

52:14-15h & 52:14-15i et al.

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2013 **CHAPTER:** 28

NJSA: 52:14-15h & 52:14-15i et al. (Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, county college, municipality, and local school district to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014)

BILL NO: A720 (Substituted for S2090)

SPONSOR(S) Ramos and others

DATE INTRODUCED: January 10, 2012

COMMITTEE: **ASSEMBLY:** State Government

SENATE: State Government, Wagering, Tourism & Historic Preservation
Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 28, 2013

SENATE: December 20, 2012

DATE OF APPROVAL: March 12, 2013

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Third Reprint enacted)

A720

SPONSOR'S STATEMENT: (Begins on page 3 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes State Government
Budget and Approp.

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL NOTE: Yes 5-2-12
8-13-12

LEGISLATIVE FISCAL ESTIMATE: Yes

S2090

SPONSOR'S STATEMENT: (Begins on page 4 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes State Government
Budget and Approp.

(continued)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes

FOLLOWING WERE PRINTED:

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REPORTS:	No
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HEARINGS:	No
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NEWSPAPER ARTICLES:	No
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LAW/RWH

P.L.2013, CHAPTER 28, *approved March 12, 2013*
Assembly, No. 720 (*Third Reprint*)

1 AN ACT concerning the use of direct deposit for ¹[all]¹ State
2 ²[¹and],² county³, county college³,² municipal, and school
3 district² employee compensation and amending P.L.1981, c.385
4 ¹and P.L.1987, c.38¹ ²and supplementing P.L.1981, c.385
5 (C.52:14-15a et seq.)².

6
7 **BE IT ENACTED** by the Senate and General Assembly of the State
8 of New Jersey:

9
10 1. Section 1 of P.L.1981, c.385 (C.52:14-15a) is amended to
11 read as follows:

12 1. a. Whenever any person holding public office, position or
13 employment, whose compensation is paid by this State or by any
14 board, body, agency, authority or commission thereof, hereinafter
15 referred to as "employee", shall indicate in writing to the proper
16 disbursing officer his desire to have his net pay deposited in a
17 specific banking institution in a designated checking account,
18 savings account, or share account for such employee, the State
19 Treasurer shall make the deposit in the respective banking
20 institution on behalf of the employee.

21 With respect to compensation paid on and after July 1, 2014, all
22 such persons shall have net pay directly deposited as described in
23 this section. The State Treasurer is authorized to grant an
24 exemption from the requirements of this section on such terms and
25 conditions as the State Treasurer may deem necessary. ³The State
26 Treasurer is authorized to grant an exemption for seasonal and
27 temporary employees as the State Treasurer may deem necessary.³

28 b. Commencing on the first day of the fourth month following
29 the enactment of P.L. , c. (pending before the Legislature as this
30 bill), the State Treasurer shall make available for employees who
31 have net pay directly deposited as described in this section any
32 information concerning net pay, any accompanying information
33 approved for distribution with net pay, and W-2 forms ³in
34 accordance with applicable federal law³, only on the Internet with
35 restricted access and policies and procedures to protect the integrity
36 and confidentiality of the information.

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:

¹Assembly ASG committee amendments adopted June 14, 2012.

²Assembly floor amendments adopted June 21, 2012.

³Senate SSG committee amendments adopted September 20, 2012.

1 c. The requirements of this section shall also be applicable to
2 all State entities that do not utilize the State centralized payroll
3 system, including public institutions of higher education.

4 (cf: P.L.1981, c.385, s.1)

5
6 2. Section 4 of P.L.1981, c.385 (C.52:14-15d) is amended to
7 read as follows:

8 4. Any written designation may be withdrawn by an employee
9 at any time by filing the notice of withdrawal with his respective
10 disbursing officer. The filing of notice of withdrawal shall be
11 effective to halt deposits as of the thirtieth day next succeeding the
12 date on which it is filed.

13 With respect to compensation paid on and after July 1, 2014,
14 withdrawal of written designation shall be prohibited, unless the
15 State Treasurer or appropriate officer grants an exemption to this
16 prohibition as deemed necessary.

17 (cf: P.L.1981, c.385, s.4)

18
19 ¹3. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read
20 as follows:

21 2. a. Upon the adoption of an ordinance or resolution, as
22 appropriate, the governing body of a county or municipality may
23 provide for the deposit of the net pay of any employee of the county
24 or municipality, or of a board, commission, bureau, department, or
25 other public agency thereof, in a specific banking institution in a
26 designated checking account, savings account, or share account.
27 When the employee shall indicate in writing to the proper
28 disbursing officer his or her desire to have his or her net pay
29 deposited, the disbursing officer shall make the deposit in the
30 respective banking institution on behalf of the employee. As used
31 in P.L.1981, c.385 (C.52:14-15a et seq.), "employee" shall also
32 mean any person holding public office, position, or employment
33 whose compensation is paid by a county or municipality or any
34 board, commission, bureau, department, or other public agency
35 thereof.

