program each of its employees who has not opted out of participation in the program. The employer will provide payroll deduction retirement savings arrangements for each of its employees and deposit, on behalf of its employees, these funds into the program. Small employers may, but are not required to, provide payroll deduction retirement savings arrangements for each employee who elects to participate in the program.

The bill provides that employers have a period of three months in which to enroll new employees. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

The bill defines “employer” as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that has at no time during the previous calendar year employed fewer than 25 employees in the State, has been in business at least two years, and has not offered a qualified retirement plan, including, but not limited to, a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986 in the preceding two years. The term “employer” does not mean the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or of its political subdivisions, or any public body in the State. The bill defines “small employer” as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that employed less than 25 employees at any one time in the State throughout the previous calendar year, or has been in business less than two years, or both, but that notifies the Department of the Treasury that it is interested in being a participating employer.

The bill provides that employees will have the ability to select a contribution level into the fund. Employees may change their

contribution level at any time, subject to rules and regulations promulgated by the board. If an employee fails to select a contribution level, then the employee will contribute three percent of the employee's wages to the program. Employees may select an investment option from the permitted investment options provided by the board. Employees may change their investment option at any time, subject to the rules and regulations promulgated by the board. In the event that an employee fails to select an investment option, that employee shall be placed in the investment option selected by the board as the default investment option. Initially, the life-cycle fund will be the default investment option. If the board has not selected a different default investment option, then an employee who fails to select an investment option will be placed in the life-cycle fund investment option. Employees may terminate their participation in the program at any time in a manner prescribed by the board.

The bill also provides that, following initial implementation of the program, at least once every year, participating employers must designate an open enrollment period during which employees who previously opted out of the program may enroll in the program. An employee who opts out of the program who subsequently wants to participate through the participating employer's payroll deposit retirement savings arrangement may only enroll during the participating employer's designated open enrollment period or if permitted by the participating employer at an earlier time.

The bill provides that the State will have no duty or liability to any party for the payment of any retirement savings benefits accrued by any individual under the program. Any financial liability for the payment of retirement savings benefits in excess of funds available under the program shall be borne solely by the entities with whom the board contracts to provide insurance to protect the value of the program. No State entity, board, commission, or agency, or any officer, employee, or member thereof is liable for any loss or deficiency resulting from particular investments selected under the bill, except for any liability that arises out of a breach of fiduciary duty.

Participating employers will not have any liability for an employee's decision to participate in, or opt out of, the program or for the investment decisions of the board or of any enrollee. A participating employer will not be a fiduciary, or considered to be a fiduciary, over the program. Nor will a participating employer bear responsibility for the administration, investment, or investment performance of the program. A participating employer will not be liable with regard to investment returns, program design, and benefits paid to program participants.

The bill establishes penalties for employers who, without reasonable cause, fail to enroll employees who have not opted out of participation in the program. Those employers are subject to: for the

first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program. The bill also provides that an employer who collects employee contributions but fails to remit any portion of the contributions to the fund shall be subject to a penalty of \$2,500 for a first offense, and \$5,000 for the second and each subsequent offense.

Finally, the bill provides that if the board does not obtain adequate funds to implement the program within the time frame set forth by the bill, the board may delay the implementation of the program. The board must request in writing an opinion or ruling from the appropriate entity with jurisdiction over the federal "Employee Retirement Income Security Act of 1974" (29 U.S.C. s.1001 et seq.) regarding the applicability of that act to the program. The board may not implement the program if the IRA arrangements offered under the program fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code or if it is determined that the program is an employee benefit plan and State or employer liability is established under the "Employee Retirement Income Security Act of 1974."

COMMITTEE AMENDMENTS

The committee amended the bill to:

1) Provide that employers have a period of three months in which to enroll new employees. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

2) Revise the penalties for employers who fail to enroll employees who have not opted out of participation in the program, to provide that employers are subject to: for the first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program.

3) Provide that failure to provide certain compliance information on their State income tax return does not cause employers' income tax returns to be treated as unprocessable for purposes of the applicable tax law.

SENATE, No. 2831

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED MARCH 16, 2015

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Co-Sponsored by:

**Senators Whelan, Thompson, Singer, Cunningham, Vitale, P.Barnes, III,
Lesniak, Ruiz, B.Smith, Van Drew, Pennacchio, A.R.Bucco, Cruz-Perez,
Madden, Weinberg, Gordon and Greenstein**

SYNOPSIS

“New Jersey Secure Choice Savings Program Act”; establishes retirement savings program for certain workers.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/22/2015)

1 AN ACT concerning individual retirement savings for certain
2 workers and supplementing Title 43 of the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the "New Jersey
8 Secure Choice Savings Program Act."

9

10 2. As used in this act:

11 "Board" means the New Jersey Secure Choice Savings Board
12 established pursuant to this act.

13 "Department" means the Department of the Treasury.

14 "Employee" means any individual who is 18 years of age or
15 older, who is employed by an employer, and whose wages are
16 subject to withholding as provided in the "New Jersey Gross
17 Income Tax Act," N.J.S.54A:1-1 et seq.

18 "Employer" means a person or entity engaged in a business,
19 industry, profession, trade, or other enterprise in New Jersey,
20 whether for profit or not for profit, that has at no time during the
21 previous calendar year employed fewer than 25 employees in the
22 State, has been in business at least two years, and has not offered a
23 qualified retirement plan, including, but not limited to, a plan
24 qualified under section 401(a), section 401(k), section 403(a),
25 section 403(b), section 408(k), section 408(p), or section 457(b) of
26 the Internal Revenue Code in the preceding two years. "Employer"
27 shall not mean the State, its political subdivisions, any office,
28 department, division, bureau, board, commission or agency of the
29 State or one of its political subdivisions, or any public body in the
30 State.

31 "Enrollee" means any employee who is enrolled in the program.

32 "Fund" means the New Jersey Secure Choice Savings Program
33 Fund established pursuant to this act.

34 "Internal Revenue Code" means the federal Internal Revenue
35 Code of 1986, 26 U.S.C. s.1 et seq., or any successor law, in effect
36 for the calendar year.

37 "IRA" means a standard Individual Retirement Account under
38 section 408, or a Roth Individual Retirement Account under section
39 408A, of the Internal Revenue Code.

40 "Participating employer" means an employer or small employer
41 that provides a payroll deposit retirement savings arrangement as
42 provided under this act for its employees who are enrollees in the
43 program.

44 "Payroll deposit retirement savings arrangement" means an
45 arrangement by which a participating employer allows enrollees to
46 remit payroll deduction contributions to the program.

47 "Program" means the New Jersey Secure Choice Savings
48 Program established pursuant to this act.

1 "Small employer" means a person or entity engaged in a
2 business, industry, profession, trade, or other enterprise in New
3 Jersey, whether for profit or not for profit, that employed less than
4 25 employees at any one time in the State throughout the previous
5 calendar year, or has been in business less than two years, or both,
6 but that notifies the board that it is interested in being a
7 participating employer.

8 "Wages" means any compensation within the meaning of section
9 219(f)(1) of the Internal Revenue Code that is received by an
10 enrollee from a participating employer during the calendar year.

11

12 3. A retirement savings program in the form of an automatic
13 enrollment payroll deduction IRA, known as the New Jersey Secure
14 Choice Savings Program, is hereby established and shall be
15 administered by the board for the purpose of promoting greater
16 retirement savings for private sector employees in a convenient, low
17 cost, and portable manner.

18

19 4. a. The New Jersey Secure Choice Savings Program Fund is
20 established as a special fund outside of the General Fund, separate
21 and apart from all public moneys or funds of this State, with the
22 board established pursuant to section 6 of this act as its trustee. The
23 fund shall include the individual retirement accounts of enrollees,
24 which shall be accounted for as individual accounts. Moneys in the
25 fund shall consist of moneys received from enrollees and
26 participating employers pursuant to automatic payroll deductions
27 and contributions to savings made pursuant this act. The fund shall
28 be operated in a manner determined by the board, provided that the
29 fund is operated so that the accounts of enrollees established under
30 the program meet the requirements for IRAs under the Internal
31 Revenue Code.

32 b. The amounts deposited in the fund shall not constitute
33 property of the State and the fund shall not be construed to be a
34 department, institution, or agency of the State. Amounts on deposit
35 in the fund shall not be commingled with State funds and the State
36 shall have no claim to or against, or interest in, such funds.

37

38 5. The New Jersey Secure Choice Administrative Fund is
39 created as a nonappropriated separate and apart trust fund in the
40 General Fund. The board shall use moneys in the administrative
41 fund to pay for administrative expenses it incurs in the performance
42 of its duties under this act. The board shall use moneys in the
43 administrative fund to cover startup administrative expenses it
44 incurs in the performance of its duties under this act. The
45 administrative fund may receive any grants or other moneys
46 designated for administrative purposes from the State, or any unit of
47 federal or local government, or any other person, firm, partnership,
48 or corporation. Any interest earnings that are attributable to moneys

1 in the administrative fund shall be deposited into the administrative
2 fund.

3

4 6. There is established the New Jersey Secure Choice Savings
5 Board.

6 a. The board shall consist of the following members:

7 (1) the State Treasurer, or the State Treasurer's designee, who
8 shall serve as chair;

9 (2) the State Comptroller, or the State Comptroller's designee;

10 (3) the Director of the Office of Management and Budget, or the
11 director's designee;

12 (4) two representatives of the general public with expertise in
13 retirement savings plan administration or investment, or both, of
14 which one representative shall be appointed by the Speaker of
15 General Assembly and one representative appointed by the Senate
16 President;

17 (5) a representative of participating employers, appointed by the
18 Governor; and

19 (6) a representative of enrollees, appointed by the Governor.

20 b. Members of the board shall serve without compensation.

21 c. The initial terms of the appointees shall be as follows: the
22 public representative appointed by the Senate President, for four
23 years; the public representative appointed by the Speaker of the
24 General Assembly, for two years; the representative of participating
25 employers, for three years; and the representative of enrollees for
26 one year. Thereafter, all of the appointees shall be for terms of four
27 years.

28 d. A vacancy in the term of an appointed board member shall
29 be filled for the balance of the unexpired term in the same manner
30 as the original appointment.

31 e. Each appointment by the Governor shall be subject to the
32 advice and consent of the Senate. In case of a vacancy during a
33 recess of the Senate, the Governor shall make a temporary
34 appointment until the next meeting of the Senate, at which time the
35 Governor shall appoint a person to fill the office.

36 f. Each board member, prior to assuming office, shall take an
37 oath that the member will diligently and honestly administer the
38 affairs of the board and that the member will not knowingly violate
39 or willingly permit to be violated any of the provisions of law
40 applicable to the program. The oath shall be certified by the officer
41 before whom it is taken and immediately filed with the Secretary of
42 State.

43

44 7. The board, the individual members of the board, the trustee
45 appointed under subsection b. of section 8 of this act, any other
46 agents appointed or engaged by the board, and all persons serving
47 as program staff shall discharge their duties with respect to the

1 program solely in the interest of the program's enrollees and
2 beneficiaries as follows:

3 a. By investing with the care, skill, prudence, and diligence
4 under the prevailing circumstances that a prudent person acting in a
5 like capacity and familiar with those matters would use in the
6 conduct of an enterprise of a similar character and with similar
7 aims; and

8 b. By using any contributions paid by employees and
9 employers into the fund exclusively for the purpose of paying
10 benefits to the enrollees of the program, for the cost of
11 administration of the program, and for investments made for the
12 benefit of the program.

