

ASSEMBLY, No. 776

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

Assemblywoman MILA M. JASEY

District 27 (Essex and Morris)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Co-Sponsored by:

Assemblymen Giblin, S.Kean, Holley, Assemblywoman McKnight,

Assemblymen Coughlin, Benson, Assemblywoman Chaparro,

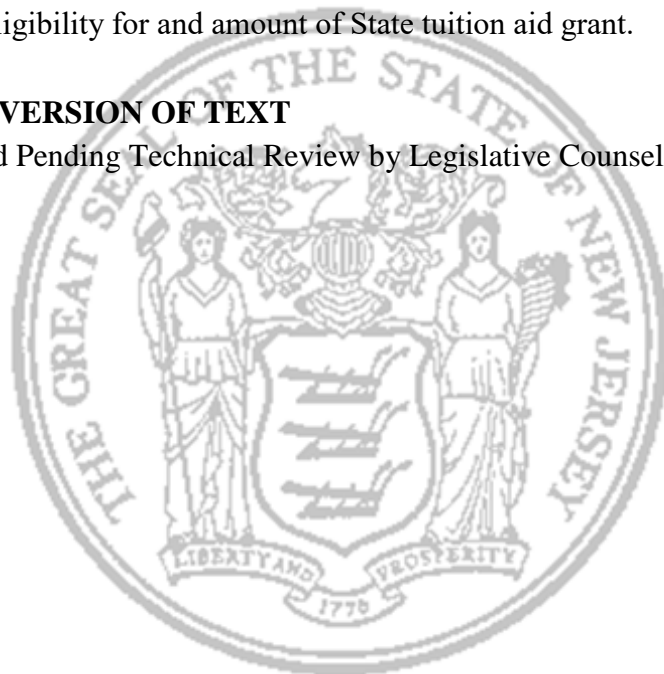
Assemblyman Johnson and Assemblywoman Tucker

SYNOPSIS

Excludes amount of certain early withdrawals from qualified retirement plans in determination by Higher Education Student Assistance Authority of applicant's eligibility for and amount of State tuition aid grant.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the State Tuition Aid Grant Program and
2 supplementing chapter 71B of Title 18A of the New Jersey
3 Statutes.

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

7
8 1. The Higher Education Student Assistance Authority shall
9 solicit from a financial aid applicant, information on whether he
10 received an early withdrawal from a qualified retirement plan under
11 the Internal Revenue Code of 1986, such as an individual retirement
12 account or a 401(k) plan, and the amount thereof. If an early
13 withdrawal was received, the amount of the early withdrawal, less
14 the amount of any federal income tax credit claimed by the
15 applicant for a tax penalty assessed on the early withdrawal, shall
16 be deducted from the adjusted gross income utilized by the
17 authority to determine the applicant's eligibility for, and the amount
18 of, a State tuition aid grant. This exclusion shall only be permitted
19 if the applicant provides documentation that the early withdrawal
20 was taken due to an economic hardship, as determined by the
21 authority.

22
23 2. This act shall take effect immediately.

24
25
26 STATEMENT

27
28 This bill requires the Higher Education Student Assistance
29 Authority (HESAA) to solicit from an applicant for financial
30 assistance, information on whether he received an early withdrawal
31 from a qualified retirement plan under the Internal Revenue Code,
32 such as an individual retirement account or a 401(k) plan, and the
33 amount of the early withdrawal. If the applicant took an early
34 withdrawal, the amount of the early withdrawal, less the amount of
35 any federal income tax credit claimed by the applicant for a tax
36 penalty assessed on the early withdrawal, will be deducted from the
37 adjusted gross income utilized by HESAA to determine the
38 applicant's eligibility for, and the amount of, a State tuition aid
39 grant. This exclusion will only be permitted if the applicant
40 provides documentation that the early withdrawal was taken due to
41 an economic hardship, as determined by HESAA.