36 b. On or after July 1, 2014, the governing body of a county ²or
37 municipality² may determine by the adoption of an ordinance or
38 resolution, as appropriate, to provide for the mandatory ³direct³
39 deposit of net pay for all employees of the county ²or municipality²,
40 or of a board, commission, bureau, department or other public
41 agency thereof, in a specific banking institution based on
42 information provided by the employee. If the governing body
43 provides for such direct deposit, compliance by an employee shall
44 be mandatory ³[², except for seasonal and temporary employees²]³.
45 No ordinance or resolution shall be adopted under subsection a. of
46 this section on or after July 1, 2014. The governing body is
47 authorized to grant an exemption from the requirements adopted

1 pursuant to this subsection on such terms and conditions as the
2 governing body may deem necessary. ³The governing body is
3 authorized to grant an exemption for seasonal and temporary
4 employees as the governing body may deem necessary.³

5 c. The governing body may make available for such employees
6 who have net pay directly deposited as described in subsection a. of
7 this section, and shall make available for such employees who have
8 net pay directly deposited as described in subsection b. of this
9 section, any information concerning net pay, any accompanying
10 information approved for distribution with net pay, and W-2 forms
11 ²in accordance with applicable federal law,² only on the Internet
12 with restricted access and policies and procedures to protect the
13 integrity and confidentiality of the information.¹

14 (cf: P.L.1987, c.38, s.2)

15
16 ²4. (New section) On or after July 1, 2014, the board of
17 education of every local school district may ³determine to³ have net
18 pay for all employees directly deposited in a specific banking
19 institution in a checking account, savings account, or share account
20 designated in writing by the employee. If the board provides for
21 such direct deposit, compliance by an employee shall be mandatory
22 ³[, except for seasonal and temporary employees]. The board is
23 authorized to grant an exemption from the requirements adopted
24 pursuant to this section on such terms and conditions as the board
25 may deem necessary. The board is authorized to grant an
26 exemption for seasonal and temporary employees as the board may
27 deem necessary.³ The board shall make available for such
28 employees who have net pay directly deposited as described in this
29 section all information concerning net pay, any accompanying
30 information approved for distribution with net pay, and W-2 forms
31 in accordance with applicable federal law, only on the Internet with
32 restricted access and policies and procedures to protect the integrity
33 and confidentiality of the information. As used in this section,
34 “local school district” shall have the meaning set forth in section 3
35 of P.L.1991, c.393 (C.18A:12-23).²

36
37 ³5. (New section) On or after July 1, 2014, the board of trustees
38 of a county college may determine to have net pay for all employees
39 directly deposited in a specific banking institution in a checking
40 account, savings account, or share account designated in writing by
41 the employee. If the board provides for such direct deposit,
42 compliance by an employee shall be mandatory. The board is
43 authorized to grant an exemption from the requirements adopted
44 pursuant to this section on such terms and conditions as the board
45 may deem necessary. The board is authorized to grant an exemption
46 for seasonal and temporary employees as the board may deem

1 necessary. The board shall make available for such employees who
2 have net pay directly deposited as described in this section all
3 information concerning net pay, any accompanying information
4 approved for distribution with net pay, and W-2 forms in
5 accordance with applicable federal law, only on the Internet with
6 restricted access and policies and procedures to protect the integrity
7 and confidentiality of the information. As used in this section,
8 “county college” shall have the meaning set forth in N.J.S.
9 18A:64A-1, and “board of trustees” shall mean such boards
10 established under N.J.S.18A:64A-8.³

11

12 ¹~~[3.]~~²~~[4.]~~³~~[5.]~~ 6.³ This act shall take effect immediately.

13

14

15

16

17 Requires direct deposit for all State employee compensation on
18 and after July 1, 2014; allows county, county college, municipality,
19 and local school district to opt for mandatory direct deposit for all
20 employee compensation on or after July 1, 2014.

ASSEMBLY, No. 720

STATE OF NEW JERSEY

215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Assemblyman MATTHEW W. MILAM

District 1 (Atlantic, Cape May and Cumberland)

Assemblywoman CONNIE WAGNER

District 38 (Bergen and Passaic)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Co-Sponsored by:

Assemblymen Egan, Caputo, Coutinho, Giblin, Burzichelli,

Assemblywoman Mosquera and Assemblyman Prieto

SYNOPSIS

Requires direct deposit for all State employee compensation on and after July 1, 2014.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 5/25/2012)

1 AN ACT concerning the use of direct deposit for all State employee
2 compensation and amending P.L.1981, c.385.

3

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

6

7 1. Section 1 of P.L.1981, c.385 (C.52:14-15a) is amended to
8 read as follows:

9 1. a. Whenever any person holding public office, position or
10 employment, whose compensation is paid by this State or by any
11 board, body, agency, authority or commission thereof, hereinafter
12 referred to as "employee", shall indicate in writing to the proper
13 disbursing officer his desire to have his net pay deposited in a
14 specific banking institution in a designated checking account,
15 savings account, or share account for such employee, the State
16 Treasurer shall make the deposit in the respective banking
17 institution on behalf of the employee.