13

14 8. In addition to the other duties and responsibilities provided
15 in this act, the board shall:

16 a. Design, establish, and operate the program in a manner that:

17 (1) accords with best practices for retirement savings vehicles;

18 (2) maximizes participation, savings, and sound investment
19 practices;

20 (3) maximizes simplicity, including ease of administration for
21 participating employers and enrollees;

22 (4) provides an efficient product to enrollees by pooling
23 investment funds;

24 (5) ensures the portability of benefits; and

25 (6) provides for the deaccumulation of enrollee assets in a
26 manner that maximizes financial security in retirement;

27 b. Appoint a trustee to the fund in compliance with section 408
28 of the Internal Revenue Code;

29 c. Explore and establish investment options, subject to section
30 11 of this act, that offer employees returns on contributions and the
31 conversion of individual retirement savings account balances to
32 secure retirement income without incurring debt or liabilities to the
33 State;

34 d. Establish the process by which interest, investment earnings,
35 and investment losses are allocated to individual program accounts
36 on a pro rata basis and are computed at the interest rate on the
37 balance of an individual's account;

38 e. Make and enter into contracts necessary for the
39 administration of the program and the fund, including, but not
40 limited to, retaining and contracting with investment managers,
41 private financial institutions, other financial and service providers,
42 consultants, actuaries, counsel, auditors, third-party administrators,
43 and other professionals as necessary;

44 f. Conduct a review of the performance of any investment
45 vendors not less than once every four years, including, but not
46 limited to, a review of returns, fees, and customer service, and post
47 a copy of reviews conducted under this subsection to an Internet
48 website established and maintained by the board;

- 1 g. Determine the number and duties of staff members needed to
2 administer the program and employ a staff, including, as needed,
3 appointing a program administrator, and entering into contracts with
4 the State Treasurer to make employees of the department available
5 to administer the program;
- 6 h. Ensure that moneys in the fund to be held and invested as
7 pooled investments described in section 11 of this act, with a view
8 to achieving cost savings through efficiencies and economies of
9 scale;
- 10 i. Evaluate and establish the process by which an enrollee is
11 able to contribute a portion of the enrollee's wages to the program
12 for automatic deposit of those contributions and the process by
13 which the participating employer provides a payroll deposit
14 retirement savings arrangement to forward those contributions and
15 related information to the program, including, but not limited to,
16 contracting with financial service companies and third-party
17 administrators with the capability to receive and process employee
18 information and contributions for payroll deposit retirement savings
19 arrangements or similar arrangements;
- 20 j. Design and establish the process for enrollment by an
21 employee pursuant to section 14 of this act, including the process
22 by which an employee can opt not to participate in the program,
23 select a contribution level, select an investment option, and
24 terminate participation in the program;
- 25 k. Evaluate and establish the process by which an individual
26 may voluntarily enroll in and make contributions to the program;
- 27 l. Accept any grants, appropriations, or other moneys from the
28 State, any unit of federal, State, or local government, or any other
29 person, firm, partnership, or corporation solely for deposit into the
30 fund, whether for investment or administrative purposes;
- 31 m. Evaluate the need for, and procure as needed, insurance
32 against any and all loss in connection with the property, assets, or
33 activities of the program, and indemnify as needed each member of
34 the board from personal loss or liability resulting from a member's
35 action or inaction as a member of the board;
- 36 n. Make provisions for the payment of administrative costs and
37 expenses for the creation, management, and operation of the
38 program, including the costs associated with subsections e., g., i.,
39 and m. of this section, subsection b. of section 11, subsection a. of
40 section 18, and subsection m. of section 19 of this act, keep annual
41 administrative fees as low as possible, but in no event exceed 0.75
42 percent of the fund's total balance. Subject to appropriation, the
43 State may pay administrative costs associated with the creation and
44 management of the program until sufficient assets are available in
45 the fund for that purpose. Thereafter, all administrative costs of the
46 fund, including repayment of any funds provided by the State, shall
47 be paid only out of moneys on deposit therein, except that, private
48 funds or federal funding received under subsection l. of this section

- 1 in order to implement the program shall not be repaid unless those
2 funds were offered contingent upon the promise of repayment;
- 3 o. Allocate administrative fees to individual retirement
4 accounts in the program on a pro rata basis;
- 5 p. Set minimum and maximum contribution levels in
6 accordance with limits established for IRAs by the Internal Revenue
7 Code;
- 8 q. Facilitate education and outreach to employers and
9 employees;
- 10 r. Facilitate compliance by the program with all applicable
11 requirements for the program under the Internal Revenue Code,
12 including tax qualification requirements or any other applicable law
13 and accounting requirements;
- 14 s. Carry out the duties and obligations of the program in an
15 effective, efficient, and low-cost manner;
- 16 t. Exercise any and all other powers reasonably necessary for
17 the effectuation of the purposes, objectives, and provisions of this
18 act pertaining to the program; and
- 19 u. Deposit into the New Jersey Secure Choice Administrative
20 Fund all grants, gifts, donations, fees, and earnings from
21 investments from the New Jersey Secure Choice Savings Program
22 Fund that are used to recover administrative costs. All expenses of
23 the board shall be paid from the New Jersey Secure Choice
24 Administrative Fund.
- 25
- 26 9. The board shall annually prepare and adopt a written
27 statement of investment policy that includes a risk management and
28 oversight program. This investment policy shall prohibit the board,
29 program, and fund from borrowing for investment purposes. The
30 risk management and oversight program shall be designed to ensure
31 that an effective risk management system is in place to monitor the
32 risk levels of the program and fund portfolio, to ensure that the risks
33 taken are prudent and properly managed, to provide an integrated
34 process for overall risk management, and to assess investment
35 returns as well as risk to determine if the risks taken are adequately
36 compensated compared to applicable performance benchmarks and
37 standards. The board shall consider the statement of investment
38 policy and any changes in the investment policy at a public hearing.
39
- 40 10. a. Moneys in the fund shall be invested, or reinvested, as the
41 case may be, by the department. The department shall comply with
42 any and all applicable federal and State laws, rules, and regulations,
43 as well as any and all rules or regulations promulgated by the board
44 with respect to the program and the investment of the fund,
45 including, but not limited to, the investment policy.
- 46 b. The department shall provide reports as the board deems
47 necessary for the board to oversee the department's performance
48 and the performance of the fund.

1 11. a. The board shall establish as an investment option a life-
2 cycle fund with a target date based upon the age of the enrollee.
3 This fund shall be the default investment option for enrollees who
4 fail to elect an investment option unless and until the board
5 designates by rule or regulation a new investment option as the
6 default as described in subsection c. of this section.

7 b. The board may also establish any or all of the following
8 additional investment options:

9 (1) a conservative principal protection fund;

10 (2) a growth fund;

11 (3) a secure return fund whose primary objective is the
12 preservation of the safety of principal and the provision of a stable
13 and low-risk rate of return. If the board elects to establish a secure
14 return fund, the board may procure any insurance, annuity, or other
15 product to insure the value of enrollees' accounts and guarantee a
16 rate of return. The cost of this funding mechanism shall be paid out
17 of the fund. Under no circumstances shall the board, program,
18 fund, the State, or any participating employer assume any liability
19 for investment or actuarial risk. The board shall determine whether
20 to establish such investment options based upon an analysis of their
21 cost, risk profile, benefit level, feasibility, and ease of
22 implementation; or

23 (4) an annuity fund.

24 c. If the board elects to establish a secure return fund, the
25 board shall then determine whether that option shall replace the
26 target date or life-cycle fund as the default investment option for
27 enrollees who do not elect an investment option. In making this
28 determination, the board shall consider the cost, risk profile, benefit
29 level, and ease of enrollment in the secure return fund. The board
30 may at any time thereafter replace the default investment option
31 and, based upon an analysis of these criteria, establish either the
32 secure return fund or the life-cycle fund as the default for enrollees
33 who do not elect an investment option.

34
35 12. Interest, investment earnings, and investment losses shall be
36 allocated to individual program accounts as established by the board
37 pursuant to subsection d. of section 8 of this act. An individual's
38 retirement savings benefit under the program shall be an amount
39 equal to the balance in the individual's program account on the date
40 the retirement savings benefit becomes payable. The State shall
41 have no liability for the payment of any benefit to any participant in
42 the program.

43
44 13. a. Prior to the opening of the program for enrollment, the
45 board shall design and disseminate to all employers an employer
46 information packet and an employee information packet, which
47 shall include background information on the program, appropriate
48 disclosures for employees, and, if necessary, information regarding

1 the vendor Internet website described in subsection i. of section 14
2 of this act.

3 b. For the first six months following the opening of the
4 program, the board shall provide a process by which employers may
5 register for participation in the program.

6 c. The employee information packet designed by the board
7 shall include a disclosure form. The disclosure form shall explain,
8 but not be limited to, all of the following:

9 (1) the benefits and risks associated with making contributions
10 to the program;

11 (2) the mechanics of how to make contributions to the program;

12 (3) how to opt out of the program;

13 (4) how to participate in the program with a level of employee
14 contributions other than three percent;

15 (5) the process for withdrawal of retirement savings;

16 (6) how to obtain additional information about the program;

17 (7) that employees seeking financial advice should contact
18 financial advisors, that participating employers are not in a position
19 to provide financial advice, and that participating employers are not
20 liable for decisions employees make pursuant to this act;

21 (8) that the program is not an employer-sponsored retirement
22 plan; and

23 (9) that the program fund is not guaranteed by the State.

24 d. The employee information packet shall also include a form
25 for an employee to note his or her decision to opt out of
26 participation in the program or elect to participate with a level of
27 employee contributions other than three percent.

28 e. Participating employers shall supply the employee
29 information packet to employees upon implementation of the
30 program. Participating employers shall supply the employee
31 information packet to new employees at the time of hiring, and new
32 employees may opt out of participation in the program or elect to
33 participate with a level of employee contributions other than three
34 percent at that time.

35
36 14. Except as otherwise provided in section 21 of this act, the
37 program shall be implemented, and enrollment of employees shall
38 begin, within 24 months after the effective date of this act. The
39 following provisions of this section shall be in force after the board
40 opens the program for enrollment:

41 a. Each employer shall establish a payroll deposit retirement
42 savings arrangement to allow each employee to participate in the
43 program not more than nine months after the board opens the
44 program for enrollment.

45 b. Employers shall automatically enroll in the program each of
46 their employees who has not opted out of participation in the
47 program using the form described in subsection d. of section 13 of
48 this act and shall provide payroll deduction retirement savings

1 arrangements for their employees and, on behalf of the employees,
2 deposit these funds into the program. Small employers may, but are
3 not required to, provide payroll deduction retirement savings
4 arrangements for each employee who elects to participate in the
5 program.

6 c. Enrollees shall have the ability to select a contribution level
7 into the fund. This level may be expressed as a percentage of
8 wages or as a dollar amount up to the deductible amount for the
9 enrollee's taxable year under section 219(b)(1)(A) of the Internal
10 Revenue Code. Enrollees may change their contribution level no
11 more than once every calendar quarter, subject to rules and
12 regulations promulgated by the board. If an enrollee fails to select a
13 contribution level using the form described in subsection c. of
14 section 13 of this act, then the enrollee shall contribute three
15 percent of the enrollee's wages to the program, so long as the
16 contributions do not cause the enrollee's total contributions to IRAs
17 for the year to exceed the deductible amount for the enrollee's
18 taxable year under section 219(b)(1)(A) of the Internal Revenue
19 Code.

