

SENATE HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 4667

STATE OF NEW JERSEY

DATED: OCTOBER 5, 2026

The Senate Higher Education Committee reports favorably Senate Bill No. 4667.

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

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

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

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