18 With respect to compensation paid on and after July 1, 2014, all
19 such persons shall have net pay directly deposited as described in
20 this section. The State Treasurer is authorized to grant an
21 exemption from the requirements of this section on such terms and
22 conditions as the State Treasurer may deem necessary.

23 b. Commencing on the first day of the fourth month following
24 the enactment of P.L. , c. (pending before the Legislature as this
25 bill), the State Treasurer shall make available for employees who
26 have net pay directly deposited as described in this section any
27 information concerning net pay, any accompanying information
28 approved for distribution with net pay, and W-2 forms, only on the
29 Internet with restricted access and policies and procedures to
30 protect the integrity and confidentiality of the information.

31 c. The requirements of this section shall also be applicable to
32 all State entities that do not utilize the State centralized payroll
33 system, including public institutions of higher education.

34 (cf: P.L.1981, c.385, s.1)

35

36 2. Section 4 of P.L.1981, c.385 (C.52:14-15d) is amended to
37 read as follows:

38 4. Any written designation may be withdrawn by an employee
39 at any time by filing the notice of withdrawal with his respective
40 disbursing officer. The filing of notice of withdrawal shall be
41 effective to halt deposits as of the thirtieth day next succeeding the
42 date on which it is filed.

43 With respect to compensation paid on and after July 1, 2014,
44 withdrawal of written designation shall be prohibited, unless the

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 State Treasurer or appropriate officer grants an exemption to this
2 prohibition as deemed necessary.

3 (cf: P.L.1981, c.385, s.4)

4

5 3. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 Currently, State employees have the option to designate in
11 writing a specific banking institution and a checking account,
12 savings account, or share account for receipt of direct deposit of the
13 employee's net pay. The bill will make direct deposit mandatory
14 for all State employees for compensation paid on and after July 1,
15 2014, unless an exemption is granted by the State Treasurer if
16 deemed necessary.

17 Additionally, the bill provides that commencing on the first day
18 of the fourth month following enactment, the State Treasurer will
19 make available for all employees who have net pay directly
20 deposited any information concerning net pay, accompanying
21 information, and W-2 forms, only on the Internet. The
22 requirements in this bill with regard to direct deposit and
23 accompanying information will also apply to all State entities that
24 do not use the State centralized payroll system, including public
25 institutions of higher education.

FISCAL NOTE
ASSEMBLY, No. 720
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: MAY 2, 2012

SUMMARY

- Synopsis:** Requires direct deposit for all State employee compensation on and after July 1, 2014.
- Type of Impact:** Expenditure reduction to the State General Fund.
- Agencies Affected:** Department of Treasury, Office of Information Technology.

Executive Estimate

Fiscal Impact	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Savings	\$61,963	\$232,851	\$248,851

- The Office of Legislative Services (OLS) **concurs** with the Executive estimate.
- This bill requires direct deposit for all State employee compensation on and after July 1, 2014
- The savings above are net of personnel and programming costs necessary to implement the requirements of the bill and to administer the program on an ongoing basis. The programming costs include Internal Revenue Service requirements for online W-2s and the cost to implement direct deposit of supplemental payrolls.

BILL DESCRIPTION

Assembly Bill No. 720 of 2012 would require direct deposit for all State employee compensation on and after July 1, 2014. Currently, State employees have the option to designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. This bill will make direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, unless an exemption is granted by the State Treasurer if deemed necessary.

Additionally, the bill provides that commencing on the first day of the fourth month following enactment, the State Treasurer will make available for all employees who have net pay

directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Department of Treasury, check production savings from requiring direct deposit of all State employee compensation and providing on-line pay-stubs and W-2s are estimated to be \$73,963 in FY 2012, \$295,851 in FY 2013 and FY 2014, and \$540,043 in FY 2015. Savings increase in FY 2015 due to the direct deposit of supplemental pay which is currently not available. These savings are offset by personnel and programming costs. The Executive Branch estimates total ongoing personnel costs to be \$12,000 in FY 2012, \$47,000 in FY 2013 and FY 2014, and \$163,000 in FY 2015. It is anticipated that the Department of Treasury will need one Administrative Assistant and one Software Specialist to spend 25 percent of their time on an ongoing basis to administer the program due to increased participation and the need to provide customer service and answer questions. In addition, the Executive Branch indicates that the Office of Information Technology (OIT) will incur costs of \$16,000 in FY 2013 and \$87,000 in FY 2015 in programming and systems development costs. Specifically, OIT estimates that in FY 2013, programming for the online W-2 capability will require additional workload for IT programmers of 100 hours at \$108 per hour. Likewise, programming direct deposit for supplemental pay will require an additional workload for IT programmers of 600-800 hours at \$108 per hour. The programming costs include IRS requirements for online W-2s.

The OIT costs for upgrade of PORTAL*, through which employees access information, are unknown. PORTAL must be upgraded for the increased usage (50,000 more employees). The supplemental payroll process must be upgraded to allow for direct deposit. If the State needs to establish bank accounts or debit cards for those without accounts, there may be an associated cost. The Office of Management and Budget cannot estimate any savings associated with departments no longer needing to hand out checks.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Department of Treasury estimate, but notes that it applies only to the Executive Branch departments and agencies and does not include State entities that do not use the centralized payroll system, including institutions of higher education.