20 d. Enrollees may select an investment option from the
21 permitted investment options listed in section 11 of this act.
22 Enrollees may change their investment option no more than once
23 every calendar quarter, subject to the rules and regulations
24 promulgated by the board. In the event that an enrollee fails to
25 select an investment option, that enrollee shall be placed in the
26 investment option selected by the board as the default under
27 subsection c. of section 11 of this act. If the board has not selected
28 a default investment option under subsection c. of section 11 of this
29 act, then an enrollee who fails to select an investment option shall
30 be placed in the life-cycle fund investment option.

31 e. Following initial implementation of the program pursuant to
32 this section, at least once every year, participating employers shall
33 designate an open enrollment period during which employees who
34 previously opted out of the program may enroll in the program.

35 f. An employee who opts out of the program who subsequently
36 wants to participate through the participating employer's payroll
37 deposit retirement savings arrangement may only enroll during the
38 participating employer's designated open enrollment period or if
39 permitted by the participating employer at an earlier time.

40 g. Employers shall retain the option at all times to set up any
41 type of employer-sponsored retirement plan, such as a defined
42 benefit plan or a 401(k), Simplified Employee Pension (SEP) plan,
43 or Savings Incentive Match Plan for Employees (SIMPLE) plan, or
44 to offer an automatic enrollment payroll deduction IRA, instead of
45 having a payroll deposit retirement savings arrangement to allow
46 employee participation in the program.

47 h. An employee may terminate his or her participation in the
48 program at any time in a manner prescribed by the board.

1 i. The board may establish and maintain an Internet website
2 designed to assist employers in identifying private sector providers
3 of retirement arrangements that can be set up by the employer rather
4 than allowing employee participation in the program under this act.
5 The board must provide public notice of the availability of and the
6 process for inclusion on the Internet website before it becomes
7 publicly available.

8
9 15. Employee contributions deducted by the participating
10 employer through payroll deduction shall be paid by the
11 participating employer to the fund using one or more payroll
12 deposit retirement savings arrangements established by the board
13 under subsection i. of section 8 of this act, either:

14 a. On or before the last day of the month following the month
15 in which the compensation otherwise would have been payable to
16 the employee; or

17 b. Before a later deadline prescribed by the board for making
18 the payments, but not later than the due date for the federal income
19 tax return deposit of tax required to be deducted and withheld
20 relating to collection of State income tax at source on wages for the
21 payroll period to which the payments relate.

22
23 16. a. The State shall have no duty or liability to any party for
24 the payment of any retirement savings benefits accrued by any
25 individual under the program. Any financial liability for the
26 payment of retirement savings benefits in excess of funds available
27 under the program shall be borne solely by the entities with whom
28 the board contracts to provide insurance to protect the value of the
29 program.

30 b. No State entity, board, commission, or agency, or any
31 officer, employee, or member thereof is liable for any loss or
32 deficiency resulting from particular investments selected under this
33 act, except for any liability that arises out of a breach of fiduciary
34 duty under section 7 of this act.

35
36 17. a. Participating employers shall not have any liability for an
37 employee's decision to participate in, or opt out of, the program or
38 for the investment decisions of the board or of any enrollee.

39 b. A participating employer shall not be a fiduciary, or
40 considered to be a fiduciary, over the program. A participating
41 employer shall not bear responsibility for the administration,
42 investment, or investment performance of the program. A
43 participating employer shall not be liable with regard to investment
44 returns, program design, and benefits paid to program participants.

45
46 18. a. The board shall annually submit:

47 (1) an audited financial report, prepared in accordance with
48 generally accepted accounting principles, on the operations of the

1 program for each calendar year, to be submitted no later than July 1
2 of the following year to the Governor, and to the Legislature
3 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1); and

4 (2) a report prepared by the board, including, but not limited to,
5 a summary of the benefits provided by the program, the number of
6 enrollees in the program, the percentage and amounts of investment
7 options and rates of return, fees paid to any vendors or contractors
8 for purposes of implementing or operating the program, and other
9 information that is relevant to make a full, fair, and effective
10 disclosure of the operations of the program and the fund.

11 The annual audit shall be made by an independent certified
12 public accountant and shall include, but is not limited to, direct and
13 indirect costs attributable to the use of outside consultants,
14 independent contractors, and any other persons who are not State
15 employees for the administration of the program.

16 b. In addition to any other statements or reports required by
17 law, the board shall provide periodic reports at least annually to
18 participating employers, reporting the names of each enrollee
19 employed by the participating employer and the amounts of
20 contributions made by the participating employer on behalf of each
21 employee during the reporting period, as well as to enrollees,
22 reporting contributions and investment income allocated to,
23 withdrawals from, and balances in their program accounts for the
24 reporting period. The reports may include any other information
25 regarding the program as the board determines is appropriate.

26

27 19. a. An employer who fails without reasonable cause to enroll
28 an employee in the program within the time prescribed under
29 section 14 of this act shall be subject to a penalty equal to:

30 (1) \$250 for each employee for each calendar year or portion of
31 a calendar year during which the employee neither was enrolled in
32 the program nor had elected out of participation in the program; or

33 (2) for each calendar year beginning after the date a penalty has
34 been assessed with respect to an employee, \$500 for any portion of
35 that calendar year during which such employee continues to be
36 unenrolled without electing out of participation in the program.

37 b. An employer who collects employee contributions but fails
38 to remit any portion of the contributions to the fund shall be subject
39 to a penalty of \$2,500 for a first offense, and \$5,000 for the second
40 and each subsequent offense.

41 c. After a determination that an employer is subject to penalty
42 pursuant to this section, the department shall issue a notice of
43 proposed penalty to the employer. For purposes of subsection a. of
44 this section, the notice issued by the department to the employer
45 shall state the number of employees for which the penalty is
46 proposed under paragraph (1) of subsection a. of this section, or the
47 number of employees for which the penalty is proposed under
48 paragraph (2) of subsection a. of this section, or both, and the total

1 amount of penalties proposed. For purposes of subsection b. of this
2 section, the department shall issue a notice of proposed penalty to
3 the employer stating the total amount of penalties proposed under
4 subsection b. of this section. Upon the expiration of 90 days after
5 the date on which a notice of proposed penalty was issued, the
6 penalties specified therein shall be deemed assessed, unless the
7 employer had filed a protest with the department under subsection
8 d. of this section. If, within 90 days after the date on which the
9 notice of proposed penalty was issued, a protest is filed under
10 subsection d. of this section, the penalties specified in the notice
11 shall be deemed assessed when the decision of the department with
12 respect to the protest is final.

13 d. A written protest against the proposed penalty shall be filed
14 with the department in a form prescribed by the department, setting
15 forth the grounds on which the protest is based. If a protest is filed
16 within 90 days after the date the notice of proposed penalty is
17 issued, the department shall reconsider the proposed penalty and
18 shall grant the employer a hearing. As soon as practicable after a
19 reconsideration and hearing of the protest filed by the employer, the
20 department shall issue a notice of decision to the employer, setting
21 forth the department's findings of fact and the basis of decision. The
22 decision of the department shall become final.

23 e. As soon as practicable after the penalties specified in a
24 notice of proposed penalty are deemed assessed, the department
25 shall give notice to the employer liable for any unpaid portion of the
26 penalty, stating the amount due and demanding payment. The
27 department shall provide a payment plan to employers for purposes
28 of complying with the demand of payment for the penalty.

29 f. An employer who has overpaid a penalty assessed under this
30 section may file a claim for refund with the department. A claim
31 shall be in writing in a form prescribed by the department and shall
32 state the specific grounds upon which it is founded. As soon as
33 practicable after a claim for refund is filed, the department shall
34 examine it and either issue a refund or issue a notice of denial. If a
35 protest is filed, the department shall reconsider the denial and grant
36 the employer a hearing. As soon as practicable after the
37 reconsideration and hearing, the department shall issue a notice of
38 decision to the employer. The notice shall set forth briefly the
39 department's findings of fact and the basis of decision in each case
40 decided in whole or in part adversely to the employer. A denial of a
41 claim for refund shall be final 90 days after the date of issuance of
42 the notice of the denial, except for those amounts denied as to
43 which the employer has filed a protest with the department. If a
44 protest has been timely filed, the decision of the department shall
45 become final.

46 g. No notice of proposed assessment shall be issued with
47 respect to a calendar year after June 30 of the fourth subsequent

1 calendar year. No claim for refund may be filed more than one year
2 after the date of payment of the amount to be refunded.

3 h. Whenever a notice is required by this section, it shall be
4 issued by first class mail addressed to the person concerned at the
5 person's last known address.

6 i. All books and records and other papers and documents
7 relevant to the determination of any penalty due under this section
8 shall, at all times during business hours of the day, be subject to
9 inspection by the department or the department's authorized
10 representatives.

11 j. The department shall require employers to report
12 information relevant to their compliance with this act on their State
13 income tax return and failure to provide the requested information
14 shall cause the return to be treated as unprocessable.

15 k. For purposes of any provision of State law allowing the
16 department or any other agency of this State to offset an amount
17 owed to a taxpayer against a tax liability of that taxpayer or
18 allowing the department to offset an overpayment of tax against any
19 liability owed to the State, a penalty assessed under this section
20 shall be deemed to be a tax liability of the employer and any refund
21 due to an employer shall be deemed to be an overpayment of tax of
22 the employer.

23 l. Except as provided in this subsection, all information
24 received by the department from returns filed by an employer or
25 from any investigation conducted under the provisions of this act
26 shall be confidential, except for official purposes within the
27 department or pursuant to official procedures for collection of
28 penalties assessed under this act. No provision of this subsection
29 shall be construed as prohibiting the department from publishing or
30 making available to the public reasonable statistics concerning the
31 operation of this act wherein the contents of returns are grouped
32 into aggregates in such a way that the specific information of any
33 individual employer shall not be disclosed. No provision of this
34 subsection shall be construed as prohibiting the department from
35 divulging information to an authorized representative of the
36 employer or to any person pursuant to a request or authorization
37 made by the employer or by an authorized representative of the
38 employer.

39 m. The department may charge the board a reasonable fee for its
40 costs in performing its duties under this section to the extent that
41 those costs have not been recovered from penalties imposed under
42 this section.

43 n. This section shall become operative nine months after the
44 board notifies the department that the program has been
45 implemented. Upon receipt of the notification from the board, the
46 department shall immediately post on its Internet website a notice
47 stating that this section is operative and the date that it is first
48 operative. This notice shall include a statement that, rather than

1 enrolling employees in the program under this act, employers may
2 sponsor an alternative arrangement, including, but not limited to, a
3 defined benefit plan, 401(k) plan, a Simplified Employee Pension
4 (SEP) plan, a Savings Incentive Match Plan for Employees
5 (SIMPLE) plan, or an automatic payroll deduction IRA offered
6 through a private provider. The board shall provide a link to the
7 vendor Internet website described in subsection i. of section 14 of
8 this act.

9
10 20. The board, in consultation with the department, shall adopt,
11 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
12 (C.52:14B-1 et seq.), any rules and regulations as may be necessary
13 for the implementation of this act.

