SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 3158

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2026

The Senate Labor Committee reports favorably Senate Bill No. 3158.

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 the 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 the choice is made 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, the desire to have 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.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.