*A State PORTAL is where web based information is processed and controlled.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 720

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 2012

The Assembly State Government Committee reports favorably and with committee amendments Assembly Bill No. 720.

Currently, State employees, as well as employees of a county, have the option to designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. As amended, this bill makes direct deposit mandatory, unless an exemption is granted, for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county to provide for mandatory deposit of its employees' net pay by an ordinance or resolution adopted on or after that date.

Additionally, the bill provides that the State Treasurer or the county governing body, as appropriate, will make available for all employees who have net pay directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

This bill was prefiled for introduction in the 2012-2013 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to allow the governing body of a county to provide for mandatory deposit of its employees' net pay with access to related information on the Internet.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 720

with Assembly Floor Amendments
(Proposed by Assemblyman RAMOS)

ADOPTED: JUNE 21, 2012

These Assembly amendments allow a municipality and the board of education of a local school district, on or after July 1, 2014, to opt to mandate direct deposit of net pay for all employees, and provide an exception for seasonal and temporary employees. The amendments also provide that if this option is selected, then all information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with federal law, will be provided only on the Internet with restricted access.

FISCAL NOTE
[Second Reprint]
ASSEMBLY, No. 720
STATE OF NEW JERSEY
215th LEGISLATURE

DATED: AUGUST 13, 2012

SUMMARY

- Synopsis:** Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, municipality, and local school districts to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014.
- Type of Impact:** Expenditure reduction to the State General Fund.
- Agencies Affected:** Department of Treasury, Office of Information Technology; local government entities, school districts.

Executive Estimate

Fiscal Impact	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Savings	\$61,963	\$232,851	\$248,851

- The Office of Legislative Services **concurs** with the Executive Branch estimate.
- This bill requires direct deposit for all State employee compensation on and after July 1, 2014 and allows county, municipality, and local school districts to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014.
- The State savings above are net of personnel and programming costs necessary to implement the requirements of the bill and to administer the program on an ongoing basis. The programming costs include Internal Revenue Service requirements for online W-2s and the cost to implement direct deposit of supplemental payrolls.
- The provisions of the bill regarding counties, municipalities, and school districts are optional, at the discretion of the governing body.

BILL DESCRIPTION

Assembly Bill No. 720 (2R) of 2012 would require direct deposit for all State employee compensation on and after July 1, 2014. Currently, State employees have the option to designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. This bill will make direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, unless an exemption is granted by the State Treasurer if deemed necessary.

Additionally, the bill provides that commencing on the first day of the fourth month following enactment, the State Treasurer will make available for all employees who have net pay directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

The bill allows a county, a municipality and a board of education of a local school district, on or after July 1, 2014, to opt to mandate direct deposit of net pay for all employees, and provide an exception for seasonal and temporary employees. It also provides that if this option is selected, then all information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with federal law, will be provided only on the Internet with restricted access.

FISCAL ANALYSIS

EXECUTIVE BRANCH

According to the Executive Branch, check production savings from requiring direct deposit of all State employee compensation and providing on-line pay-stubs and W-2s are estimated to be \$73,963 in FY 2012, \$295,851 in FY 2013 and FY 2014, and \$540,043 in FY 2015. Savings increase in FY 2015 due to the direct deposit of supplemental pay which is currently not available. These savings are offset by personnel and programming costs. The Executive Branch estimates total ongoing personnel costs to be \$12,000 in FY 2012, \$47,000 in FY 2013 and FY 2014, and \$163,000 in FY 2015. It is anticipated that the Department of the Treasury will need one Administrative Assistant and one Software Specialist to spend 25 percent of their time on an ongoing basis to administer the program due to increased participation and the need to provide customer service and answer questions. In addition, the Executive Branch indicates that the Office of Information Technology (OIT) will incur costs of \$16,000 in FY 2013 and \$87,000 in FY 2015 in programming and systems development costs. Specifically, OIT estimates that in FY 2013, programming for the online W-2 capability will require additional workload for IT programmers of 100 hours at \$108 per hour. Likewise, programming direct deposit for supplemental pay will require an additional workload for IT programmers of 600-800 hours at \$108 per hour. The programming costs include IRS requirements for online W-2s.

The OIT costs for PORTAL, through which employees access information, upgrade are unknown. The PORTAL must be upgraded for the increased usage (50,000 more employees). The supplemental payroll process must be upgraded to allow for direct deposit. If the State needs to establish bank accounts or debit cards for those without accounts, there may be an associated cost. The OMB cannot estimate any savings associated with departments no longer needing to hand out checks.

OFFICE OF LEGISLATIVE SERVICES

The OLS concurs with the Executive Branch estimate. Savings estimates from counties, municipalities, and local school district that may opt for mandatory direct deposit cannot be estimated. The State savings do not include those State entities that do not use the State centralized payroll system, including institutions of higher education.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

[Second Reprint]
ASSEMBLY, No. 720

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2012

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Assembly Bill No. 720(2R).