14
15 21. If the board does not obtain adequate funds to implement the
16 program within the time frame set forth under section 14 of this act,
17 the board may delay the implementation of the program.

18
19 22. The board shall request in writing an opinion or ruling from
20 the appropriate entity with jurisdiction over the federal "Employee
21 Retirement Income Security Act of 1974," 29 U.S.C. s.1001 et seq.
22 regarding the applicability of that act to the program. The board
23 shall not implement the program if the IRA arrangements offered
24 under the program fail to qualify for the favorable federal income
25 tax treatment ordinarily accorded to IRAs under the Internal
26 Revenue Code or if it is determined that the program is an employee
27 benefit plan and State or employer liability is established under the
28 "Employee Retirement Income Security Act of 1974," 29 U.S.C.
29 s.1001 et seq.

30
31 23. This act shall take effect immediately.

32
33
34 STATEMENT

35
36 This bill establishes the "New Jersey Secure Choice Savings
37 Program" (program) to create a retirement savings program for
38 private sector workers in the form of an automatic enrollment
39 payroll deduction Individual Retirement Account (IRA). The
40 program will promote greater retirement savings for private sector
41 employees in a convenient, low cost, and portable manner. The bill
42 creates the New Jersey Secure Choice Savings Program Fund (fund)
43 which will consist of funds received from enrollees in the program
44 and participating employers.

45 The bill also creates the New Jersey Secure Choice Savings
46 Board (board) to implement the program and oversee the fund. The
47 board will consist of the following seven members: the State
48 Treasurer, or the State Treasurer's designee, who shall serve as

1 chair; the State Comptroller, or the State Comptroller's designee;
2 the Director of the Office of Management and Budget, or the
3 director's designee; two public representatives with expertise in
4 retirement savings plan administration or investment, or both, of
5 which one is appointed by the Speaker of the General Assembly and
6 one is appointed by the Senate President; a representative of
7 participating employers, appointed by the Governor; and a
8 representative of enrollees, appointed by the Governor. Members
9 of the board will serve without compensation. Each appointment to
10 the board by the Governor will be subject to the advice and consent
11 of the Senate.

12 The bill sets forth several duties of the board with respect to
13 designing and implementing the program, appointing a trustee to the
14 fund, governing risk management, determining investment options,
15 entering into contracts necessary for the administration of the
16 program and the fund, and employing a staff to support the
17 implementation of the program. The bill also requires the board to
18 establish a process for enrollment in the program, including the
19 process by which an employee can opt not to participate in the
20 program, select a contribution level, select an investment option,
21 and terminate participation in the program, as well as a process by
22 which an individual may voluntarily enroll in and make
23 contributions to the program.

24 The bill requires the board, prior to the opening of the program
25 for enrollment, to design and disseminate to all employers an
26 employer information packet and an employee information packet,
27 which must include background information on the program, and
28 appropriate disclosures for employees.

29 The bill provides that the program must be implemented, and
30 that enrollment of employees will begin, within 24 months after the
31 effective date of the bill. No later than nine months after
32 implementation of the program and the opening of enrollment, each
33 employer covered by the bill must establish a payroll deposit
34 retirement savings arrangement to allow its employees to participate
35 in the program. An employer will automatically enroll in the
36 program each of its employees who has not opted out of
37 participation in the program. The employer will provide payroll
38 deduction retirement savings arrangements for each of its
39 employees and deposit, on behalf of its employees, these funds into
40 the program. Small employers may, but are not required to, provide
41 payroll deduction retirement savings arrangements for each
42 employee who elects to participate in the program.

43 The bill defines "employer" as a person or entity engaged in a
44 business, industry, profession, trade, or other enterprise in New
45 Jersey, whether for profit or not for profit, that has at no time during
46 the previous calendar year employed fewer than 25 employees in
47 the State, has been in business at least two years, and has not
48 offered a qualified retirement plan, including, but not limited to, a

1 plan qualified under section 401(a), section 401(k), section 403(a),
2 section 403(b), section 408(k), section 408(p), or section 457(b) of
3 the Internal Revenue Code of 1986 in the preceding two years. The
4 term “employer” does not mean the State, its political subdivisions,
5 any office, department, division, bureau, board, commission or
6 agency of the State or of its political subdivisions, or any public
7 body in the State. The bill defines “small employer” as a person or
8 entity engaged in a business, industry, profession, trade, or other
9 enterprise in New Jersey, whether for profit or not for profit, that
10 employed less than 25 employees at any one time in the State
11 throughout the previous calendar year, or has been in business less
12 than two years, or both, but that notifies the Department of the
13 Treasury that it is interested in being a participating employer.

14 The bill provides that employees will have the ability to select a
15 contribution level into the fund. Employees may change their
16 contribution level at any time, subject to rules and regulations
17 promulgated by the board. If an employee fails to select a
18 contribution level, then the employee will contribute three percent
19 of the employee’s wages to the program. Employees may select an
20 investment option from the permitted investment options provided
21 by the board. Employees may change their investment option at
22 any time, subject to the rules and regulations promulgated by the
23 board. In the event that an employee fails to select an investment
24 option, that employee shall be placed in the investment option
25 selected by the board as the default investment option. Initially, the
26 life-cycle fund will be the default investment option. If the board
27 has not selected a different default investment option, then an
28 employee who fails to select an investment option will be placed in
29 the life-cycle fund investment option. Employees may terminate
30 their participation in the program at any time in a manner
31 prescribed by the board.

32 The bill also provides that, following initial implementation of
33 the program, at least once every year, participating employers must
34 designate an open enrollment period during which employees who
35 previously opted out of the program may enroll in the program. An
36 employee who opts out of the program who subsequently wants to
37 participate through the participating employer's payroll deposit
38 retirement savings arrangement may only enroll during the
39 participating employer's designated open enrollment period or if
40 permitted by the participating employer at an earlier time.

41 The bill provides that the State will have no duty or liability to
42 any party for the payment of any retirement savings benefits
43 accrued by any individual under the program. Any financial
44 liability for the payment of retirement savings benefits in excess of
45 funds available under the program shall be borne solely by the
46 entities with whom the board contracts to provide insurance to
47 protect the value of the program. No State entity, board,
48 commission, or agency, or any officer, employee, or member

1 thereof is liable for any loss or deficiency resulting from particular
2 investments selected under the bill, except for any liability that
3 arises out of a breach of fiduciary duty.

4 Participating employers will not have any liability for an
5 employee's decision to participate in, or opt out of, the program or
6 for the investment decisions of the board or of any enrollee. A
7 participating employer will not be a fiduciary, or considered to be a
8 fiduciary, over the program. Nor will a participating employer bear
9 responsibility for the administration, investment, or investment
10 performance of the program. A participating employer will not be
11 liable with regard to investment returns, program design, and
12 benefits paid to program participants.

13 The bill provides that an employer who fails without reasonable
14 cause to enroll an employee in the program within the time
15 prescribed under provisions of the bill will be subject to a penalty
16 equal to \$250 for each employee for each calendar year or portion
17 of a calendar year during which the employee neither was enrolled
18 in the program nor had elected out of participation in the program;
19 or, for each calendar year beginning after the date a penalty has
20 been assessed with respect to an employee, \$500 for any portion of
21 that calendar year during which the employee continues to be
22 unenrolled without electing out of participation in the program. The
23 bill also provides that an employer who collects employee
24 contributions but fails to remit any portion of the contributions to
25 the fund shall be subject to a penalty of \$2,500 for a first offense,
26 and \$5,000 for the second and each subsequent offense.

27 Finally, the bill provides that if the board does not obtain
28 adequate funds to implement the program within the time frame set
29 forth by the bill, the board may delay the implementation of the
30 program. The board must request in writing an opinion or ruling
31 from the appropriate entity with jurisdiction over the federal
32 "Employee Retirement Income Security Act of 1974" (29 U.S.C.
33 s.1001 et seq.) regarding the applicability of that act to the program.
34 The board may not implement the program if the IRA arrangements
35 offered under the program fail to qualify for the favorable federal
36 income tax treatment ordinarily accorded to IRAs under the Internal
37 Revenue Code or if it is determined that the program is an employee
38 benefit plan and State or employer liability is established under the
39 "Employee Retirement Income Security Act of 1974."

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 2831

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 5, 2015

The Senate Labor Committee reports favorably and with committee amendments Senate Bill No. 2831.

As amended by the committee, this bill establishes the “New Jersey Secure Choice Savings Program” (program) to create a retirement savings program for private sector workers in the form of an automatic enrollment payroll deduction Individual Retirement Account (IRA). The program will promote greater retirement savings for private sector employees in a convenient, low cost, and portable manner. The bill creates the New Jersey Secure Choice Savings Program Fund (fund) which will consist of funds received from enrollees in the program and participating employers.

The bill also creates the New Jersey Secure Choice Savings Board (board) to implement the program and oversee the fund. The board will consist of the following seven members: the State Treasurer, or the State Treasurer’s designee, who shall serve as chair; the State Comptroller, or the State Comptroller’s designee; the Director of the Office of Management and Budget, or the director’s designee; two public representatives with expertise in retirement savings plan administration or investment, or both, of which one is appointed by the Speaker of the General Assembly and one is appointed by the Senate President; a representative of participating employers, appointed by the Governor; and a representative of enrollees, appointed by the Governor. Members of the board will serve without compensation. Each appointment to the board by the Governor will be subject to the advice and consent of the Senate.

The bill sets forth several duties of the board with respect to designing and implementing the program, appointing a trustee to the fund, governing risk management, determining investment options, entering into contracts necessary for the administration of the program and the fund, and employing a staff to support the implementation of the program. The bill also requires the board to establish a process for enrollment in the program, including the process by which an employee can opt not to participate in the program, select a contribution level, select an investment option, and terminate participation in the program, as well as a process by which an

individual may voluntarily enroll in and make contributions to the program.

The bill requires the board, prior to the opening of the program for enrollment, to design and disseminate to all employers an employer information packet and an employee information packet, which must include background information on the program, and appropriate disclosures for employees.

The bill provides that the program must be implemented, and that enrollment of employees will begin, within 24 months after the effective date of the bill. No later than nine months after implementation of the program and the opening of enrollment, each employer covered by the bill must establish a payroll deposit retirement savings arrangement to allow its employees to participate in the program. An employer will automatically enroll in the program each of its employees who has not opted out of participation in the program. The employer will provide payroll deposit retirement savings arrangements for each of its employees and deposit, on behalf of its employees, these funds into the program. Small employers may, but are not required to, provide payroll deposit retirement savings arrangements for each employee who elects to participate in the program.

The bill provides that employers have a period of three months in which to enroll new employees. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

The bill defines “employer” as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that has at no time during the previous calendar year employed fewer than 25 employees in the State, has been in business at least two years, and has not offered a qualified retirement plan, including, but not limited to, a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986 in the preceding two years. The term “employer” does not mean the State, its political subdivisions, any office, department, division, bureau, board, commission or agency of the State or of its political subdivisions, or any public body in the State. The bill defines “small employer” as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that employed less than 25 employees at any one time in the State throughout the previous calendar year, or has been in business less than two years, or both, but that notifies the Department of the Treasury that it is interested in being a participating employer.

