

[First Reprint]
SENATE, No. 842

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senators CONNORS and BUBBA

1 AN ACT concerning the garnishment of ¹[public retirement system] the
2 retirement allowance or pension¹ contributions of certain convicted
3 public employees¹[,] and¹ amending various parts of the statutory
4 law ¹[and supplementing Title 43 of the Revised Statutes]¹.

5

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

8

9 1. N.J.S.18A:66-51 is amended to read as follows:

10 18A:66-51. The right of a person to a pension, an annuity, or a
11 retirement allowance, to the return of contributions, any benefit or
12 right accrued or accruing to a person under the provisions of this
13 article, and the moneys in the various funds created under this
14 article[,];

15 a. shall be exempt from any State or municipal tax and from levy
16 and sale, garnishment, attachment or any other process arising out of
17 any State or Federal court, except that ¹[there shall be transferred to
18 the State or other public employer, upon the filing of an application
19 therefor, from the accumulated deductions together with regular
20 interest standing to the credit of a member's individual account in the
21 annuity savings fund] the State or other public employer shall be
22 entitled to the enforcement of an order of garnishment against the
23 withdrawal of any contributions by, or the payment of a retirement
24 allowance to, a member or beneficiary in¹ the amount of a money
25 judgment obtained by the State or other public employer and rendered
26 against that member if convicted of an offense under the provisions of
27 chapter 27 of Title 2C of the New Jersey Statutes, or any other offense
28 involving a theft or misuse of public funds, or any attempt or
29 conspiracy to commit any such offense. Such judgment may include
30 the cost of prosecution as well as the amount of restitution ordered;
31 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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SSG committee amendments adopted June 20, 1996.

1 b. except as hereafter in this section and as in this article otherwise
2 provided, shall be unassignable.

3 Nothing in this section shall prohibit any person insured under a
4 group insurance policy, pursuant to an arrangement among the
5 insured, the group policyholder and the insurer, from making to any
6 person other than his employer, a gift assignment of the rights and
7 benefits conferred on him by any provision of such policy or by law
8 including specifically but not by way of limitation the right to exercise
9 the conversion privilege and the right to name a beneficiary. Any such
10 assignment, whether made before or after the effective date of this act,
11 shall entitle the insurer to deal with the assignee as the owner of all
12 rights and benefits conferred on the insured under the policy in
13 accordance with the terms of the assignment.

14 (cf: P.L.1969, c.98, s.1)

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16 2. Section 41 of P.L.1973, c.140 (C.43:6A-41) is amended to read
17 as follows:

18 41. The right of a person to a pension, retirement allowance or any
19 benefit or right accrued or accruing to a person under the provisions
20 of this act and the moneys in the various funds created under this
21 act[.]:

22 a. shall be exempt from any State or municipal tax and from levy
23 and sale, garnishment, attachment or any other process arising out of
24 any State or federal court, except that ¹[there shall be transferred to
25 the State or other public employer, upon the filing of an application
26 therefor, from the accumulated deductions together with regular
27 interest standing to the credit of a member's individual account in the
28 annuity savings fund] the State or other public employer shall be
29 entitled to the enforcement of an order of garnishment against the
30 withdrawal of any contributions by, or the payment of a retirement
31 allowance to, a member or beneficiary in¹ the amount of a money
32 judgment obtained by the State or other public employer and rendered
33 against that member if convicted of an offense under the provisions of
34 chapter 27 of Title 2C of the New Jersey Statutes, or any other offense
35 involving a theft or misuse of public funds, or any attempt or
36 conspiracy to commit any such offense. Such judgment may include
37 the cost of prosecution as well as the amount of restitution ordered;
38 and[.]

39 b. except as hereinafter in this section and as in this act otherwise
40 provided, shall be unassignable.