Currently, State employees, as well as employees of a county or municipality that has chosen to offer the option, may designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. This bill makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, municipality, or school district to provide for mandatory direct deposit of its employees' net pay on or after that date. This bill allows these entities to grant exemptions. Additionally, the bill provides that the State Treasurer, and the county, municipality, or school district, as appropriate, will make available for all employees who have net pay directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

As amended by the committee, the provisions of the bill are applicable to county colleges. As amended, the bill also clarifies that a specific exemption to mandatory direct deposit of net pay may be granted for employees who are seasonal and temporary employees; and that employee W-2 forms would be provided to employees on the Internet in accordance with applicable federal law. Additionally, the bill, as amended, would allow the governing body of a local school district to grant an exemption from the mandatory direct deposit on such terms and conditions as they may deem necessary.

As amended by the committee, this bill identical to Senate, No. 2090 (1R) which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to make the provisions of the bill applicable to county colleges. The amendments also clarify that a specific exemption to mandatory direct deposit of net pay may be granted for employees who are seasonal and temporary employees; and that employee W-2 forms would be provided to employees on the Internet in accordance with applicable federal law. Additionally, the amendments allow the governing body of a local school district to grant an exemption from the mandatory direct deposit on such terms and conditions as they may deem necessary.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Third Reprint]

ASSEMBLY, No. 720

STATE OF NEW JERSEY

DATED: DECEMBER 17, 2012

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 720 (3R).

This bill makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, municipality, the board of education of a local school district, and the governing body of a county college, on or after July 1, 2014, to opt to mandate direct deposit of its employees' net pay. The bill allows the State, a county, a county college, a municipality, or a school district to grant an exemption from the direct deposit requirement on such terms and conditions as they may deem necessary, and specifically exempt seasonal or temporary employees from the direct deposit requirement. The bill clarifies that providing any information concerning net pay, accompanying information and W-2 forms to employees must be done in compliance with applicable federal law, and must be available only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information.

Currently, State employees, as well as employees of a county or municipality that has chosen to offer the option, may designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

As reported, this bill identical to Senate Bill No. 2090 (1R) as also reported by the committee.

FISCAL IMPACT:

According to the Office of Management and Budget (OMB), it is difficult to quantify the savings that will accrue as a result of this bill, as the State has already developed and implemented a mandatory direct deposit program for its employees from which savings have already been realized. As of December 2012, approximately 74 percent of the State's employees are enrolled in the direct deposit

program and are receiving their paystubs, accompanying information, and W-2s on the Internet. Of the remaining 26 percent who are not enrolled in direct deposit, there is an unknown number to whom this bill's direct deposit requirement will not apply, because they are seasonal or temporary employees or will be otherwise exempted.

A fiscal note provided by the Executive for an earlier version of this bill, Assembly Bill No. 720 (1R) of 2012, estimated savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014 net of information technology costs. These savings were based on a savings rate of 27 cents per direct deposit paycheck. OMB indicates that savings per direct deposit pay check is currently closer to 29 cents per pay check.

Finally, it is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 720

STATE OF NEW JERSEY 215th LEGISLATURE

DATED: DECEMBER 28, 2012

SUMMARY

- Synopsis:** Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, county college, municipality, and local school district to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014.
- Type of Impact:** Expenditure Decrease to the State General Fund and local government funds.
- Agencies Affected:** The Office of Information Technology and the Office of Management and Budget in the Department of the Treasury; local government entities and boards of education.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
State Savings	Indeterminate – See comments below		
Local Savings	Indeterminate – See comments below		

- According to the Office of Management and Budget (OMB) in the Department of the Treasury, the Executive Branch has been developing and implementing a mandatory direct deposit program for its employees from which savings are already being realized. As of December 2012, approximately 74 percent of the State's employees are enrolled in the direct deposit program and are receiving their paystubs, accompanying information, and W-2s on the Internet. Because the Department of the Treasury is already realizing savings, it is very difficult to quantify savings that would be realized beginning January 1, 2014.
- This bill makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, county college, municipality, or school district to provide for mandatory direct deposit of its employees' net pay on or after that date. The bill provides a specific exemption to mandatory direct deposit of net pay for seasonal and temporary employees. The bill clarifies that employee W-2 forms and accompanying compensation information will be provided to employees on the Internet only and in accordance with federal law.

- A previous fiscal note provided by the Executive estimated savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014, net of information technology costs. The OMB now indicates that since that estimate was done, implementation has gone faster than anticipated, the savings per direct deposit have increased from 27 cents to 29 cents, and that their supplemental payroll direct deposit costs will be reduced as a result of contract negotiations.
- It is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

BILL DESCRIPTION

Assembly Bill No. 720 (3R) of 2012 makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, county college, municipality, or school district to provide for mandatory direct deposit of its employees' net pay on or after that date. However, the bill allows these entities to grant exemptions. For example, the State Treasurer, and the governing body of a county, county college, municipality, or school district is authorized to grant an exemption to mandatory direct deposit of net pay for employees who are seasonal and temporary. Additionally, the bill provides that the State Treasurer and any county, county college, municipality, or school district, as appropriate, will make available for all employees who have net pay directly deposited, any information concerning net pay and W-2 forms, only on the Internet and in accordance with applicable federal law. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