The bill provides that employees will have the ability to select a contribution level into the fund. Employees may change their

contribution level at any time, subject to rules and regulations promulgated by the board. If an employee fails to select a contribution level, then the employee will contribute three percent of the employee's wages to the program. Employees may select an investment option from the permitted investment options provided by the board. Employees may change their investment option at any time, subject to the rules and regulations promulgated by the board. In the event that an employee fails to select an investment option, that employee shall be placed in the investment option selected by the board as the default investment option. Initially, the life-cycle fund will be the default investment option. If the board has not selected a different default investment option, then an employee who fails to select an investment option will be placed in the life-cycle fund investment option. Employees may terminate their participation in the program at any time in a manner prescribed by the board.

The bill also provides that, following initial implementation of the program, at least once every year, participating employers must designate an open enrollment period during which employees who previously opted out of the program may enroll in the program. An employee who opts out of the program who subsequently wants to participate through the participating employer's payroll deposit retirement savings arrangement may only enroll during the participating employer's designated open enrollment period or if permitted by the participating employer at an earlier time.

The bill provides that the State will have no duty or liability to any party for the payment of any retirement savings benefits accrued by any individual under the program. Any financial liability for the payment of retirement savings benefits in excess of funds available under the program shall be borne solely by the entities with whom the board contracts to provide insurance to protect the value of the program. No State entity, board, commission, or agency, or any officer, employee, or member thereof is liable for any loss or deficiency resulting from particular investments selected under the bill, except for any liability that arises out of a breach of fiduciary duty.

Participating employers will not have any liability for an employee's decision to participate in, or opt out of, the program or for the investment decisions of the board or of any enrollee. A participating employer will not be a fiduciary, or considered to be a fiduciary, over the program. Nor will a participating employer bear responsibility for the administration, investment, or investment performance of the program. A participating employer will not be liable with regard to investment returns, program design, and benefits paid to program participants.

The bill establishes penalties for employers who, without reasonable cause, fail to enroll employees who have not opted out of participation in the program. Those employers are subject to: for the

first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program. The bill also provides that an employer who collects employee contributions but fails to remit any portion of the contributions to the fund shall be subject to a penalty of \$2,500 for a first offense, and \$5,000 for the second and each subsequent offense.

Finally, the bill provides that if the board does not obtain adequate funds to implement the program within the time frame set forth by the bill, the board may delay the implementation of the program. The board must request in writing an opinion or ruling from the appropriate entity with jurisdiction over the federal "Employee Retirement Income Security Act of 1974" (29 U.S.C. s.1001 et seq.) regarding the applicability of that act to the program. The board may not implement the program if the IRA arrangements offered under the program fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code or if it is determined that the program is an employee benefit plan and State or employer liability is established under the "Employee Retirement Income Security Act of 1974."

COMMITTEE AMENDMENTS

The committee amended the bill to:

1. Provide that employers have a period of three months in which to enroll new employees. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

2. Revise the penalties for employers who fail to enroll employees who have not opted out of participation in the program, to provide that employers are subject to: for the first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program.

3. Provide that failure to provide certain compliance information on their State income tax return does not cause employers' income tax returns to be treated as unprocessable for purposes of the applicable tax law.

These amendments make this bill identical to A4275 (1R).

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2831

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 21, 2015

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2831 (1R), with committee amendments.

As amended, this bill establishes the “New Jersey Secure Choice Savings Program,” a retirement savings program in the form of an automatic enrollment payroll deduction Individual Retirement Account for certain private sector employees. The program promotes retirement savings for private sector employees employed by “employers” and “small employers,” as defined by the bill, in a convenient, low cost, and portable manner.

The bill creates the New Jersey Secure Choice Savings Program Fund which will consist of funds received from enrollees in the program and participating employers, and is separate and apart from all public moneys or funds of this State. The bill provides that amounts deposited in the fund shall not constitute property of the State, the fund shall not be construed to be a department, institution, or agency of the State, and amounts deposited in the fund shall not be commingled with State funds.

The bill creates the New Jersey Secure Choice Savings Board to implement the program and oversee the fund. The bill also creates the New Jersey Secure Choice Administrative Fund as a nonappropriated separate and apart trust fund in the General Fund, to be used to pay administrative expenses incurred by the board in the performance of its duties hereunder. The administrative fund may receive any grants or other moneys designated for administrative purposes from the State, or any federal or local government, or other person, firm, partnership, or corporation.

The bill establishes the method by which members of the board will be appointed and by whom. The board will consist of the following seven members: the State Treasurer, or his or her designee, who shall serve as chair; the State Comptroller, or his or her designee; the Director of the Office of Management and Budget, or the director’s designee; two public representatives with expertise in retirement savings plan administration or investment, or both, of which one is appointed by the Speaker of the General Assembly and one is

appointed by the Senate President; a representative of participating employers, and a representative of enrollees, both of whom are appointed by the Governor. Members of the board will serve without compensation. Each appointment to the board by the Governor will be subject to the advice and consent of the Senate.

The bill sets forth several duties of the board with respect to implementing the program, including appointing a fund trustee, governing risk management, determining investment options, entering into contracts necessary for the administration of the program and the fund, employing a staff to support the implementation of the program, and conducting a performance review of any investment vendors. The bill also requires the board to establish a process for enrollment in the program, opting out of participation, selecting a contribution level and investment option, and terminating participation. The bill provides that other duties of the board include accepting grants, appropriations, or other moneys from the State, any unit of federal, State, or local government, or any other person, firm, partnership or corporation for deposit into the fund, whether for investment or administrative purposes, making provisions for the payment of administrative costs and expenses for the creation, management and operation of the program, and keeping annual administrative fees, which include investment fees, as low as possible, but not to exceed 0.6 percent of the fund's total balance. The bill also provides that subject to appropriation, the State may pay administrative costs associated with the creation and management of the program until sufficient assets are available in the fund for that purpose.

The bill requires that the program be implemented, and that enrollment of employees must begin, within 24 months after the effective date of the bill. No later than nine months after program implementation and the opening of enrollment, each employer covered by the bill must establish a payroll deposit retirement savings arrangement to allow its employees to participate in the program. An employer will automatically enroll in the program each of its employees who has not opted out of participation in the program. The employer will provide payroll deduction retirement savings arrangements for each of its employees and deposit, on behalf of its employees, these funds into the program. Small employers may, but are not required to, provide payroll deduction retirement savings arrangements for each employee who elects to participate in the program.

The bill requires that employers enroll new employees within three months after the date of hire, unless the employee opts out of enrollment. Newly hired employees who have previously been enrolled are permitted to make contributions directly into their accounts, until such time as they are enrolled by their new employer or opt out of enrollment in the program.

The bill provides that employees have the ability to select a contribution level, and may change their contribution level no more than once every calendar quarter, subject to rules and regulations promulgated by the board. If an employee fails to select a contribution level, then the default contribution level will be three percent of the employee's wages. Employees may select an investment option from the investment options provided by the board, which shall not offer more than five investment options in any calendar year. Employees may change their investment option no more than once every calendar quarter, subject to the rules and regulations promulgated by the board. If an employee fails to select an investment option, that employee's contributions shall be placed in the default investment option selected by the board. Initially, the life-cycle fund will be the default investment option. Employees may terminate their participation in the program at any time in a manner prescribed by the board.

The bill also provides that, following initial implementation of the program, at least once every year, participating employers must designate an open enrollment period during which employees who previously opted out of the program may enroll in the program. An employee who opts out of the program but subsequently wants to participate through the participating employer's payroll deposit retirement savings arrangement may only enroll during the participating employer's designated open enrollment period, or at an earlier time if permitted by the participating employer.

The bill provides that the State has no duty or liability to any party for the payment of any retirement savings benefits accrued by any individual under the program. The bill requires that any financial liability for the payment of retirement savings benefits in excess of funds available under the program be borne solely by the entities with whom the board contracts to provide insurance to protect the value of the program. No State entity, board, commission, or agency, or any officer, employee, or member thereof is liable for any loss or deficiency resulting from particular investments selected under the bill, except for any liability that arises out of a breach of fiduciary duty.

The bill provides that participating employers will not have any liability for an employee's decision to participate in, or opt out of, the program or for the investment decisions of the board or of any enrollee. A participating employer will not be a fiduciary, or considered to be a fiduciary, over the program. Nor will a participating employer bear responsibility for the administration, investment, or investment performance of the program. A participating employer will not be liable with regard to investment returns, program design, and benefits paid to program participants.

The bill establishes penalties for employers who, without reasonable cause, fail to enroll employees who have not opted out of participation in the program. Those employers are subject to: for the

first calendar year during which at any point a violation occurs, a written warning by the department; for the second calendar year during which at any point a violation occurs, a fine of \$100; for the third and fourth calendar year during which at any point a violation occurs, a fine of \$250 for each employee who was neither enrolled in nor opted out of participation in the program; and for the fifth and any subsequent calendar year during which at any point a violation occurs, a fine of \$500 for each employee who was neither enrolled in nor opted out of participation in the program. The bill also provides that an employer who collects employee contributions but fails to remit any portion of the contributions to the fund shall be subject to a penalty of \$2,500 for a first offense, and \$5,000 for the second and each subsequent offense.

The bill provides that the Department of the Treasury require employers to report information relevant to their compliance with this act on their State income tax return, but the tax return will not be treated as unprocessable for tax purposes if the employer fails to provide the requested compliance information. The bill also provides that a penalty assessed under the provisions of the bill shall be deemed to be a tax liability of the employer for purposes of any State law allowing the department or other agency of the State to offset an amount owed to a taxpayer against a tax liability of that taxpayer or allowing the department to offset an overpayment of tax against any liability owed to the State.

The bill provides that if the board does not obtain adequate funds to implement the program within the time frame set forth by the bill, the board may delay the implementation of the program. The board must request in writing an opinion or ruling from the appropriate entity with jurisdiction over the federal "Employee Retirement Income Security Act of 1974" (29 U.S.C. s.1001 et seq.) regarding the applicability of that act to the program. The board may not implement the program if the IRA arrangements offered under the program fail to qualify for the favorable federal income tax treatment ordinarily accorded to IRAs under the Internal Revenue Code or if it is determined that the program is an employee benefit plan and State or employer liability is established under the "Employee Retirement Income Security Act of 1974."

The bill defines "employer" as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that has at no time during the previous calendar year employed fewer than 25 employees in the State, has been in business at least two years, and has not offered a qualified retirement plan, including, but not limited to, a plan qualified under section 401(a), section 401(k), section 403(a), section 403(b), section 408(k), section 408(p), or section 457(b) of the Internal Revenue Code of 1986 in the preceding two years. The term "employer" does not mean the State, its political subdivisions, any

office, department, division, bureau, board, commission or agency of the State or of its political subdivisions, or any public body in the State. A “small employer,” is defined in the bill as a person or entity engaged in a business, industry, profession, trade, or other enterprise in New Jersey, whether for profit or not for profit, that employed less than 25 employees at any one time in the State throughout the previous calendar year, or has been in business less than two years, or both, but that notifies the Department of the Treasury that it is interested in being a participating employer. The bill defines “employee” as any individual who is 18 years of age or older, who lives in this State or is employed by an employer in this State, and whose wages are subject to withholding as provided in the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.

The bill takes effect immediately upon enactment.

As amended and reported, this bill is identical to Assembly Bill No. 4275 (2R), as reported by the committee.

