

2A:37-48 to 2A:37-50

LEGISLATIVE HISTORY CHECKLIST

WISA 2A:37-48 to 2A:37-50; Repeals (Pension payments--State administered--
Unclaimed - Escheats)
LAWS OF 1979 CHAPTER 298
2A:37-46 and 2A:37-47

Bill No. A267

Sponsor(s) Maguire and others

Date Introduced Pre-filed

Committee: Assembly Appropriations

Senate Revenue, Finance and Appropriations

Amended during passage Yes Amendments during passage
according to Governor's recommendations denoted by asterisks
Date of Passage: Assembly Oct. 19, 1978 Re-enacted Jan. 3, 1980
Senate June 11, 1979 Re-enacted Jan. 7, 1980

Date of approval Jan. 17, 1980

Following statements are attached if available:

Sponsor statement	Yes	<input checked="" type="checkbox"/> (Below)
Committee Statement: Assembly	Yes	<input checked="" type="checkbox"/>
Senate	Yes	<input checked="" type="checkbox"/>
Fiscal Note	Yes	No
Veto message	Yes	<input checked="" type="checkbox"/>
Message on signing	Yes	No

Following were printed:

Reports	Yes	No
Hearings	Yes	No

Sponsor's statement:

This bill provides for the escheat to the general treasury of certain unclaimed pension payments which remain unclaimed for a period of 5 years.

8/1/78

1-17-80

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 267

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1978 SESSION

By Assemblymen MAGUIRE, DiFRANCESCO, Assemblywoman
 MUHLER, Assemblymen LITTELL, OTLOWSKI, GORMAN
 and CHINNICI

AN ACT providing for the escheat of certain unclaimed pension
 payments held in State-administered pension and retirement
 systems, and supplementing article 2 of chapter 37 of Title 2A
 of the New Jersey Statutes and repealing P. L. 1972, c. 158.

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

1 ***[1. As used in this act “unclaimed pension payments” means**
 2 **and includes amounts due and payable to a member or former**
 3 **member of a State-administered pension or retirement system or to**
 4 **his survivors or estate.]***

5 ****[1. As used in this act:**

6 *a. “Unclaimed pension payment” means and includes unclaimed*
 7 *accounts, pensions and allowances due and payable to a member or*
 8 *former member of a State-administered pension or retirement*
 9 *system or to his survivors or estate.*

10 *b. “Years” means fiscal years commencing July 1 and ending*
 11 *June 30.]***

12 ****1. As used in this act:**

13 *a. “Pension payment” means and includes inactive accounts,*
 14 *pensions, and allowances due and payable to a member or former*
 15 *member of a State-administered pension or retirement system, or*
 16 *to his survivors or estate.*

17 *b. “Years” means fiscal years commencing July 1 and ending*
 18 *June 30.***

1 2. Whenever the whereabouts of a person to whom unclaimed
 2 pension payments are payable has been and remains unknown for

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
 is not enacted and is intended to be omitted in the law.**

3 a period of 5 ***[successive]*** years, or such a pension payment has
4 been and remains ****[unchanged]**** ***unclaimed or inactive*** for
5 a period of 5 ***[successive]*** years, ****[the matter shall be reported**
6 to the Attorney General by the Director of the Division of Pensions
7 and the unclaimed pension payments shall escheat to the State as
8 provided in section 3 of this act.]** ***the pension payment shall be*
9 *presumed abandoned and subject to delivery to the State Treasurer*
10 *for safekeeping in accordance with sections 2A:37-31, 2A:37-32,*
11 *2A:37-33, 2A:37-36, 2A:37-41 and 2A:37-43 of the New Jersey*
12 *Statutes.***

1 3. Upon receipt of a report made pursuant to section 2 of this
2 act, the Attorney General shall institute an action for escheat in
3 the name of the State in accordance with the provisions and pro-
4 cedures prescribed in article 2 of chapter 37 of Title 2A of the
5 New Jersey Statutes (N. J. S. 2A:37-11 et seq.) except that the
6 grounds for escheat shall be those set forth in section 2 of this act.