According to the OMB, it is very difficult to quantify the savings that will accrue as a result of this bill. Although direct deposit has been available to State employees, at the employees' written request, since 1981, the requirement for all State employees to use direct deposit came out of a recommendation by the Office of the State Auditor in the July 2011 audit report, Department of the Treasury, Office of Management and Budget Selected Programs. The audit report estimated that "going green could save the State \$1.1 million annually." Since that time, the Executive Branch has been developing a mandatory direct deposit program for its employees and implementing it in two phases for which savings are already being realized. Phase one, which has concluded, was the automatic enrollment of State employees in the direct deposit program. Phase two is providing all employees with net pay information and W-2 forms via the

Internet only and in accordance with federal law. As of December 2012, phase two is nearly complete. Approximately 74 percent of the State's employees are enrolled in direct deposit and are currently receiving their paystubs, accompanying information and W-2s via the Internet. Because the Department of the Treasury is already realizing savings, it is very difficult to quantify savings that would be realized beginning January 1, 2014. A previous fiscal note provided by the Executive estimate savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014 net of information technology costs. These savings were based on a savings rate of 27 cents per direct deposit paycheck. The OMB indicates that savings per direct deposit pay check is currently closer to 29 cents. Additional savings may be realized because the cost to implement direct deposit of supplemental payrolls has been reduced as a result of contract negotiations. The American Federation of State, County, and Municipal Employees (AFSCME) and the Police Benevolent Association contracts are no longer requiring the State to issue separate supplemental pay checks for overtime, thereby reducing the payroll workload by 200,000 separate direct deposits per year.

It is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 2090

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 21, 2012

Sponsored by:

Senator ROBERT M. GORDON

District 38 (Bergen and Passaic)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county to opt for mandatory direct deposit for all county employee compensation on or after July 1, 2014.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/21/2012)

S2090 GORDON, OROHO

2

1 AN ACT concerning the use of direct deposit for State and county
2 employee compensation and amending P.L.1981, c.385 and
3 P.L.1987, c.38.

4

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

7

8 1. Section 1 of P.L.1981, c.385 (C.52:14-15a) is amended to
9 read as follows:

10 1. a. Whenever any person holding public office, position or
11 employment, whose compensation is paid by this State or by any
12 board, body, agency, authority or commission thereof, hereinafter
13 referred to as "employee", shall indicate in writing to the proper
14 disbursing officer his desire to have his net pay deposited in a
15 specific banking institution in a designated checking account,
16 savings account, or share account for such employee, the State
17 Treasurer shall make the deposit in the respective banking
18 institution on behalf of the employee.

19 With respect to compensation paid on and after July 1, 2014, all
20 such persons shall have net pay directly deposited as described in
21 this section. The State Treasurer is authorized to grant an
22 exemption from the requirements of this section on such terms and
23 conditions as the State Treasurer may deem necessary.

24 b. Commencing on the first day of the fourth month following
25 the enactment of P.L. , c. (pending before the Legislature as this
26 bill), the State Treasurer shall make available for employees who
27 have net pay directly deposited as described in this section any
28 information concerning net pay, any accompanying information
29 approved for distribution with net pay, and W-2 forms, only on the
30 Internet with restricted access and policies and procedures to
31 protect the integrity and confidentiality of the information.

32 c. The requirements of this section shall also be applicable to
33 all State entities that do not utilize the State centralized payroll
34 system, including public institutions of higher education.

35 (cf: P.L.1981, c.385, s.1)

36

37 2. Section 4 of P.L.1981, c.385 (C.52:14-15d) is amended to
38 read as follows:

39 4. Any written designation may be withdrawn by an employee
40 at any time by filing the notice of withdrawal with his respective
41 disbursing officer. The filing of notice of withdrawal shall be
42 effective to halt deposits as of the thirtieth day next succeeding the
43 date on which it is filed.

44 With respect to compensation paid on and after July 1, 2014,
45 withdrawal of written designation shall be prohibited, unless the

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.

S2090 GORDON, OROHO

3

1 State Treasurer or appropriate officer grants an exemption to this
2 prohibition as deemed necessary.

3 (cf: P.L.1981, c.385, s.4)

4

5 3. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read
6 as follows:

7 2. a. Upon the adoption of an ordinance or resolution, as
8 appropriate, the governing body of a county or municipality may
9 provide for the deposit of the net pay of any employee of the county
10 or municipality, or of a board, commission, bureau, department, or
11 other public agency thereof, in a specific banking institution in a
12 designated checking account, savings account, or share account.
13 When the employee shall indicate in writing to the proper
14 disbursing officer his or her desire to have his or her net pay
15 deposited, the disbursing officer shall make the deposit in the
16 respective banking institution on behalf of the employee. As used
17 in P.L. 1981, c. 385 (C.52:14-15a et seq.), "employee" shall also
18 mean any person holding public office, position, or employment
19 whose compensation is paid by a county or municipality or any
20 board, commission, bureau, department, or other public agency
21 thereof.

