

ORDINANCE NO. 2014 - 17

AN ORDINANCE ESTABLISHING MANDATORY DIRECT DEPOSIT OF NET PAY FOR CITY EMPLOYEES IN SPECIFIC BANKING INSTITUTIONS BASED ON INFORMATION PROVIDED BY SUCH EMPLOYEES.

WHEREAS, P.L. 2013, c. 38, permits municipalities to establish mandatory direct deposit of net pay for employees in specific banking institutions based on information provided by such employees; and

WHEREAS, P.L. 2013, c. 38 also permits municipalities to grant exemptions as deemed necessary, such as for seasonal and temporary employees, for which direct deposit may be impractical; and

WHEREAS, P.L. 2013, c. 38 authorizes municipalities to institute such mandatory direct deposit on or after July 1, 2014; and

WHEREAS, the Business Administrator and City Comptroller have recommended that the governing body of the City of Vineland adopt such mandatory direct deposit for employees as authorized by P.L. 2013, c. 38; and

WHEREAS, such mandatory direct deposit is intended to cut costs associated with paper checks and would make direct deposit a non-negotiable issue under the New Jersey Employer Employee Relations Act.

WHEREAS, to this end, the Council of the City of Vineland desires to make direct deposit mandatory as authorized by P.L. 2013, c. 38.

NOW THEREFORE BE IT ORDAINED, by the Council of the City of Vineland that:

1. Mandatory direct deposit of net pay is hereby established for all City of Vineland employees in specific banking institutions based on information provided by such employees, except for those temporary employees as stated herein.
2. "Net Pay" shall include weekly pay and other forms of payment, including but not limited to, retroactivity of wages, clothing and uniform allowances, health benefit buyouts, compensatory time buyouts and final payments to employees separating employment, etc.
3. The City may exempt certain temporary employees from the requirements of this ordinance due to the impracticality of direct deposit for such temporary work.
4. Any ordinance or provision thereof inconsistent with the provisions of this ordinance is hereby repealed to the extent of such inconsistencies.
5. This ordinance shall take effect after final approval and publication as required by law, but in no event shall this ordinance take effect prior to June 30, 2014.

Passed first reading:

Passed final reading:

\_\_\_\_\_  
President of Council

Approved by the Mayor:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

[Third Reprint]  
**ASSEMBLY, No. 720**  

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**STATE OF NEW JERSEY**  
**215th LEGISLATURE**  

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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)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Assemblymen Egan, Caputo, Coutinho, Giblin, Burzichelli,**

**Assemblywoman Mosquera, Assemblymen Prieto, O'Scanlon, Wimberly,**

**Senators Gordon and Oroho**

**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.

**CURRENT VERSION OF TEXT**

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on September 20, 2012, with amendments.



(Sponsorship Updated As Of: 12/21/2012)

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1 AN ACT concerning the use of direct deposit for <sup>1</sup>[all]<sup>1</sup> State  
2 <sup>2</sup>[and],<sup>2</sup> county<sup>1</sup> <sup>3</sup>, county college<sup>3</sup> <sup>2</sup>, municipal, and school  
3 district<sup>2</sup> employee compensation and amending P.L.1981, c.385  
4 'and P.L.1987, c.38<sup>1</sup> <sup>2</sup>and supplementing P.L.1981, c.385  
5. (C.52:14-15a et seq.)<sup>2</sup>.  
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. <sup>3</sup>The State  
26 Treasurer is authorized to grant an exemption for seasonal and  
27 temporary employees as the State Treasurer may deem necessary.<sup>3</sup>

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 <sup>3</sup>in  
34 accordance with applicable federal law<sup>3</sup>, only on the Internet with  
35 restricted access and policies and procedures to protect the integrity  
36 and confidentiality of the information.

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

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

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:

<sup>1</sup>Assembly ASG committee amendments adopted June 14, 2012.

<sup>2</sup>Assembly floor amendments adopted June 21, 2012.

<sup>3</sup>Senate SSG committee amendments adopted September 20, 2012.

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

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

8       With respect to compensation paid on and after July 1, 2014,  
9 withdrawal of written designation shall be prohibited, unless the  
10 State Treasurer or appropriate officer grants an exemption to this  
11 prohibition as deemed necessary.  
12 (cf. P.L.1981, c.385, s.4)

13

14       <sup>1</sup>3. Section 2 of P.L.1987, c.38 (C.52:14-15f) is amended to read  
15 as follows:

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

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

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

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

11  
12 <sup>2</sup>4. (New section) On or after July 1, 2014, the board of  
13 education of every local school district may <sup>3</sup>determine to<sup>3</sup> have net  
14 pay for all employees directly deposited in a specific banking  
15 institution in a checking account, savings account, or share account  
16 designated in writing by the employee. If the board provides for  
17 such direct deposit, compliance by an employee shall be mandatory  
18 <sup>3</sup>[, except for seasonal and temporary employees]. The board is  
19 authorized to grant an exemption from the requirements adopted  
20 pursuant to this section on such terms and conditions as the board  
21 may deem necessary. The board is authorized to grant an  
22 exemption for seasonal and temporary employees as the board may  
23 deem necessary.<sup>3</sup> The board shall make available for such  
24 employees who have net pay directly deposited as described in this  
25 section all information concerning net pay, any accompanying  
26 information approved for distribution with net pay, and W-2 forms  
27 in accordance with applicable federal law, only on the Internet with  
28 restricted access and policies and procedures to protect the integrity  
29 and confidentiality of the information. As used in this section,  
30 “local school district” shall have the meaning set forth in section 3  
31 of P.L.1991, c.393 (C.18A:12-23).<sup>2</sup>

32  
33 <sup>3</sup>5. (New section) On or after July 1, 2014, the board of trustees  
34 of a county college may determine to have net pay for all employees  
35 directly deposited in a specific banking institution in a checking  
36 account, savings account, or share account designated in writing by  
37 the employee. If the board provides for such direct deposit,  
38 compliance by an employee shall be mandatory. The board is  
39 authorized to grant an exemption from the requirements adopted  
40 pursuant to this section on such terms and conditions as the board  
41 may deem necessary. The board is authorized to grant an exemption  
42 for seasonal and temporary employees as the board may deem  
43 necessary. The board shall make available for such employees who  
44 have net pay directly deposited as described in this section all  
45 information concerning net pay, any accompanying information  
46 approved for distribution with net pay, and W-2 forms in  
47 accordance with applicable federal law, only on the Internet with

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1 restricted access and policies and procedures to protect the integrity  
2 and confidentiality of the information. As used in this section,  
3 “county college” shall have the meaning set forth in N.J.S.  
4 18A:64A-1, and “board of trustees” shall mean such boards  
5 established under N.J.S.18A:64A-8.<sup>3</sup>

6

7 <sup>1</sup>[3.]<sup>2</sup>[4.]<sup>3</sup>[5.]<sup>6</sup> This act shall take effect immediately.