

P.L. 1997, CHAPTER 35, *approved March 7, 1997*

Assembly, No. 2335

1 **AN ACT** allowing certain withholdings from wages and amending
2 P.L.1965 c. 173.

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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 4 of P.L.1965, c.173 (C.34:11-4.4) is amended as
8 follows:

9 4. No employer may withhold or divert any portion of an
10 employee's wages unless:

11 a. The employer is required or empowered to do so by New Jersey
12 or United States law; or

13 b. The amounts withheld or diverted are for:

14 (1) Contributions authorized either in writing by employees, or
15 under a collective bargaining agreement, to employee welfare,
16 insurance, hospitalization, medical or surgical or both, pension,
17 retirement, and profit-sharing plans, and to plans establishing
18 individual retirement annuities on a group or individual basis, as
19 defined by section 408 (b) of the federal Internal Revenue Code of
20 **[1954 as amended] 1986** (26 U.S.C.408(b)), or individual retirement
21 accounts at any State or federally chartered bank, savings bank, or
22 savings and loan association, as defined by section 408 (a) of the
23 federal Internal Revenue Code of **[1954, as amended] 1986** (26
24 U.S.C.408(a)), for the employee, his spouse or both.

25 (2) Contributions authorized either in writing by employees, or
26 under a collective bargaining agreement, for payment into
27 company-operated thrift plans; or security option or security purchase
28 plans to buy securities of the employing corporation, an affiliated
29 corporation, or other corporations at market price or less, provided
30 such securities are listed on a stock exchange or are marketable over
31 the counter.

32 (3) Payments authorized by employees for payment into employee
33 personal savings accounts, such as payments to a credit union, savings
34 fund society, savings and loan or building and loan association; and

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 payments to banks for Christmas, vacation, or other savings funds;
2 provided all such deductions are approved by the employer.

3 (4) Payments for company products purchased in accordance with
4 a periodic payment schedule contained in the original purchase
5 agreement; payments for employer loans to employees, in accordance
6 with a periodic payment schedule contained in the original loan
7 agreement; payments for safety equipment; payments for the purchase
8 of United States Government bonds; and payments to correct payroll
9 errors; provided all such deductions are approved by the employer.

10 (5) Contributions authorized by employees for organized and
11 generally recognized charities; provided the deductions for such
12 contributions are approved by the employer.

13 (6) Payments authorized by employees or their collective
14 bargaining agents for the rental of work clothing or uniforms or for the
15 laundering or dry cleaning of work clothing or uniforms; provided the
16 deductions for such payments are approved by the employer.

17 (7) Labor organization dues and initiation fees, and such other
18 labor organization charges permitted by law.

19 (8) Contributions authorized in writing by employees, pursuant to
20 a collective bargaining agreement, to a political committee, continuing
21 political committee, or both, as defined in section 3 of P.L.1973, c.83
22 (C.19:44A-3), established by the employees' labor union for the
23 purpose of making contributions to aid or promote the nomination,
24 election or defeat of any candidate for a public office of the State or
25 of a county, municipality or school district or the passage or defeat of
26 any public question, subject to the conditions specified in section 2 of
27 P.L.1991, c.190 (C.34:11-4.4a).

28 (9) Contributions authorized in writing by employees to any
29 political committee or continuing political committee, other than a
30 committee provided for in paragraph (8) of this subsection, for the
31 purpose of making contributions to aid or promote the nomination,
32 election or defeat of any candidate for a public office of the State or
33 of a county, municipality or school district or the passage or defeat of
34 any public question, subject to the conditions specified in section 2 of
35 P.L.1991, c.190 (C.34:11-4.4a); in making a payroll deduction
36 pursuant to this paragraph the administrative expenses incurred by the
37 employer shall be borne by such committee, at the option of the
38 employer.

39 (10) Payments authorized by employees for employer-sponsored
40 programs for the purchase of insurance or annuities on a group or
41 individual basis, if otherwise permitted by law.

42 ~~[(10)]~~ (11) Such other contributions, deductions and payments as
43 the Commissioner of Labor may authorize by regulation as proper and
44 in conformity with the intent and purpose of this act, if such
45 deductions are approved by the employer.

46 (cf: P.L.1991, c.190, s.1.)

1 2. This act shall take effect immediately.

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STATEMENT

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6 This bill would allow employees to authorize employers to withhold
7 payments from their wages for employer-sponsored group or
8 individual insurance or annuity programs. Currently this type of
9 withholding is not among those statutorily authorized. This bill
10 amends the statute listing permissible types of wage withholding to
11 include payments for employer-sponsored insurance or annuities.

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16 Allows employers to withhold from wages employee-authorized
17 payments for purchase of insurance or annuities in employer-sponsored
18 programs.