

LEGISLATIVE HISTORY CHECKLIST

NJSA: 2A:17-56.11

(Child support--
collection
assessments--eliminate
from
unemployment
comp)

LAWS OF: 1989

CHAPTER: 215

Bill No: S3047

Sponsor(s): Costa

Date Introduced: December 8, 1988

Committee: Assembly: -----

Senate: Labor, Industry & Professions

Amended during passage: No

Date of Passage: Assembly: December 18, 1989

Senate: December 11, 1989

Date of Approval: December 29, 1989

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

1 AN ACT concerning the deduction of certain fees in connection
2 with child support payments and amending P.L.1981, c.417.

3

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

6 1. Section 5 of P.L.1981, c.417 (C.2A:17-56.11) is amended to
7 read as follows:

8 5. An income withholding made under this act shall be binding
9 upon the payor and successor payors 14 days after service upon the
10 payor by the probation department of a copy of the income
11 withholding, by registered or certified mail with return receipt
12 requested until further order. The payor is to pay the withheld
13 amount to the probation department at the same time the obligor is
14 paid. The payor shall implement withholding no later than the first
15 pay period that occurs 14 days after the date the notice was
16 postmarked. For each payment, other than a payment received from
17 the unemployment compensation fund, the payor may receive \$1.00,
18 which shall be deducted from the obligor's income in addition to the
19 amount of the support order.

20 Notice to the payor shall include, but not be limited to, the
21 amount to be withheld from the obligor's income and a statement
22 that the amount actually withheld for support and other purposes
23 may not be in excess of the maximum amount permitted under
24 section 303(b) of the federal Consumer Credit Protection Act (15
25 U.S.C. § 1673(b)); that the payor shall send the amount to the
26 probation department at the same time the obligor is paid, unless the
27 probation department directs that payment be made to another
28 individual or entity; that the payor may deduct a fee of \$1.00 in
29 addition to the amount of the support order, except when the
30 payment is received from the unemployment compensation fund; that
31 withholding is binding on the payor until further notice by the
32 probation department; that the payor is subject to a fine for
33 discharging an obligor from employment, refusing to employ, or

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

Matter underlined thus is new matter.

1 taking disciplinary action against an obligor because of the
2 withholding; that if the payor fails to withhold wages in accordance
3 with the provisions of the notice, the payor is liable for any amount
4 up to the accumulated amount the payor should have withheld from
5 the obligor's income; that the withholding shall have priority over
6 any other legal process under State law against the same wages; that
7 the payor may combine withheld amounts from the obligor's wages
8 in a single payment to each appropriate agency requesting
9 withholding and separately identify the portion of the single payment
10 which is attributable to each individual obligor; that if there is more
11 than one support order for withholding against a single obligor, the
12 payor shall withhold the payments on a pro rata basis to fully comply
13 with the support orders, to the extent that the total amount withheld
14 does not exceed the limits imposed under section 303(b) of the
15 federal Consumer Credit Protection Act (15 U.S.C. § 1673(b)); that
16 the payor shall implement withholding no later than the first pay
17 period that occurs 14 days after the date the notice was postmarked;
18 and that the payor shall notify the probation department promptly
19 upon the termination of the obligor's employment benefits and
20 provide the obligor's last known address and the name and address of
21 the obligor's new payor, if known.

22 (cf: P.L.1985, c.278, s. 5)

23 2. This act shall take effect immediately.

24 25 STATEMENT

26
27 This bill amends a provision of the "Support Enforcement Act of
28 1985" (C.2A:17-56.26) which authorizes the payor to deduct \$1.00
29 from the obligor's income, in addition to the amount of the support
30 order. Under the bill, any amount paid to an obligor from the
31 unemployment compensation fund is to be exempt from this provision
32 allowing an additional \$1.00 deduction.

33 This change in current law is necessary because federal law
34 provides that unemployment tax fund monies may be used only for
35 the payment of unemployment benefits. Consequently, the \$1.00
36 assessment by the payor against the obligor's unemployment
37 compensation income contravenes federal law. (The garnishment of
38 unemployment compensation income to directly satisfy a support
39 order, however, is specifically allowable under federal law.)

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LABOR AND EMPLOYMENT
Unemployment Compensation

Eliminates assessments for collection of child support payments under unemployment compensation program.

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SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 3047

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 1989

The Senate Labor, Industry and Professions Committee reports favorably Senate, No. 3047.

This bill amends a provision of the "New Jersey Support Enforcement Act," P.L.1981, c.417 (C.2A:17-56.7 et seq.), which authorizes the garnishment of various sources of income to satisfy alimony, maintenance and child support orders. Federal and State laws specifically permit the withholding of unemployment compensation benefits by the payor, namely, the State Division of Unemployment and Temporary Disability Insurance, to satisfy a child support order. The Support Enforcement Act also currently permits the payor to collect \$1 in addition to the funds collected under the child support order for the defrayal of administrative costs.

This bill eliminates the \$1 assessment if the funds used to pay the child support order were taken from unemployment compensation trust fund monies. This change is necessary because federal law provides that unemployment compensation trust fund monies may be used only for the payment of unemployment compensation benefits. Consequently, the \$1 assessment by the payor against the obligor's unemployment compensation income contravenes federal law.

Other payors who are required to withhold income to satisfy child support orders, such as employers, would still be permitted to collect the additional \$1 for defrayal of administrative expenses.