

18A: 72-72

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

NJSA: 18A:72-72

(Student loans--
overdue--allow
payroll
deductions)

LAWS OF: 1989

CHAPTER: 327

Bill No: A1887

Sponsor(s): Zecker

Date Introduced: Pre-filed

Committee: Assembly: Independent Authorities

Senate: Education

Amended during passage: No

Date of Passage: Assembly: June 13, 1989

Senate: December 14, 1989

Date of Approval: January 12, 1990

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

[FIRST REPRINT]
ASSEMBLY, No. 1887
STATE OF NEW JERSEY

LAW LIBRARY COPY
DO NOT REMOVE

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman ZECKER

1 AN ACT concerning the collection of certain debts owed to the
New Jersey Higher Education Assistance Authority and
3 amending P.L.1982, c.117.

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

7 1. Section 1 of P.L.1982, c.117 (C.18A:72-23) is amended to
read as follows:

9 1. Whenever any officer or employee of the State of New
Jersey, Rutgers, the State University, the University of Medicine
11 and Dentistry of New Jersey, the New Jersey Institute of
Technology, or any public authority established pursuant to State
13 law, has failed to make scheduled payments to the New Jersey
Higher Education Assistance Authority on any note held by that
15 authority pursuant to N.J.S.18A:72-16, upon showing that such
payments are more than 60 days overdue, [the Department of the
17 Treasury may deduct] there shall be deducted from the wages of
said employee the full amount of both any arrears payment and
19 any scheduled payment due to the Higher Education Assistance
Authority until such time as the note is fully satisfied. [The]

21 In the case of State officers or employees on the centralized
regular bi-weekly payroll, the Department of the Treasury shall
23 make the deduction and shall transmit the payments to the
Higher Education Assistance Authority but the Department of the
25 Treasury shall retain an amount ¹[not to exceed 1%] ,as
established by regulation of the Higher Education Assistance
27 Authority,¹ of the moneys collected to defray the cost of ¹[the]¹
collection ¹[effort]¹.

29 In the case of officers and employees not on the centralized
regular bi-weekly payroll, the chief financial officer of the
31 institution or authority shall make the deductions and transmit
the payments to the Higher Education Assistance Authority but

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:
Senate SED committee amendments adopted January 26, 1989.

1 the institution or authority shall retain an amount¹[not to exceed
2 1%] , as established by regulation of the Higher Education
3 Assistance Authority,¹ of the moneys collected to defray the cost
4 of ¹[the]¹ collection ¹[effort]¹.

5 (cf: P.L.1982, c.117, s.1)

6 2. This act shall take effect immediately.

7

8

HIGHER EDUCATION
Tuition and Student Aid

10

11 Includes employees of certain institutions and authorities in
12 payroll deduction program for overdue guaranteed student loan
13 payments.

ASSEMBLY, No. 1887
STATE OF NEW JERSEY

LAW LIBRARY COPY
DO NOT REMOVE

PRE-FILED FOR INTRODUCTION IN THE 1988 SESSION

By Assemblyman ZECKER

1 AN ACT concerning the collection of certain debts owed to the
New Jersey Higher Education Assistance Authority and
3 amending P.L. 1982, c. 117.

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

7 1. Section 1 of P.L. 1982, c. 117 (C. 18A:72-23) is amended to
read as follows:

9 1. Whenever any officer or employee of the State of New
Jersey, Rutgers, the State University, the University of Medicine
11 and Dentistry of New Jersey, the New Jersey Institute of
Technology, or any public authority established pursuant to State
13 law, has failed to make scheduled payments to the New Jersey
Higher Education Assistance Authority on any note held by that
15 authority pursuant to N.J.S. 18A:72-16, upon showing that such
payments are more than 60 days overdue, [the Department of the
17 Treasury may deduct] there shall be deducted from the wages of
said employee the full amount of both any arrears payment and
19 any scheduled payment due to the Higher Education Assistance
Authority until such time as the note is fully satisfied. [The]
21 In the case of State officers or employees on the centralized
regular bi-weekly payroll, the Department of the Treasury shall
23 make the deduction and shall transmit the payments to the
Higher Education Assistance Authority but the Department of the
25 Treasury shall retain an amount not to exceed 1% of the moneys
collected to defray the cost of the collection effort.