COMMITTEE AMENDMENTS:

The amendments:

-- clarify that an “employee,” as defined in the bill, either lives in this State or works for an employer in this State;

-- require that the required performance reviews of investment vendors occur not less than once every two years (rather than once every four years);

-- clarify that annual administrative fees associated with the program include investment fees, and limit those total annual administrative fees to 0.6 percent of the fund balance;

-- require the board to not offer more than five investment options in any given calendar year; and

-- make certain other technical changes, including correcting internal cross references and making the retirement savings arrangement terminology consistent throughout the bill.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

Governor Chris Christie Takes Action On Pending Legislation From The 216th Legislative Session

Tuesday, January 19, 2016 Tags: [Weather](#)



Trenton, NJ – Furthering his administration's commitment to New Jersey's veterans and military personnel, Governor Chris Christie took action today on legislation from the 216th Legislative Session, including 11 legislative measures designed to assist both active military members and veterans, along with their families.

"From the very start of this administration, we have focused on serving the needs of our veterans and the men and women still in active duty, assisting them with everything from securing jobs to finding the proper health care and social services," said Governor Christie. "The bills I signed today continue to make good on our promise to help those who have given so much of themselves to defend and serve this nation find a seamless transition back to civilian life and receive a helping-hand, when needed, no matter how long after their discharge from the military."

The enacted legislation includes:

- **S-172/A-2276 (Whelan, Beach/DeAngelo, Quijano)** - Exempts disabled veterans and Purple Heart recipients from payment of municipal parking meter fees when their vehicles bear a disable veteran's or Purple Heart license plate or placard issued by New Jersey Motor Vehicle Commission
- **S-2972/A-4465 (Van Drew, Cruz-Perez/Andrzejczak, Tucker, Benson)** - Requires DMVA assist and mentor veterans through criminal justice system
- **A-1667/S-2155 (Johnson, DeAngelo, Andrzejczak, Mukherji, Pintor Marin/Van Drew, A.R. Bucco)** - Permits child whose parent or guardian is ordered into active military service to remain enrolled in school district where child's parent or guardian resided prior to active military service
- **A-2935/S-1325 (Andrzejczak, Lagana, Webber, Mosquera, Lampitt/Van Drew, A.R. Bucco)** - Authorizes property tax deferral for deployed military personnel
- **A-2299/S-239 (Andrzejczak, Benson/Van Drew, Stack)** - Requires municipalities to exempt 100% disabled veterans from construction permit surcharge fees for improvements to promote living unit accessibility; appropriates \$20,000 for municipal reimbursements
- **A-3552/S-2636 (Mazzeo, Andrzejczak, Mukherji, Benson/Beach, Van Drew)** - Creates financial planning assistance program for disabled veterans and their caregivers
- **A-3554/S-2606 (Mazzeo, Andrzejczak, Mukherji, Benson, Danielsen/Beach, Cruz-Perez)** - Increases income eligibility cap to receive respite care for certain veterans
- **AS for A-3750/S-2569 (Lampitt, Tucker, Andrzejczak, Singleton, Mosquera/Beach, Allen)** - Requires Adjutant General to create informational webpage for women veterans
- **A-4148/S-2731 (Andrzejczak, Benson/Van Drew, Beach)** - Provides an excused absence on Veterans Day for pupil who participates in certain activities for veterans or active duty members of United States Armed Forces or New Jersey National Guard

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- **A-4323/S-2952 (DeAngelo, Lagana, Muoio, Benson/Beach, Whelan)** - Expands timeframe for renewal of driver's license, registration, and inspection by military personnel and immediate family members under certain circumstances.
- **AJR-117/SJR-85 (Tucker, Holley, Vainieri Huttie/Beach, Whelan, Madden)** - Urges Congress to restore funding to Vets4Warriors veteran suicide hotline

The Governor also took the following action on other pending legislation:

BILL SIGNINGS:

BILL SIGNINGS:

- **S-451/A-1103 (Ruiz, Allen/Vainieri Huttie, Singleton, Benson)** - Establishes Office of the Special Education Ombudsman in DOE
- **S-485/A-1976 (Cunningham, Ruiz/Lampitt, Mosquera, Quijano)** -Requires president of public institution of higher education to regularly report on-campus criminal and fire events to the institution's governing board
- **S-489/A-4926 (Cunningham, T. Kean/Diegnan, Mukherji, Benson)** - Authorizes institutions of higher education to grant college credit to high school students who complete the Jersey Boys State or Jersey Girls State program
- **S-832/A-2039 (Whelan, Beach/Moriarty, Stender, Garcia)** - Permits voter registration of certain persons at age 17 for voting at next election occurring on or after 18th birthday
- **S-1046/A-2721 (Turner, Scutari/Gusciora)** - Concerns alterations in child support obligations in response to changes to status of supported child
- **S-1184/A-1950 (Vitale, Beach/Conaway, Diegnan, Sumter, Danielsen)** - Revises requirements for licensure and creates physician-delegated scope of practice for physician assistants
- **S-1346wGR/A-3837 (Rice/Coughlin, Garcia, Rodriguez-Gregg, Pintor Marin, Jasey)** - Concerns the recording of mortgages
- **S-1447/A-2829 (Greenstein, Addiego/Johnson, Mainor, Rible, Quijano)** - Prohibits posting, publishing on the Internet, or disclosing certain information regarding law enforcement officers
- **S-1567/A-410 (A.R. Bucco, Van Drew/A.M. Bucco, Bramnick, Johnson, Quijano, Rumana)** - Establishes DOT roadside memorial program for fallen police officers, sheriff's officers, EMS workers, and firefighters; designated as "Patrolman Joseph Wargo's Law"
- **S-1687/A-4924 (Ruiz, Vitale/Diegnan, Eustace)** - Permits students made homeless by act of terrorism or natural disaster to attend tuition-free the school district in which they resided prior to being homeless for two school years after the event
- **S-2032wGR/A-3440 (Codey, Turner/Diegnan, Eustace)** - Requires DOE to review Core Curriculum Content Standards to ensure that they incorporate modern computer science standards where appropriate
- **S-2110/A-3343 (Oroho/Space, Vainieri Huttie, Schaer, Phoebus, Pinkin)** - Requires nursing homes to offer form designating beneficiary of personal needs allowance accounts from incoming and current residents

- **S-2201/A-3273 (O'Toole/Russo, Rumana, Casagrande)** - Authorizes youth camps to maintain supply of epinephrine and permit trained employees to administer epinephrine to camp members suffering from anaphylaxis
- **SCS for S-2251/A-3708 (Oroho, Barnes/Diegnan, Webber, Johnson, Space, Phoebus)** - Increases monetary amounts for transfer of estate assets without administration and for exemption from debts of the deceased
- **S-2260wGR/A-688 (Scutari, Cardinale/Schaer)** - Modifies certain fees charged by, and requirements imposed on, check casher licensees
- **S-2284wGR/A-3549 (Pou, Weinberg/Schaer, Vainieri Huttle, Webber, Singleton, Jimenez, Johnson, Bramnick)** - Requires Medicaid managed care organizations to meet certain conditions prior to reducing reimbursement rates for personal care assistant services and home-based supportive care services
- **S-2442/A-3891 (T. Kean, Sarlo/Bramnick, Rodriquez-Gregg, Johnson, Casagrande, Schepisi)** - Establishes NJ Innovation and Research Fellowship Program in DOLWD
- **S-2495/A-3868 (Codey, Rice/Conaway, Singleton, Eustace, Coughlin)** - Authorizes State-chartered banks, savings banks, savings and loans, and credit unions to conduct certain savings account promotions
- **S-2617/A-3944 (Cardinale/Garcia, McKeon, Auth, Eustace, Pinkin)** - Requires DEP to adopt regulations to allow cultivation of commercial shellfish species in certain coastal and inner harbor waters for research, educational, or restoration purposes; requires community engagement process for revision thereof
- **S-2627/A-3957 (Cardinale, Sacco/Schepisi, Auth, Eustace, Rumana, Johnson)** - Designates State Highway Route 17 in Borough of Ramsey as "Staff Sergeant Timothy R. McGill Memorial Highway"
- **S-2695/A-4110 (T. Kean, Sacco/Dancer, Benson, Jimenez, Johnson)** - Requires MVC conduct study and make recommendations concerning electronic driver's licenses and mobile applications
- **S-2741/A-4213 (Doherty/Vainieri Huttle, Webber)** - Permits unregulated solicitation to perform snow shoveling within 24 hours of predicted snowstorm
- **S-2787wGR/A-4273 (Sweeney/Singleton, Burzichelli, Giblin, Prieto, Wimberly)** - Establishes vocational training pilot program in DOC; provides for inmate compensation for education and workforce training participation
- **S-2880/A-4704 (Lesniak, T. Kean/Diegnan, Wisniewski)** - Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey
- **S-2922/A-4925 (Ruiz, Turner/Diegnan, Jasey)** - Requires DOE on its website to link to Department of Treasury's website where list is maintained of all third party individuals and vendors employed or retained for work associated with State assessments
- **S-2923/A-4901 (Ruiz, Turner/Jasey, Caputo)** - Requires school district or charter school to provide notification to parent or guardian of enrolled student on upcoming administration of State assessments or commercially-developed standardized assessment
- **S-2960/A-4331 (Codey, Rice/Garcia, Vainieri Huttle, Danielsén, DeAngelo, Holley, Benson, Mukherji)** -

Establishes requirements for training programs for homemaker-home health aides in care of patients with Alzheimer's disease and related disorders

- **S-3019/A-4771 (Sweeney, Stack/Burzichelli, Muoio)** - Requires filing of financial agreement for long term tax exemption with county finance officer and counsel; requires quarterly payment of county share of payment in lieu of tax
- **S-3129/A-4728 (Madden, Cunningham/DeAngelo, Benson, Lampitt, Quijano)** - Directs DOLWD to provide information regarding employee leave and benefit rights
- **S-3168/A-4769 (Sweeney, O'Toole/Burzichelli)** - Limits increase in annual budget requests of certain county entities
- **S-3170/A-4768 (Pou, Bateman/Burzichelli)** - Requires county superintendent of elections to operate pursuant to county administrative code; subjects certain salary costs of office of county superintendent of elections to review and approval by county governing body
- **S-3171/A-4575 (Whelan, Oroho/Greenwald, Burzichelli)** - Creates definition of certified mail
- **S-3182/A-4690 (Ruiz, Pou/Pintor Marin, Spencer, Sumter)** - Delays certain documentation submission deadlines under certain business tax credit programs
- **S-3207/A-4714 (Vitale, T. Kean/Lampitt, Mosquera)** - Limits liability of caregivers when facilitating normalcy for children in foster care
- **S-3240/A-4878 (Lesniak, Allen/Spencer, Sumter, Holley, Eustace)** - Authorizes establishment of recovery high school alternative education programs
- **S-3242/A-4856 (Vitale, Sweeney/Vainieri Huttie)** - Clarifies best interests of the child should be primary consideration in actions undertaken by State governmental entities and courts of law
- **S-3243/A-4702 (Vitale, Greenstein/Vainieri Huttie, Spencer)** - Provides that if minor appears to have been sexually assaulted, health care professionals in addition to physicians may authorize forensic sexual assault examination and medical care without parental consent
- **S-3247/A-4928 (Ruiz, Pou/Sumter, Wimberly)** - Eliminates cap on cost of SDA district school facilities projects that may be constructed by district and included in capital outlay budget
- **S-3282wGR/A-4850 (Rice, Cunningham/Wimberly, Mainor, Johnson)** - Expands Police Training Commission membership to include representative from Northern New Jersey and South Jersey Chapters of National Organization of Black Law Enforcement Executives
- **S-3303/A-4469 (Whelan/Quijano, Mukherji, Jimenez)** - Makes fraudulent use of social security number to collect lottery winnings crime of fourth degree
- **S-3321/A-4927 (Smith, Van Drew, Bateman/Spencer, Rumana)** - Authorizes DEP to require public access to waterfront and adjacent shoreline as condition of waterfront development approvals and CAFRA permits