22 b. On or after July 1, 2014, the governing body of a county
23 may determine by the adoption of an ordinance or resolution, as
24 appropriate, to provide for the mandatory deposit of net pay for all
25 employees of the county, or of a board, commission, bureau,
26 department or other public agency thereof, in a specific banking
27 institution based on information provided by the employee. If the
28 governing body provides for such direct deposit, compliance by an
29 employee shall be mandatory. No ordinance or resolution shall be
30 adopted under subsection a. of this section on or after July 1, 2014.
31 The governing body is authorized to grant an exemption from the
32 requirements adopted pursuant to this subsection on such terms and
33 conditions as the governing body may deem necessary.

34 c. The governing body may make available for such employees
35 who have net pay directly deposited as described in subsection a. of
36 this section, and shall make available for such employees who have
37 net pay directly deposited as described in subsection b. of this
38 section, any information concerning net pay, any accompanying
39 information approved for distribution with net pay, and W-2 forms
40 only on the Internet with restricted access and policies and
41 procedures to protect the integrity and confidentiality of the
42 information.

43 (cf: P.L.1987, c.38, s.2)

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45 4. This act shall take effect immediately.

STATEMENT

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Currently, State employees, as well as employees of a county, have the option to designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. This bill makes direct deposit mandatory, unless an exemption is granted, for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county to provide for mandatory deposit of its employees' net pay by an ordinance or resolution adopted on or after that date.

Additionally, the bill provides that the State Treasurer or the county governing body, as appropriate, will make available for all employees who have net pay directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 2090

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2012

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 2090.

Currently, State employees, as well as employees of a county or municipality that has chosen to offer the option, may designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. This bill makes direct deposit mandatory, for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county to provide for mandatory direct deposit of its employees' net pay by an ordinance or resolution adopted on or after that date. The bill allows these entities to grant exemptions. Additionally, the bill provides that the State Treasurer or the county governing body, as appropriate, will make available for all employees who have net pay directly deposited any information concerning net pay, accompanying information, and W-2 forms, only on the Internet. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

As amended by the committee, the bill also allows the governing body of a municipality, the board of education of a local school district, and the governing body of a county college, on or after July 1, 2014, to opt to mandate direct deposit of its employees' net pay unless an exemption is granted. As amended, the bill allows the State, a county, a county college, a municipality, or a school district to also specifically exempt seasonal or temporary employees from the direct deposit requirement, and clarifies that providing W-2 forms to employees on the Internet must be done in compliance with applicable federal law.

As amended by the committee, this bill is identical to Assembly, No. 720 (3R) which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to permit the governing body of a municipality, the board of education of a local school district, and the governing body of a county college, on or after July 1, 2014, to opt to mandate direct deposit of its employees' net pay unless an exemption is granted. The amendments also allow the State, a county, a county college, a municipality, or a school district to specifically exempt seasonal or temporary employees from the direct deposit requirement, and clarify that providing W-2 forms to employees on the Internet must be in compliance with applicable federal law.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2090

STATE OF NEW JERSEY

DATED: DECEMBER 17, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2090 (1R).

This bill makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, municipality, the board of education of a local school district, and the governing body of a county college, on or after July 1, 2014, to opt to mandate direct deposit of its employees' net pay. The bill allows the State, a county, a county college, a municipality, or a school district to grant an exemption from the direct deposit requirement on such terms and conditions as they may deem necessary, and specifically exempt seasonal or temporary employees from the direct deposit requirement. The bill clarifies that providing any information concerning net pay, accompanying information and W-2 forms to employees must be done in compliance with applicable federal law, and must be available only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information.

Currently, State employees, as well as employees of a county or municipality that has chosen to offer the option, may designate in writing a specific banking institution and a checking account, savings account, or share account for receipt of direct deposit of the employee's net pay. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

As reported, this bill identical to Assembly Bill No. 720 (3R) as also reported by the committee.

FISCAL IMPACT:

According to the Office of Management and Budget (OMB), it is difficult to quantify the savings that will accrue as a result of this bill, as the State has already developed and implemented a mandatory direct deposit program for its employees from which savings have already been realized. As of December 2012, approximately 74 percent of the State's employees are enrolled in the direct deposit

program and are receiving their paystubs, accompanying information, and W-2s on the Internet. Of the remaining 26 percent who are not enrolled in direct deposit, there is an unknown number to whom this bill's direct deposit requirement will not apply, because they are seasonal or temporary employees or will be otherwise exempted.

A fiscal note provided by the Executive for an earlier version of this bill, Assembly Bill No. 720 (1R) of 2012, estimated savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014 net of information technology costs. These savings were based on a savings rate of 27 cents per direct deposit paycheck. OMB indicates that savings per direct deposit pay check is currently closer to 29 cents per pay check.