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 In the case of officers and employees not on the centralized
3 regular bi-weekly payroll, the chief financial officer of the
5 institution or authority shall make the deductions and transmit
7 the payments to the Higher Education Assistance Authority but
9 the institution or authority shall retain an amount not to exceed
11 1% of the moneys collected to defray the cost of the collection
13 effort.

(cf: P.L.1982, c. 117, § 1.)

2. This act shall take effect immediately.

STATEMENT

13 This bill extends the provisions of section 1 of P.L. 1982, c. 117
15 (C. 18A:72-23), which directs the deduction of overdue
17 guaranteed student loan payments from the wages of State
19 employees, to include officers and employees of Rutgers, the
21 State University, the University of Medicine and Dentistry of
23 New Jersey, the New Jersey Institute of Technology or any public
25 authority established pursuant to State law. Currently, under
27 regulations promulgated by the State Treasurer pursuant to this
law, employees of these institutions and authorities are not
subject to payroll deductions because they are not paid through
the centralized regular bi-weekly payroll. Under a separate law,
P.L. 1986, c. 12 (C. 18A:72-25.1), employees of county and
municipalities are also subject to payroll deductions for overdue
loan payments.

HIGHER EDUCATION

Tuition and Student Aid

33 Includes employees of certain institutions and authorities in
35 payroll deduction program for overdue guaranteed student loan
payments.

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1887
STATE OF NEW JERSEY

LAW LIBRARY COPY
DO NOT REMOVE

DATED: MAY 26, 1988

The Assembly Independent Authorities Committee reports favorably Assembly Bill No. 1887.

As reported, this bill provides that P.L.1982, c.117 (C.18:72-23 et seq.) shall be extended to include officers or employees of Rutgers University, the University of Medicine and Dentistry, The New Jersey Institute of Technology or any public authority established under State law.

Under current regulations promulgated by the State Treasurer, officers or employees of these institutions or authorities are not subject to payroll deductions because they are not on the state or county centralized regular bi-weekly payroll.

BACKGROUND

Current law authorizes deductions from wages for overdue student loans from State employees or county employees on the State or county centralized regular bi-weekly payroll. Since October, 1984 when the State employee loan collection program was implemented, the Higher Education Assistance Authority has collected \$1.8 million in payments on delinquent student loans. A second program involving collection from county employees will be implemented in the near future and a similar amount is expected to be collected.

SENATE EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1887

with Senate committee amendments

LAW LIBRARY COPY
DO NOT REMOVE

STATE OF NEW JERSEY

DATED: JANUARY 26, 1989

The Senate Education Committee favorably reports this bill with committee amendments.

As amended, this bill provides that P.L.1982, c.117 (C.18A:72-23 et seq.) shall be extended to include officers or employees of Rutgers University, the University of Medicine and Dentistry, The New Jersey Institute of Technology or any public authority established under State law.

Under current regulations promulgated by the State Treasurer, officers or employees of these institutions or authorities are not subject to payroll deductions because they are not on the state or county centralized regular bi-weekly payroll.

Current law authorizes deductions from wages for overdue student loans from State employees or county employees on the State or county centralized regular bi-weekly payroll. Since October, 1984 when the State employee loan collection program was implemented, the Higher Education Assistance Authority has collected \$2.3 million in payments on delinquent student loans. A second program involving collection from county employees will be implemented in the near future and a similar amount is expected to be collected.

At the request of the Department of Higher Education and the Governor's office, the committee amended the bill to eliminate the 1% maximum for collection costs and to provide that those costs would be established by the New Jersey Higher Education Assistance Authority. This language brings the bill into conformity with P.L.1988. c.33, and with other legislation which provides for payroll deductions for overdue student loans.