- **SJR-22/AJR-40 (Weinberg/Johnson, Vainieri Huttle)** - Designates January 14 of each year as "Hannah G. Solomon Day"
- **ACS for A-206, 471, 1663, 2879, 3060, 3108wGR/S-2663 (Green, Spencer, Gusciora, Johnson, McKeon, Giblin, Wimberly, Mainor, Quijano/Turner, Lesniak, Pou)** - Shortens waiting periods for expungement of criminal and other records and information; makes various changes to other expungement procedures and requirements
- **A-311/S-2426 (Bramnick, Diegnan, Wimberly, Gusciora/Ruiz, T. Kean)** - Requires public schools to weight courses in visual and performing arts equally with other courses worth same number of credits in calculating grade point average
- **ACS for A-428/S-393 (Jimenez, Prieto/Sacco, Sarlo)** - Expands DNA database to include samples from disorderly persons who are fingerprinted and permits law enforcement officers to collect certain biological samples
- **A-801wGR/S-861 (Coughlin, Wisniewski, Mazzeo/Vitale, Sacco)** - Directs New Jersey Turnpike Authority and South Jersey Transportation Authority to study and report on potential revenue generating services of rest areas and service plazas
- **A-984/S-1534 (Andrzejczak, Wimberly/Van Drew, Bateman)** - Enhances penalty for tampering with evidence after fleeing the scene of an accident resulting in death
- **A-1455/S-2011 (Diegnan, Mosquera, Caputo, Jasey, Mukherji/Madden, Holzapfel)** - Abigail's Law; requires that newly-manufactured school buses be equipped with sensors
- **A-1462/S-3288 (Diegnan, Wimberly/Gill)** - Requires coin redemption machine operators to disclose fees
- **A-1466 (Diegnan, O'Donnell, Mainor, Garcia)** - Allows for waiver of school bus requirements for mobility assistance vehicle technicians who transport students with medical needs to and from school
- **A-1726wGR/S-308 (Eustace, Lagana, Mosquera, Vainieri Huttle, Wimberly/Gordon)** - Amends "Flood Hazard Area Control Act" to require DEP to take certain actions concerning delineations of flood hazard areas and floodplains
- **A-1812/S-2717 (Mosquera, Mazzeo, Andrzejczak/Cruz-Perez, Oroho, Jones)** - Extends protections of the new vehicle "lemon law" to new farm tractors purchased or leased in New Jersey
- **A-1958/S-1848 (Allen, Van Drew)** - Concerns exemptions from permits for certain agricultural activities under "Freshwater Wetlands Protection Act"
- **A-2597/S-2161 (Singleton, Diegnan, DiMaio/Ruiz, Beach)** - Provides that beginning with the 2016-2017 grade nine class, Advanced Placement computer science course may satisfy a part of the mathematics credits required for high school graduation
- **A-2839/S-2620 (Burzichelli, Space, Phoebus/Oroho, Turner)** - "New Jersey Rural Microenterprise Act"
- **A-2915/S-2035 (Lagana, McKeon, Ciattarelli/Bateman, Barnes)** - "Uniform Trust Code"

- **A-2943/S-1312 (Andrzejczak, DeAngelo, Mazzeo, Quijano, Danielsen/Van Drew, Allen)** - Provides for voluntary contributions by taxpayers on gross income tax returns for active duty members of United States Armed Forces, Reserve components thereof, and National Guard from New Jersey

- **A-3006/S-3272 (Conaway, Singleton, Eustace, DiMaio, Danielsen/Beach, Turner)** - Establishes procedure for consolidating fire districts

- **A-3019/S-1978 (Singleton, Conaway, Andrzejczak, Mazzeo, Garcia, Mosquera/Van Drew, Beach)** - Requires State Employment and Training Commission to prepare annual report on State workforce

- **A-3043/S-1943 (Space, DeAngelo, Egan, Phoebus, Moriarty/Oroho, Van Drew)** - Concerns authority of DOLWD to inspect prevailing wage public work projects

- **A-3044/S-1944 (Space, DeAngelo, Egan, Phoebus, Moriarty/Oroho, Van Drew)**
Requires Commissioner of DOLWD to disseminate certain information to contractors who bid on or perform prevailing wage public work

- **A-3225/S-2333 (Singleton, Rible, Lampitt, Quijano, Pintor Marin, Jimenez/Sweeney)** - Provides for licensure of chiropractic assistants

- **A-3228/S-2499 (Mukherji, Vainieri Huttle, Mosquera, Garcia/Turner)** - Requires sober living homes and other substance abuse aftercare treatment facilities to provide certain notifications to next-of-kin when patient is released from care; designated as "Nick Rohdes' Law"
- **A-3257wGR/S-2125 (Andrzejczak, Mazzeo, Burzichelli/Van Drew)** - Provides that determination by county agriculture development board or State Agriculture Development Committee as to what qualifies as farm-based recreational activity in pinelands protection area is binding on Pinelands Commission

- **A-3276/S-2248 (Mazzeo/Whelan)** - "Mainland Memoriam Act"; directs MVC to create graduated driver's license informational material to be distributed by motor vehicle dealers

- **A-3435wGR/S-2503 (Garcia, Mukherji, Vainieri Huttle, Mainor, Eustace, Mosquera/Stack, Gordon)** - "Boys & Girls Clubs Keystone Law"; permits minors to give consent for behavioral health care

- **A-3850/S-2467 (DeAngelo, Eustace, Mazzeo, Pintor Marin, Benson/Turner, Singer)** - Requires BPU to establish procedures allowing electric power and gas supplier customers to switch energy suppliers

- **A-3927/S-2820 (Andrzejczak, Mazzeo, Taliaferro, Dancer/Van Drew, Oroho)** - Requires drivers to slow down before passing slow moving vehicles; establishes Statewide educational campaign on rural roadway safety; updates agriculture-related motor vehicle laws to reflect current industry practices

- **A-3955/S-2644 (Conaway, Benson, Vainieri Huttle, Munoz, Sumter, Mukherji/Vitale, Codey)** - Requires development and maintenance of database to advise public about open bed availability in residential substance use disorders treatment facilities

- **A-4098/S-2877 (Pinkin, Sumter, Benson/Codey, Greenstein)** - Prohibits sale or distribution of liquid nicotine except in child-resistant containers

- **A-4105/S-2977 (Garcia, Mainor, Mukherji, O'Donnell, Sumter, Rible, A.M. Bucco/Greenstein, Cunningham)** - Expands scope of law governing registration of security guards; designated as "Detective Vincent Santiago's Law"
- **A-4133/S-2997 (Giblin, Pinkin/Cruz-Perez, Allen)** - Allows dispensation of certain nutritional supplements by physician or podiatric physician
- **A-4275wGR/S-2831 (Prieto, Eustace, Lagana, Greenwald, Quijano, Danielsen, Mukherji/Sweeney, Turner, Sarlo)** - "New Jersey Secure Choice Saving Program Act"; establishes retirement savings program for certain workers
- **A-4386wGR/S-3042 (Coughlin, Pinkin, Vitale, Singer)** - Permits candidates for school board to circulate petitions jointly and be bracketed together on ballot; permits short nonpolitical designation of principles on petitions and ballots; provides for study of impact of changes
- **A-4387/S-3016 (Coughlin, Wisniewski, Wimberly/Vitale)** - Requires MVC to allow submission of "Next-of-Kin Registry" information by mail
- **A-4388/S-3041 (Coughlin, Wisniewski/Vitale)** - Designates State Highway 184 in Woodbridge Township as "Bruce Turcotte Memorial Highway"
- **A-4415/S-3279 (Diegnan, Garcia, Pinkin/Turner, Ruiz)** - Establishes State Seal of Biliteracy to recognize high school graduates who have attained a high level of bilingual proficiency
- **A-4420/S-3056 (Mazzeo, Vainieri Huttie, DeAngelo, Lampitt/Gordon, Greenstein)** - Requires certain notifications for termination of services to persons with developmental disabilities and providers
- **A-4476wGR/S-2876 (Conaway/Codey)** - Requires certain surgical practices and ambulatory care facilities licensed in this State to be owned by hospital or medical school located in the State
- **A-4719/S-3250 (Moriarty, Mosquera, Vainieri Huttie, DeAngelo, Diegnan, Mukherji/Cruz-Perez, Ruiz)** - Extends use of stored driver's license picture for person undergoing chemotherapy or other treatment for certain medical illnesses
- **CC for A-4863/S-3233 (A.M. Bucco, Phoebus, Munoz, Wisniewski, Oliver/A.R. Bucco)** - Requires warning sign to be posted at pontoon boat rental businesses; designated as "Christopher's Law"
- **AJR-112/SJR-86 (Conaway/Weinberg)** - Designates May of each year as "Cystic Fibrosis Awareness Month"

BILLS POCKET VETOED:

- **S-221/A-4155 (Allen, Vitale/Vainieri Huttie, Sumter, Lampitt)** - Prohibits the restraint of prisoners during and immediately after childbirth
- **S-316/A-1739 (Gordon/Eustace, Ciattarelli, Lagana, Gusciora)** - Increases flexibility, clarity, and available tools of optional municipal consolidation process
- **S-564/A-4186 (Smith, Bateman/Eustace, McKeon, Spencer, Benson)** - Establishes "Solar Roof Installation Warranty Program" in EDA and transfers \$2 million from societal benefits charge to initially fund program