1 4. P. L. 1972, c. 158 (C. 2A:37-46 and 2A:37-47) is repealed.

1 5. This act shall take effect immediately.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 267

STATE OF NEW JERSEY

DATED: OCTOBER 16, 1978

This bill provides for the escheat to the general treasury of unclaimed pension payments which remain unclaimed for a period of 5 years. The procedure for escheating the funds to the State would be in accordance with the provisions of the Absolute Escheat Act (N. J. S. A. 2A:37-11 et seq.) except that the grounds for escheat would be 5 years instead of 14 years.

Lastly, the bill repeals N. J. S. A. 2A:37-46 and N. J. S. A. 2A:37-47, a law that provides for the escheat of unclaimed pension funds to the pension fund from which the payments were made.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 267
with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 18, 1979

This bill provides for the escheat to the general treasury of unclaimed pension payments which remain unclaimed for a period of 5 years. The procedure for escheating the funds to the State would be in accordance with the provisions of the Absolute Escheat Act (N. J. S. A. 2A:37-11 et seq.) except that the grounds for escheat would be 5 years instead of 14 years.

Further, the bill repeals N. J. S. A. 2A:37-46 and N. J. S. A. 2A:37-47, a law that provides for the escheat of unclaimed pension funds to the pension fund from which the payments were made.

COMMITTEE AMENDMENTS

Committee amendments were found necessary to facilitate administration of the bill and are included at the suggestion of the Division of Pensions. The amendments more clearly define what is meant by the term unclaimed pension to include any accounts, pensions or allowances. Further to facilitate determination of the 5 year period, a year is defined to be a "fiscal year" commencing July 1 and ending June 30.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

December 17, 1979

ASSEMBLY BILL NO. 267

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 267 with my objections for reconsideration.

This bill would provide for the escheat of unclaimed pension payments held in State-administered retirement systems. If the whereabouts of a person remained unknown for 5 successive years, or if the pension payment remained unchanged for such period, the matter would be referred by the Director of Pensions to the Attorney General who in turn would institute an escheat action in the name of the State. The action would allow a person having an interest in the money to make a claim for recovery within 2 years after the filing of a final judgment of escheat.

I believe the intent of the bill is commendable. The method of escheat which the bill would authorize causes me some concern, however. Title 2A of the New Jersey Statutes establishes two procedures by which the State may obtain judgment of escheat. The first or traditional method would be authorized by this bill and would give the State absolute title to the escheated property two years after judgment.

There is a preferable alternative method which has two advantages. It provides for an administratively simpler summary action to obtain a judgment and, more importantly, provides that the State Treasurer may refund a legitimate pension claim at any time. No person, therefore, would be denied their legitimate pension even though, by mistake or inadvertance, they had failed to make a timely claim.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Accordingly I herewith return Assembly Bill No. 267 for re-consideration and recommend that it be amended as follows:

Page 1, Section 1, Lines 1-11: Delete in its entirety and insert the following:

1. As used in this act:

a. "Pension payment" means and includes inactive accounts, pensions, and allowances due and payable to a member or former member of a State-administered pension or retirement system, or to his survivors or estate.

b. "Years" means fiscal years commencing July 1 and ending June 30.

Page 1, Section 2, Line 4: Delete "unchanged" and insert "unclaimed or inactive"

Page 1, Section 2, Lines 5-8: After "years," delete in its entirety and insert:

the pension payment shall be presumed abandoned and subject to delivery to the State Treasurer for safekeeping in accordance with sections 5, 6, 7, 10 and 11 of P.L. 1967, c. 135 (c. 2A:37-31, 32, 33, 36, 41, and 43).

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

Harold L. Hodes

CHIEF OF STAFF, SECRETARY