Finally, it is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2090 STATE OF NEW JERSEY 215th LEGISLATURE

DATED: JANUARY 4, 2013

SUMMARY

- Synopsis:** Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, county college, municipality, and local school district to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014.
- Type of Impact:** Expenditure Decrease to the State General Fund and local government funds.
- Agencies Affected:** The Office of Information Technology and the Office of Management and Budget in the Department of the Treasury; local government entities and boards of education.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
State Savings	Indeterminate – See comments below		
Local Savings	Indeterminate – See comments below		

- According to the Office of Management and Budget (OMB) in the Department of the Treasury, the Executive Branch has been developing and implementing a mandatory direct deposit program for its employees from which savings are already being realized. As of December 2012, approximately 74 percent of the State's employees are enrolled in the direct deposit program and are receiving their paystubs, accompanying information, and W-2s on the Internet. Because the Department of the Treasury is already realizing savings, it is very difficult to quantify savings that would be realized beginning January 1, 2014.
- This bill makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, county college, municipality, or school district to provide for mandatory direct deposit of its employees' net pay on or after that date. The bill provides a specific exemption to mandatory direct deposit of net pay for seasonal and temporary employees. The bill clarifies that employee W-2 forms

and accompanying compensation information will be provided to employees on the Internet only and in accordance with federal law.

- A previous fiscal note provided by the Executive estimated savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014, net of information technology costs. The OMB now indicates that since that estimate was done, implementation has gone faster than anticipated, the savings per direct deposit have increased from 27 cents to 29 cents, and that their supplemental payroll direct deposit costs will be reduced as a result of contract negotiations.
- It is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

BILL DESCRIPTION

Senate Bill No. 2090 (1R) of 2012 makes direct deposit mandatory for all State employees for compensation paid on and after July 1, 2014, and allows the governing body of a county, county college, municipality, or school district to provide for mandatory direct deposit of its employees' net pay on or after that date. However, the bill allows these entities to grant exemptions. For example, the State Treasurer, and the governing body of a county, county college, municipality, or school district is authorized to grant an exemption to mandatory direct deposit of net pay for employees who are seasonal and temporary. Additionally, the bill provides that the State Treasurer and any county, county college, municipality, or school district, as appropriate, will make available for all employees who have net pay directly deposited, any information concerning net pay and W-2 forms, only on the Internet and in accordance with applicable federal law. The requirements in this bill with regard to direct deposit and accompanying information will also apply to all State entities that do not use the State centralized payroll system, including public institutions of higher education.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

According to the OMB, it is very difficult to quantify the savings that will accrue as a result of this bill. Although direct deposit has been available to State employees, at the employees' written request, since 1981, the requirement for all State employees to use direct deposit came out of a recommendation by the Office of the State Auditor in the July 2011 audit report, Department of the Treasury, Office of Management and Budget Selected Programs. The audit report estimated that "going green could save the State \$1.1 million annually." Since that time, the Executive Branch has been developing a mandatory direct deposit program for its employees and implementing it in two phases for which savings are already being realized. Phase one,

which has concluded, was the automatic enrollment of State employees in the direct deposit program. Phase two is providing all employees with net pay information and W-2 forms via the Internet only and in accordance with federal law. As of December 2012, phase two is nearly complete. Approximately 74 percent of the State's employees are enrolled in direct deposit and are currently receiving their paystubs, accompanying information and W-2s via the Internet. Because the Department of the Treasury is already realizing savings, it is very difficult to quantify savings that would be realized beginning January 1, 2014. A previous fiscal note provided by the Executive estimate savings to the State of \$61,963 in FY 2012, \$232,851 in FY 2013, and \$248,851 in FY 2014 net of information technology costs. These savings were based on a savings rate of 27 cents per direct deposit paycheck. The OMB indicates that savings per direct deposit pay check is currently closer to 29 cents. Additional savings may be realized because the cost to implement direct deposit of supplemental payrolls has been reduced as a result of contract negotiations. The American Federation of State, County, and Municipal Employees (AFSCME) and the Police Benevolent Association contracts are no longer requiring the State to issue separate supplemental pay checks for overtime, thereby reducing the payroll workload by 200,000 separate direct deposits per year.

It is not possible to estimate the savings to local government entities because each local government entity has discretion under the bill and no statewide data system exists to collect, sort, and analyze local compensation data.

Section: State Government

*Analyst: Kimberly McCord Clemmensen
Senior Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

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Governor Chris Christie Takes Action on Pending Legislation

Thursday, March 14, 2013 Tags: [Bill Action](#)

Trenton, NJ – Today, Governor Chris Christie signed commonsense legislation into law to save taxpayer dollars and produce less waste by requiring all state employees to utilize direct deposit rather than paper checks beginning July 1, 2014. At present, State of New Jersey employees are able to opt-in voluntarily to receive their compensation via direct deposit. Likewise, the new law will allow local governments to achieve this same type of savings by allowing counties, county colleges, municipalities, and school districts to opt for mandatory direct deposit payment for their employees.

Bill Signed:

A-720/S-2090 (Ramos, Milam, Wagner, Quijano, Moriarty/Gordon, Oroho) - Requires direct deposit for all State employee compensation on and after July 1, 2014; allows county, county college, municipality, and local school district to opt for mandatory direct deposit for all employee compensation on or after July 1, 2014

###

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