41 Nothing in this section shall prohibit any person insured under a
42 group insurance policy, pursuant to an arrangement among the
43 insured, the group policyholder and the insurer, from making to any
44 person other than his employer, a gift assignment of the rights and
45 benefits conferred on him by any provision of such policy or by law
46 including specifically but not by way of limitation the right to exercise

1 the conversion privilege and the right to name a beneficiary. Any such
2 assignment, whether made before or after the effective date of this act,
3 shall entitle the insurer to deal with the assignee as the owner of all
4 rights and benefits conferred on the insured under the policy in
5 accordance with the terms of the assignment.

6 (cf: P.L.1981, c.470, s.21)

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8 3. Section 53 of P.L.1954, c.84 (C.43:15A-53) is amended to read
9 as follows:

10 53. The right of a person to a pension, an annuity, or a retirement
11 allowance, to the return of contributions, any benefit or right accrued
12 or accruing to a person under the provisions of this act and the moneys
13 in the various funds created under this act[.]:

14 a. shall be exempt from any State or municipal tax and from levy
15 and sale, garnishment, attachment or any other process arising out of
16 any State or Federal court, except that ¹[there shall be transferred to
17 the State or other public employer, upon the filing of an application
18 therefor, from the accumulated deductions together with regular
19 interest standing to the credit of a member's individual account in the
20 annuity savings fund] the State or other public employer shall be
21 entitled to the enforcement of an order of garnishment against the
22 withdrawal of any contributions by, or the payment of a retirement
23 allowance to, a member or beneficiary in¹ the amount of a money
24 judgment obtained by the State or other public employer and rendered
25 against that member if convicted of an offense under the provisions of
26 chapter 27 of Title 2C of the New Jersey Statutes, or any other offense
27 involving a theft or misuse of public funds, or any attempt or
28 conspiracy to commit any such offense. Such judgment may include
29 the cost of prosecution as well as the amount of restitution ordered;
30 and[.]

31 b. except as in this section and in this act otherwise provided, shall
32 be unassignable.

33 Nothing in this section shall prohibit any person insured under a
34 group insurance policy, pursuant to an arrangement among the
35 insured, the group policyholder and the insurer, from making to any
36 person other than his employer, a gift assignment of the rights and
37 benefits conferred on him by any provision of such policy or by law
38 including specifically but not by way of limitation the right to exercise
39 the conversion privilege and the right to name a beneficiary. Any such
40 assignment, whether made before or after the effective date of this act,
41 shall entitle the insurer to deal with the assignee as the owner of all
42 rights and benefits conferred on the insured under the policy in
43 accordance with the terms of the assignment.

44 (cf: P.L.1969, c.98, s.2)

1 4. Section 17 of P.L.1944, c.255 (C.43:16A-17) is amended to
2 read as follows:

3 17. The right of a person to a pension, an annuity, or a retirement
4 allowance, to the return of contributions, any benefit or right accrued
5 or accruing to a person under the provisions of this act and the moneys
6 in the various funds created under this act[.];

7 a. shall be exempt from any State or municipal tax and from levy
8 and sale, garnishment, attachment or any other process, except that
9 ¹[there shall be transferred to the State or other public employer, upon
10 the filing of an application therefor, from the accumulated deductions
11 together with regular interest standing to the credit of a member's
12 individual account in the annuity savings fund] the State or other
13 public employer shall be entitled to the enforcement of an order of
14 garnishment against the withdrawal of any contributions by, or the
15 payment of a retirement allowance to, a member or beneficiary in¹ the
16 amount of a money judgment obtained by the State or other public
17 employer and rendered against that member if convicted of an offense
18 under the provisions of chapter 27 of Title 2C of the New Jersey
19 Statutes, or any other offense involving a theft or misuse of public
20 funds, or any attempt or conspiracy to commit any such offense. Such
21 judgment may include the cost of prosecution as well as the amount of
22 restitution ordered; and

23 b. except as hereinafter in this section and as in this act otherwise
24 provided, shall be unassignable.