- **S-602/A-3254 (Codey, Vitale/Vainieri Huttle, Angelini, Lampitt, Diegnan, Jasey, Conaway, Moriarty)** - Raises minimum age for purchase and sale of tobacco products and electronic smoking devices from 19 to 21
- **SCS for S-726, 1257/ACS for A-1405 (Turner, Cruz-Perez, Beach, T. Kean/Lampitt, Egan, Quijano, Sumter, Danielsen)** - Establishes innovation zone program to stimulate technology industry clusters around New Jersey's research institutions; allows certain technology businesses located in certain innovation zones to receive certain tax credits under Grow New Jersey Assistance Program
- **S-1232/A-3314 (Weinberg, Pennacchio/Johnson, Greenwald, Wimberly, Mosquera)** - Establishes Office of State Dental Director and New Jersey Oral Health Commission
- **S-1279/A-2325 (Rice, Van Drew/Spencer, Muoio, Benson, Pintor Marin)** - Makes FY 2016 supplemental Grants-in-Aid appropriation of \$10 million to DCA for Lead Hazard Control Assistance Fund
- **S-1414/A-2405 (Smith, Bateman/Eustace, Benson, Johnson)** - Concerns low emission and zero emission vehicles; establishes Clean Vehicle Task Force
- **SCS for S-1420/ACS for A-1603 (Beach, Whelan, Smith, Sweeney, Bateman, Thompson/Spencer, Eustace, Quijano, Wimberly)** - Requires paint producers to implement or participate in paint stewardship program
- **S-1436/A-4687 (Rice/Green, Holley)** - Exempts sales to homeowner assistance and recovery programs from realty transfer fees
- **S-1594/A-4044 (Turner/Peterson, Lagana, Rible, Jasey, Wimberly)** - Requires a public school district to provide a daily recess period for students in grades kindergarten through 5
- **S-1961/A-4111 (Codey/McKeon, Jasey, Vainieri Huttle, Garcia)** - Establishes certain minimum and maximum temperatures in emergency shelters, rooming and boarding houses, and certain nursing homes and residential health care facilities
- **S-2143/ACS for A-1682, 3547 (Van Drew, Singer/Wisniewski, Andrzejczak, Webber)** - Establishes time periods for adverse possession of certain property
- **S-2375/A-3700 (Vitale, Singer/Mazzeo, Vainieri Huttle, Lagana, Sumter, A.M. Bucco)** - Provides for licensure of ambulatory care facilities to provide integrated primary care services including behavioral health care
- **S-2491/A-4069 (Smith/Danielsen, Pinkin, Benson)** - Establishes position of State Oceanographer
- **S-2515/A-3269 (Scutari/Mukherji, Burzichelli, McKeon, Garcia)** - Confers title of Acting Associate Justice of the Supreme Court on certain judges of the Superior Court, Appellate Division, temporarily assigned to the Supreme Court
- **SCS for S-2521/ACS for A-3888 (Gill, Allen/Lampitt, Benson, Vainieri Huttle, Eustace)** - Establishes Pedestrian and Bicycle Safety Advisory Council
- **S-2623/A-4849 (Turner/Wimberly, Mainor, Johnson)** - Requires law enforcement agencies in this State to establish minority recruitment and selection programs; establishes reporting requirement

- **S-2640/A-4026 (Madden, Pou/Lampitt, Mosquera, Vainieri Huttle)** - Establishes New Jersey Caregiver Task Force to evaluate and provide recommendations on caregiver support services

- **S-2711/A-4128 (Smith, Whelan/Mazzeo, DeAngelo, Spencer, Singleton, McKeon, Danielsens, Johnson)** - Permits BPU to approve qualified wind energy project; requires BPU to provide application periods for those projects

- **S-2716/A-4359 (Ruiz, Turner/Pintor Marin, Spencer, Sumter, Caride)** - Requires that school district's request for permission to use unrecognized position title include list of abolished positions and positions in which there have been layoffs and detailed job descriptions for them

- **S-2769/AS for ACS for A-4197, 4206 (Smith, Bateman/Andrzejczak, McKeon, Spencer, Pintor Marin, Dancer, Vainieri Huttle)** - Implements 2014 constitutional dedication of CBT revenues for certain environmental purposes; revises State's open space, farmland, and historic preservation programs

- **S-2793/A-3962 (Whelan/Vainieri Huttle)** - Increases from 17 to 21 public members of New Jersey State Council on the Arts; requires members to be residents of NJ; imposes specific criteria for four new members initially appointed

- **S-2806/A-4913 (Cunningham, Vitale, Singer/Muoio, Spencer)** - Removes restrictions on convicted drug offenders receiving general assistance benefits under Work First New Jersey program

- **S-2878/A-4636 (Stack, Weinberg/Jimenez, Lagana, Mukherji, Vainieri Huttle, Giblin, Moriarty)** - Establishes minimum certified nurse aide-to-resident ratios in nursing homes

- **S-2975/A-4548 (Sarlo, Pou/Wimberly)** - Establishes pilot program in Paterson authorizing non-disclosure of records of certain expungements

- **S-3067/A-4653 (Barnes, Turner/Diegnan, Oliver)** - Requires teachers of health and physical education in grades kindergarten through six in public schools to possess appropriate endorsement to instructional certificate

- **S-3071/A-4639 (Weinberg, Gordon/Vainieri Huttle, Garcia, Eustace, Johnson)**
Establishes Mike Adler Aphasia Task Force to assess needs of persons with aphasia, and their families, and ensure adequate provision of support services and information thereto

- **S-3201/A-3607 (Barnes, Holzapfel/Dancer, McGuckin, Rible, A.M. Bucco)** - Requires interior light of motor vehicle be turned on when stopped by law enforcement under certain circumstances

- **S-3244/A-2740 (Ruiz, Sarlo/Diegnan, Johnson, Jasey)** - Eliminates school district budget per pupil administrative cost limits

- **S-3249/A-4717 (Weinberg, Codey/Johnson, Vainieri Huttle, Eustace, Garcia)** - Requires firearm retailers to sell personalized handguns

- **S-3277/A-4764 (Cruz-Perez/Burzichelli)** - Expands municipal authority to license and inspect residential rental property

- **S-3299/A-4903 (Sweeney, Singer, Vitale/Burzichelli, Rible, Pintor Marin, Mukherji, Lagana, Vainieri Huttle)** -

Maintains property tax exemption for certain nonprofit hospitals with on-site for-profit medical providers; requires these hospitals to pay community service contributions to host municipalities; establishes Nonprofit Hospital Community Service Contribution Study Commission

- **S-3416/A-4808 (Lesniak, Sarlo/Eustace, Gusciora)** - Prohibits possession, transport, import, export, processing, sale, or shipment of parts and products of certain animal species threatened with extinction
- **SJR-77/A-JR104 (Bateman, Whelan/Ciattarelli, McKeon, Eustace)** - Permits county commissioners of registration and boards of election to conduct "Electronic Poll Book Demonstration Project" in certain districts during 2016 elections; requires Division of Elections review and approval of proposed projects
- **A-431/S-2773 (Jimenez/Singer)** - Requires clinical laboratory that provides services for accountable care organization to establish clinical laboratory testing advisory board
- **A-943/S-2967 (Singleton, Conaway, Moriarty, Green, Lampitt, Mazzeo/Van Drew)** - Permits small businesses to qualify for loans from NJEDA for costs of energy audit and making energy efficiency or conservation improvements
- **A-945/S-2402 (Singleton, Lampitt, Schaer, Wimberly, Garcia/Rice, Turner)** - Establishes New Jersey Council on Responsible Fatherhood and Responsible Fatherhood Fund
- **A-964/S-187 (Singleton, DeAngelo, Quijano, Coughlin, Moriarty/Whelan, Madden)** - Requires certain bidders for prevailing wage public work to provide proof that the prevailing wage will be paid
- **A-986/S-247 (Andrzejczak, Benson, Danielsen, Moriarty/Van Drew, Cunningham)** - Establishes telemarketing fraud investigation unit
- **A-1035/S-2040 (Benson, Rible, A.M. Bucco/Scutari, Cardinale)** - Prohibits health insurance carriers from requiring optometrists to become providers with vision care plans as condition of becoming providers in carriers' panel of providers
- **A-1039/S-2310 (Benson, Prieto, Caride, Quijano/Sacco, Greenstein)** - Sets forth certain standards to be followed by law enforcement agencies and fire departments when utilizing drones
- **A-1431/S-1501 (Caride, Singleton, Jasey/Bateman, Addiego)** - Requires State Board of Education regulations regarding school nurse certification to include certain minimum eligibility requirements
- **A-1849/S-1766 (Lampitt, Spencer/Rice)** - Prohibits State Board of Education from limiting number of certain two-year college credits that may be applied towards meeting teacher certification requirements
- **A-2026/S-3317 (Greenwald, Pintor Marin/Sweeney, Oroho)** - Realigning the transfer inheritance tax payment due date to coincide with the payment due dates for State and federal estate taxes
- **A-2583 (DeAngelo, Pintor Marin)** - Requires development of fact sheet about bedbugs to be posted on the Department of Education's website
- **A-2586/S-1796 (DeAngelo, Quijano, Benson/Greenstein)** - Establishes "Energy Infrastructure Study Commission"

- **A-2925/S-1033 (Lagana, O'Scanlon, Burzichelli, Garcia/Weinberg, Oroho, Van Drew)** - Allows modernization for the form of disbursement for certain State government and local unit payments to individuals and business entities
- **A-3460/S-2191 (Conaway, Pinkin, Sumter, Casagrande, Wimberly/Vitale, Cruz-Perez)** - Requires Medicaid coverage for diabetes self-management education, training, services, and equipment for patients diagnosed with diabetes, gestational diabetes, and pre-diabetes
- **A-3806/S-2493 (Singleton, Dancer, Mosquera, Benson/Sweeney, Weinberg)** - Establishes four-year pilot program in Ocean County for electronic monitoring of certain domestic violence offenders; designated as "Lisa's Law"; appropriates \$2.5 million
- **A-4182/S-1995 (Eustace, Sumter, Wimberly, Danielsen, Jimenez/Bateman, Smith)** - Prohibits firearm possession by persons convicted of carjacking, gang criminality, racketeering and terroristic threats
- **A-4271/S-3036 (Conaway, Benson, Pinkin, Wimberly/Vitale, Greenstein)** - Mandates health benefits coverage for opioid analgesics with abuse-deterrent properties
- **A-4343/S-2888 (Schaer, Prieto, Sumter, Danielsen, Johnson/Turner)** - Requires county and municipal police departments to establish cultural diversity training course and plan
- **A-4384/S-3145 (DeAngelo, Pintor Marin, Danielsen, Schaer, Johnson/Whelan)** - Requires BPU to render decision on case within 12 months of final public hearing or hold another public hearing prior to deciding case
- **ACS for A-4576/S-1771 (Johnson, Wimberly, Spencer, Tucker/Turner)** - Requires lowest possible price not exceeding certain cap for inmate telephone calls
- **A-4616/S-2958 (Giblin, DeAngelo, Mukherji/Sweeney)** - Extends by two months seasonal retail consumption alcoholic beverage license
- **A-4652/S-3065 (Benson/Gordon)** - Requires Public Health Counsel to promulgate rules and regulations for use of quality control programs in bio-analytical and clinical laboratories
- **A-4763/SS for SCS for S-2973 (McKeon, Spencer, Pinkin/Smith, Bateman, Greenstein, Codey)** - Revises "Electronic Waste Management Act"
- **A-4772/S-3169 (Burzichelli/Weinberg)** - Permits counties to impose one-percent hotel tax
- **A-4773/S-3146 (Eustace, Garcia, Gusciora/Lesniak)** - Prohibits possession and transport of parts and products of certain animals at PANYNJ airports and port facilities
- **A-4918/S-3301 (Gusciora, S. Kean/Sweeney, Singer)** - Clarifies stadiums and arenas owned by local government entities are exempt from property taxation
- **A-4931/S-3325 (Mazzeo/Sweeney)** - Revises "Casino Property Tax Stabilization Act"

• **NO ACTION TAKEN ON BILLS:**

• **A-3981wGR/S-2572 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan)** - "Casino Property Taxation Stabilization Act"

• **A-3984wGR/S-2575 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan)** - Reallocates casino investment alternative tax to Atlantic City to pay debt service on municipal bonds issued

• **A-3985wGR/S-2576 (Mazzeo, Burzichelli, Andrzejczak, Giblin/Sweeney, Whelan)** - Removes provisions of law relating to Atlantic City Alliance

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