

R.S. 18A:29-3

October 28, 1971

LEGISLATIVE NOTES ON R.S.18A:29-3
(Board of Education funds-interest bearing accounts)

L.1970 - chap.238 - S 418.
Jan.20 - Introduced by Bateman.
Not amended during passage.
Has statement. (copies enclosed)

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Periodical comments:

974.905 State Federation District Board of Education
L51 Legislative Bulletin
no.3 2/28/70 p.10 (copy encl.)

974.905 NJEA Review
E24 Feb.1970 (copy enclosed)

Bill listed as approved in:

974.905 New Jersey Education Association
S35 School Legislation
no.2 3/31/70 p.1

974.905 State Federation District Board of Education
L51 Legislative bulletin
The Legislative Committee supports this
bill; however, it should be amended so as to
make clear what is to be done with the interest
earned
no.4 3/31/70 p.3

JH/EH
Encl.

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SENATE, No. 418

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1970

By Senator BATEMAN

Referred to Committee on Education

AN ACT concerning compensation and amending section 18A:29-3
of the New Jersey Statutes.

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

1 1. Section 18A:29-3 of the New Jersey Statutes is amended to
2 read as follows:

3 18A:29-3. Whenever persons employed for an academic year
4 by a board of education shall indicate in writing their desire to
5 participate in a summer payment plan, and such board of education
6 approves such participation, then, and thereupon, the proper dis-
7 bursing officer of the board of education, under such rules as may
8 be promulgated by the commissioner with the approval of the State
9 board, is hereby empowered and directed to deduct and withhold an
10 amount equal to 10% of each semimonthly or monthly salary in-
11 stallment, from the payments of the salaries made to such employees
12 as shall participate in such plan and the accumulated deductions
13 for any academic year shall be paid to the employee or his estate
14 under such rules as may be established by the board of education in
15 one of the following ways: (1) at the end of the academic year; (2)
16 in one or more installments after the end of the academic year but
17 prior to September 1; (3) upon death or termination of employment
18 if earlier. *Such deductions may be deposited by the board of educa-*
19 *tion in an interest bearing account in any financial institution having*
20 *its principal office in the State of New Jersey.*

1 2. This act shall take effect immediately.

STATEMENT

This bill would permit boards of education to deposit funds held for summer payment to 10-month employees in an interest bearing account. Clarification of the present statute is needed. Some boards desirous of using interest bearing accounts await legislation before taking such action. Other boards are presently placing these funds at interest and this bill is needed to validate such practices.

S-418 Bateman—January 20—Permits boards of education to deposit, in interest-bearing accounts, funds held for summer payment to 10-month employees.

January 20—Education Committee.

This bill would permit boards of education to deposit, in an interest-bearing account, funds held for summer payment to 10-month employees. Clarification of the present statute is needed. Some boards desirous of using interest-bearing accounts are awaiting legislation before taking such action.

Other boards are presently placing these funds at interest and this bill is needed to validate such practices.

This bill has been referred for further study since it doesn't clarify what is to be done with the interest earned.

BILL: ASSEMBLY

SENATE 418

YEAR 1970

See comments above.

APPROVED

OPPOSED

SOURCE: State Federation District Board of Education
Legislative bulletin.

974.905
L51

No. 3

Date

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Interest on Summer Payment Deductions

S-418 Sponsor: Bateman

□□□□NJEA supports legislation enabling boards of education to deposit summer payment plan deductions from teacher salaries in interest-bearing accounts in any New Jersey financial institution.

A major proportion of school boards in the state currently permit 10-month employees to elect a 10 per cent deduction from salary to make funds available to teachers during the summer. No provision was written into the enabling act to permit a board to deposit these deductions in interest-bearing accounts. Validating legislation is being introduced for the many school districts that have already deposited — and those that plan to — these funds where interest can be credited.

NJEA Review

974.905

F 24

February, 1970

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