18A:72-25.4 to 18A:72-25.6

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:72-25.4 to 18A:72-25.6

(Student loans--overdue--deduct payments from wages if employed by government agency)

LAWS OF: 1988 **CHAPTER:** 33

Bill No: A2349

Sponsor(s): Singer and Hendrickson

Date Introduced: February 1, 1988

Committee: Assembly: Higher Education and Regulated Professions

Senate: Education

Amended during passage: No

Date of Passage: Assembly: Febraury 29, 1988

Senate: May 2, 1988

Date of Approval: June 14, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: Yes

Following were printed:

Reports: No

Hearings: No

P.L. 1988, CHAPTER 33, *approved June 14, 1988*
1988 Assembly No. 2349

AN ACT providing for the deduction of overdue student loan payments from the wages of certain public employees and supplementing chapter 72 of Title 18A of the New Jersey Statutes.

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

1. Whenever any officer or employee of a local board of education, a county or municipal board of health or an autonomous authority created by a county or municipality pursuant to statute has failed to make scheduled payments to the Higher Education Assistance Authority on any note held by that authority pursuant to N.J.S. 18A:72-16, upon showing that these payments are more than 60 days overdue, the board or authority shall deduct from the wages of the employee the full amount of both any arrears payment and any scheduled payment due to the Higher Education Assistance Authority until such time as the note is fully satisfied. The board or authority shall transmit the payments to the Higher Education Assistance Authority but the board or authority may retain an amount of the moneys collected as established by regulation of the Higher Education Assistance Authority to defray the cost of collection.

2. The Department of Education and the Division of Local Government Services in the Department of Community Affairs, in conjunction with the State Department of the Treasury and the Higher Education Assistance Authority, shall prepare guidelines concerning the procedures and methods to be employed by boards and authorities for the implementation of this act. The guidelines, and all actions taken by a board or authority pursuant to this act, shall be consistent with all federal regulations or limitations regarding any information utilized in any collection. Prior to any collection a board or authority shall provide notice to the employee and an opportunity for a hearing, upon request.

3. The lien against an employee's wages undertaken pursuant to this act shall not be considered an execution against wages pursuant to N.J.S. 2A:17-52, and shall not prevent the simultaneous satisfaction of an execution from the amount of wages remaining after the satisfaction of this debt.

4. This act shall take effect immediately.

STATEMENT

This bill provides that whenever any officer or employee of a local board of education, a county or municipal board of health, or a county or municipal authority created by statute, is more than 60 days delinquent in repaying his guaranteed student loan, the board or authority shall deduct the payment, including any arrears, from the employee's wages.

Under the bill's provisions, prior to any wage garnishment, the employee must receive notification and an opportunity for a hearing. Also, this lien will not affect the execution of any other court ordered judgment against the employee's wages.

The Department of Education and the Division of Local Government Services in conjunction with the Department of the Treasury and the Higher Education Assistance Authority are to prepare guidelines to be used by local government boards and authorities in implementing the garnishment.

HIGHER EDUCATION

Education-Finance and State Aid

Provides that certain units of local government shall deduct overdue student loan payments owed to the Higher Education Assistance Authority from the wages of their employees.

3. The lien against an employee's wages undertaken pursuant to this act shall not be considered an execution against wages pursuant to N.J.S. 2A:17-52, and shall not prevent the simultaneous satisfaction of an execution from the amount of wages remaining after the satisfaction of this debt.

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STATEMENT

This bill provides that whenever any officer or employee of a local board of education, a county or municipal board of health, or a county or municipal authority created by statute, is more than 60 days delinquent in repaying his guaranteed student loan, the board or authority shall deduct the payment, including any arrears, from the employee's wages.

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HIGHER EDUCATION
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Provides that certain units of local government shall deduct overdue student loan payments owed to the Higher Education Assistance Authority from the wages of their employees.

ASSEMBLY HIGHER EDUCATION AND REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2349

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 1988

The Assembly Higher Education and Regulated Professions Committee favorably reports Assembly Bill No. 2349.

This bill provides that whenever any officer or employee of a local board of education, a county or municipal board of health, or a county or municipal authority created by statute, is more than 60 days delinquent in repaying his guaranteed student loan, the board or authority shall deduct the payment, including any arrears, from the employee's wages.

Under the bill's provisions, prior to any wage garnishment, the employee must receive notification and an opportunity for a hearing. Also, this lien will not affect the execution of any other court ordered judgment against the employee's wages.

The Department of Education and the Division of Local Government Services in conjunction with the Department of the Treasury and the Higher Education Assistance Authority are to prepare guidelines to be used by local government boards and authorities in implementing the garnishment.

This bill is identical to Assembly Bill No. 1929 OCR of 1986.

SENATE EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2349

STATE OF NEW JERSEY

DATED: MARCH 21, 1988

The Senate Education Committee favorably reports this bill without committee amendments.

This bill provides that whenever any officer or employee of a local board of education, a county or municipal board of health, or a county or municipal authority created by statute, is more than 60 days delinquent in repaying his guaranteed student loan, the board or authority shall deduct the payment, including any arrears, from the employee's wages.

Under the bill's provisions, prior to any wage garnishment, the employee must receive notification and an opportunity for a hearing. Also, this lien will not affect the execution of any other court ordered judgment against the employee's wages.

The Department of Education and the Division of Local Government Services in conjunction with the Department of the Treasury and the Higher Education Assistance Authority are to prepare guidelines to be used by local government boards and authorities in implementing the garnishment.

BACKGROUND

In 1982, legislation was enacted providing for the garnishment of the wages of State employees who were more than 60 days in arrears in scheduled payments to the New Jersey Higher Education Assistance Authority (P.L. 1982, c. 117; C. 18A:72-23). Also, during the last session, the Department of Labor was authorized to provide the HEAA with quarterly wage reports to assist the authority in locating individuals employed in the private sector who are delinquent in repaying their guaranteed student loans (P.L. 1986, c. 191).

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OFFICE OF THE GOVERNOR
NEWS RELEASE

CN-001
Contact: CARL GOLDEN
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625
Release: TUES., JUNE 14, 1988

Governor Thomas H. Kean today signed legislation to authorize certain local governing bodies to deduct from the wages of officers and employees any overdue student loan payments owed to the New Jersey Higher Education Assistance Authority.

The legislation, A-2349, was sponsored by Assemblyman Robert Singer, R-Ocean.

The bill, effective immediately, permits the wage deduction to be undertaken by local boards of education, health authorities, or authorities created by county or municipal governments.

The mandatory wage deduction would be triggered when payments to the Assistance Authority become 60 days overdue. Existing law permits wage deductions by other governing units and the bill signed today closes a loophole which had existed with respect to boards of education, health, and autonomous authorities.

Other legislation signed by the Governor includes:

A-1381, sponsored by Assemblywoman Maureen Ogden, R-Essex, and Senator John Lynch, D-Middlesex, to appropriate $90,000 for a survey of historic sites in New Jersey to determine which are in need of financial aid for repair, rehabilitation or restoration.

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