

ASSEMBLY, No. 737

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen GREGG and KRAMER

1 AN ACT concerning medical support coverage pursuant to a child
2 support order and amending P.L.1981, c.417.

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

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7 1. Section 5 of P.L.1981, c.417 (C.2A:17-56.11) is amended to
8 read as follows:

9 5. An income withholding made under this act and provisions for
10 medical support coverage shall be binding upon the payor and
11 successor payors immediately after service upon the payor by the
12 probation department of a copy of the income withholding and an
13 order for the provision of medical support coverage, by registered or
14 certified mail with return receipt requested until further order. The
15 payor is to pay the withheld amount to the probation department at the
16 same time the obligor is paid. The payor shall implement withholding
17 and the provisions for medical support coverage no later than the first
18 pay period that ends immediately after the date the notice was
19 postmarked. For each payment, other than payment received from the
20 unemployment compensation fund, the payor may receive \$1.00, which
21 shall be deducted from the obligor's income in addition to the amount
22 of the support order.

23 Notice to the payor shall include, but not be limited to, instructions
24 for the provisions for medical support coverage, the amount to be
25 withheld from the obligor's income and a statement that the amount
26 actually withheld for support and other purposes may not be in excess
27 of the maximum amount permitted under section 303 (b) of the federal
28 Consumer Credit Protection Act (15 U.S.C.§1673 (b)); that the payor
29 shall send the amount to the probation department at the same time the
30 obligor is paid, unless the probation department directs that payment
31 be made to another individual or entity; that the payor may deduct a
32 fee of \$1.00 in addition to the amount of the support order except

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 when the payment is received from the unemployment compensation
2 fund; that withholding is binding on the payor until further notice by
3 the probation department; that the payor is subject to a fine for
4 discharging an obligor from employment, refusing to employ, or taking
5 disciplinary action against an obligor because of the withholding; that
6 if the payor fails to take appropriate action with regard to the
7 provisions for medical support coverage or withhold wages in
8 accordance with the provisions of the notice, the payor is liable for
9 [any medical expenses incurred by the children subject to the
10 provisions for medical support coverage and] any amount up to the
11 accumulated amount the payor should have withheld from the obligor's
12 income; that the withholding shall have priority over any other legal
13 process under State law against the same wages; that the payor may
14 combine withheld amounts from the obligor's wages in a single
15 payment to each appropriate agency requesting withholding and
16 separately identify the portion of the single payment which is
17 attributable to each individual obligor; that if there is more than one
18 support order for withholding against a single obligor, the payor shall
19 withhold the payments on a pro rata basis to fully comply with the
20 support orders, to the extent that the total amount withheld does not
21 exceed the limits imposed under section 303 (b) of the federal
22 Consumer Credit Protection Act (15 U.S.C. §1673 (b)); that the payor
23 shall implement withholding no later than the first pay period that ends
24 immediately after the date the notice was postmarked; and that the
25 payor shall notify the probation department promptly upon the
26 termination of the obligor's employment benefits and provide the
27 obligor's last known address and the name and address of the obligor's
28 new payor, if known.

29 (cf: P.L.1995, c.58, s.3)

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31 2. This act shall take effect immediately.

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STATEMENT

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36 This amendment removes an employer's liability for medical
37 expenses incurred by the child of a child support obligor, which was
38 included in the income withholding provisions of P.L.1981, c.417
39 (C.2A:17-56.7 et seq.) by an amendment to that law under P.L.1995,
40 c.58 (Senate Bill No. 1308 of 1994). The bill leaves intact the
41 provisions of P.L.1995, c.58 which require an employer to enforce the
42 health insurance coverage obligations of a child support oligor whom
43 he employs.

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3 Removes an employer's liability for medical expenses incurred by the
4 child of a child support obligor.