

SENATE, No. 4667

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED SEPTEMBER 28, 2026

Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

Senator JON M. BRAMNICK

District 21 (Middlesex, Morris, Somerset and Union)

SYNOPSIS

Excludes from gross income tax certain student loan matching contributions made by employers to certain defined contribution plans.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/1/2026)

1 AN ACT excluding from the gross income tax certain student loan
2 matching contributions to defined contribution plans and
3 supplementing chapter 6 of Title 54A of the New Jersey Statutes.

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

7
8 1. a. Gross income shall not include eligible student loan
9 matching contributions made by an employer on behalf of, and at the
10 election of, an employee to an eligible defined contribution plan.

11 b. For purposes of this section:

12 “Eligible defined contribution plan” means a retirement savings
13 account qualified under subsection (b) of section 403 of the federal
14 Internal Revenue Code, 26 U.S.C. s.403(b); subsection (p) of section
15 408 of the federal Internal Revenue Code, 26 U.S.C. s.408(p); or
16 subsection (b) of section 457 of the federal Internal Revenue Code,
17 26 U.S.C. s.457(b).

18 “Eligible student loan matching contribution” means a
19 contribution made by an employer to the eligible defined contribution
20 plan of an employee that makes a qualified student loan payment,
21 which contribution is made based on all or part of the amount of the
22 qualified student loan payment.

23 “Qualified student loan” means a loan issued under the New Jersey
24 College Loans to Assist State Students (NJCLASS) Loan Program
25 established pursuant to N.J.S.18A:71C-21.

26 “Qualified student loan payment” means a payment made by an
27 employee in repayment of a qualified student loan.

28
29 2. This act shall take effect immediately and shall apply to
30 taxable years beginning on or after January 1 of the year next
31 following the date of enactment.

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34 STATEMENT

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36 This bill excludes from gross income eligible student loan
37 matching contributions made by an employer on behalf of, and at the
38 election of, an employee to an eligible defined contribution plan.
39 Specifically, the exclusion would be provided for student loan
40 matching contributions based on student loan payments made by an
41 employee for a loan issued under the New Jersey College Loans to
42 Assist State Students (NJCLASS) Loan Program.

43 The bill defines an “eligible student loan matching contribution”
44 as a contribution made by an employer to the eligible defined
45 contribution plan of an employee that makes a qualified student loan
46 payment, which contribution is made based on all or part of the
47 amount of the qualified student loan payment.

1 The bill defines an “eligible defined contribution plan” as either a
2 403(b) account, SIMPLE IRA account, or 457(b) account provided
3 to assist employees with saving for retirement. A 403(b) account is
4 a retirement plan typically offered to employees of public schools
5 and certain 501(c)(3) tax-exempt organizations. A SIMPLE IRA
6 account, also known as a “Savings Incentive Match Plan for
7 Employees Individual Retirement Account,” is a retirement plan
8 opened by a small business on behalf of no more than 100 employees
9 which, in contrast to a traditional individual retirement account,
10 allows contributions by both an employer and employee. A 457(b)
11 account is a retirement savings plan available for employees of
12 certain state and local government, as well as certain tax-exempt non-
13 governmental entities under section 501(c) of the federal Internal
14 Revenue Code.

15 The bill defines a “qualified student loan payment” as a payment
16 made by an employee in repayment of a qualified student loan. A
17 “qualified student loan payment” is defined as a loan issued under
18 the NJCLASS Loan Program. The NJCLASS Loan Program is a
19 supplemental student loan program administered by the Higher
20 Education Student Assistance Authority (HESAA) that may be used
21 by undergraduate and graduate students to pay for various school
22 expenses such as tuition and fees, books, supplies, and room and
23 board.