SENATE, No. 3158

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:
Senator NICHOLAS P. SCUTARI
District 22 (Somerset and Union)
Senator KRISTIN M. CORRADO
District 40 (Bergen, Essex and Passaic)

SYNOPSIS

Requires State to provide recipients of State tax refunds, unemployment insurance benefits and State employee compensation certain payment options.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning certain payments made by the State, supplementing Title 52 of the Revised Statutes, Title 43 of the Revised Statutes and Title 54 of the Revised Statutes.

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

1. Whenever any person holding public office, position or employment, whose compensation is paid by this State or by any board, body, agency, authority or commission thereof, hereinafter referred to as "employee," shall indicate in writing to the proper disbursing officer his desire to have his net pay issued in the form of a paper check, the State Treasurer shall disburse the employee's net pay in the form indicated by the employee. The requirements of this section shall also be applicable to all State entities that do not utilize the State centralized payroll system, including public institutions of higher education.

2. a. The Division of Unemployment and Temporary Disability Insurance of the Department of Labor and Workforce Development shall provide to any claimant, upon filing a claim for benefits, written notice of benefit payment options, which shall include prepaid debit card, direct deposit, and paper check. The written notice shall require a claimant's signature, to be kept on record by the division, in order to designate his benefit payment method as prepaid debit card, direct deposit, or paper check.

b. The division shall afford a claimant the opportunity to change his benefit payment option at any time. The written notice, required pursuant to subsection a. of this section, shall also serve as the form upon which a claimant may change his benefit payment option. The written notice shall require a claimant's signature, to be kept on record by the division, in order to change his designated benefit payment option.

c. Any claimant who has filed a claim for benefits and is either awaiting a determination by the division or is currently receiving benefits as of the effective date of this section shall be provided written notice pursuant to subsection a. of this section within 30 days of that date and shall be afforded the opportunity to change his benefit payment option pursuant to subsection b. of this section.

3. Notwithstanding any other law, rule or regulation to the contrary, the Director of the Division of Taxation shall provide a taxpayer due a refund of any State tax the option of receiving the refund in the form of a paper check.

4. This act shall take effect immediately.

STATEMENT

This bill requires certain State payments to be made available to recipients in the form of a paper check. Under the bill, the appropriate state agencies are required to provide State employees, taxpayers, and unemployment insurance (UI) benefit claimants the option to receive their payment in the form of a paper check.

With respect to UI benefit payments, the bill requires the Division of Unemployment and Temporary Disability Insurance to provide UI claimants with written notice of benefit payment options. The written notice requires a claimant's signature designating his benefit payment method as prepaid debit card, direct deposit, or paper check.

The Department of Labor and Workforce Development has already entered a partnership with Bank of America to provide debit card accounts to UI claimants. Beginning November 1, 2010, the department began automatically converting claimants who receive benefits by paper check to prepaid debit cards. At this time, paper checks are no longer issued to claimants. Currently, a claimant will automatically receive a debit card, unless he chooses to register for direct deposit. This bill ensures that claimants may opt to receive benefit payments in the form of a paper check as an alternative to prepaid debit cards or direct deposit.

With respect to State employee compensation, the bill requires the State Treasurer to disburse a State employee's net pay in the form indicated in writing by the employee. If an employee indicates, in writing to the proper disbursing officer, his desire to have his net pay disbursed in the form of a paper check the State Treasurer shall disburse the employee's net pay in the form indicated by the employee. This provision would apply to all State entities, including any person holding public office, position or employment, whose compensation is paid by the State or by any board, body, agency, authority or commission thereof, whether or not the entity is part of the State centralized payroll system including public institutions of higher education.

The bill also provides that the Director of the Division of Taxation shall provide a taxpayer due a refund of any State tax payment the option of receiving the refund in the form of a paper check.