25 Nothing in this section shall prohibit any person insured under a
26 group insurance policy, pursuant to an arrangement among the
27 insured, the group policyholder and the insurer, from making to any
28 person other than his employer, a gift assignment of the rights and
29 benefits conferred on him by any provision of such policy or by law
30 including specifically but not by way of limitation the right to exercise
31 the conversion privilege and the right to name a beneficiary. Any such
32 assignment, whether made before or after the effective date of this act,
33 shall entitle the insurer to deal with the assignee as the owner of all
34 rights and benefits conferred on the insured under the policy in
35 accordance with the terms of the assignment.

36 (cf: P.L.1969, c.98, s.3)

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38 5. Section 45 of P.L.1965, c.89 (C.53:5A-45) is amended to read
39 as follows:

40 45. The right of a person to a pension, an annuity, or a retirement
41 allowance, to the return of contributions, any benefit or right accrued
42 or accruing to a person under the provisions of this act and the moneys
43 in the various funds created under this act[.];

44 a. shall be exempt from any State or municipal tax and from levy
45 and sale, garnishment, attachment or any other process arising out of
46 any State or Federal court, except that ¹[there shall be transferred to

1 the State or other public employer, upon the filing of an application
2 therefor, from the accumulated deductions together with regular
3 interest standing to the credit of a member's individual account in the
4 annuity savings fund] the State or other public employer shall be
5 entitled to the enforcement of an order of garnishment against the
6 withdrawal of any contributions by, or the payment of a retirement
7 allowance to, a member or beneficiary in¹ the amount of a money
8 judgment obtained by the State or other public employer and rendered
9 against that member if convicted of an offense under the provisions of
10 chapter 27 of Title 2C of the New Jersey Statutes, or any other offense
11 involving a theft or misuse of public funds, or any attempt or
12 conspiracy to commit any such offense. Such judgment may include
13 the cost of prosecution as well as the amount of restitution ordered;
14 and[,]

15 b. except as hereinafter in this section and as in this act otherwise
16 provided, shall be unassignable.

17 Nothing in this section shall prohibit any person insured under a
18 group insurance policy, pursuant to an arrangement among the
19 insured, the group policyholder and the insurer, from making to any
20 person other than his employer, a gift assignment of the rights and
21 benefits conferred on him by any provision of such policy or by law
22 including specifically but not by way of limitation the right to exercise
23 the conversion privilege and the right to name a beneficiary. Any such
24 assignment, whether made before or after the effective date of this act,
25 shall entitle the insurer to deal with the assignee as the owner of all
26 rights and benefits conferred on the insured under the policy in
27 accordance with the terms of the assignment.

28 (cf: P.L.1969, c.98, s.4)

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30 ¹[6. (New section) If an employee of the State or other public
31 employer has been convicted of an offense under the provisions of
32 chapter 27 of Title 2C of the New Jersey Statutes, or any other offense
33 involving a theft or misuse of public funds, or any attempt or
34 conspiracy to commit any such offense and the amount of the
35 accumulated deductions in an annuity savings fund account standing
36 to the credit of the employee has been reduced by a transfer pursuant
37 to N.J.S.18A:66-51, section 41 of P.L.1973, c.140 (C.43:6A-41),
38 section 53 of P.L.1954, c.84 (C.43:15A-53), section 17 of P.L.1944,
39 c.255 (C.43:16A-17), or section 45 of P.L.1965, c.89 (C.53:5A-45),
40 the annuity portion of the employee's retirement allowance shall be
41 based on the amount of accumulated deductions remaining after such
42 a reduction together with regular interest and the pension amount of
43 the employee's retirement allowance shall be calculated on the basis of
44 all deductions ever credited to the employee in the annuity savings
45 fund together with regular interest and shall not exceed the pension

1 amount to which the employee would have been entitled had the
2 employee's accumulated deductions not been so reduced.]¹

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4 ¹[7.] 6.¹ This act shall take effect immediately.

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9 Allows judgment for restitution of stolen public funds to be levied
10 against convicted employee's retirement allowance or pension
11 contributions.