

	Electric Power Supplier License	[Clean Power Marketer License]	Gas Supplier License	Energy Agent, Private Aggregator, and/or Energy Consultant Registration	[Private Aggregator Registration]
<i>Nonrefundable</i> Initial Application Fee {– Nonrefundable}	\$ 250.00	[\$ 250.00]	\$ 250.00	\$500.00	[\$ 500.00]
Initial License Fee Refunded if license is denied	\$ 1,000.00	[\$ 1,000.00]	\$ 800.00	\$ 0	[\$ 0]
[Renewal] <i>Nonrefundable</i> Annual Information Update Fee {Nonrefundable}	\$ 500.00	[\$ 500.00]	\$ 400.00	\$200.00	[\$ 200.00]

(b) If an applicant applies for more than one license, the applicant shall submit the application fees for both licenses. For example, the application fee for both an electric power supplier license and a [clean power marketer license would be \$ 2,500; and the fee for both an electric power supplier license and a] gas supplier license would be [\$ 2,050] **\$2,300**. Similarly, an applicant that applies for more than one license shall post a surety bond for the sum of the applicable amounts required at N.J.A.C. 14:4-5.4(f). **For registrants, the application fee remains the same if an applicant applies for one, two, or all three registrations. For example, an initial fee for an Energy Agent would be \$500.00 and the initial fee for an Energy Agent and Energy Consultant would be \$500.00 as well.**

14:4-5.13 Enforcement

(a)-(c) (No change.)

(d) Nothing shall limit the authority of the Board to deny, suspend, or revoke a license or registration at any time, consistent with the provisions (P.L. 1999, c. 23 (N.J.S.A 48:3-49 et seq.).

Division of Pensions and Benefits
PO Box 295
Trenton, NJ 08625-0295
DPB.Regulations@treas.nj.gov

The agency proposal follows:

Summary

The Division of Pensions and Benefits (Division) is responsible for promulgating and reviewing the administrative rules for the Judicial Retirement System (JRS), codified at N.J.A.C. 17:10. The State House Commission (Commission) acts as the Board of Trustees for the JRS and has the general responsibility for the proper operation of the JRS. When the Division becomes aware of a court decision or change in the law that could affect the JRS, the administrative rules are reviewed and, if changes are mandated, steps are taken to propose revisions to those rules, so that they conform to the new statute or court decision. Additionally, the rules are periodically reviewed by the Division to ascertain whether current rules are necessary, cost efficient, reflect current procedures of the Division, and maintain qualified plan status in compliance with Federal Internal Revenue Service regulations.

Accordingly, the Commission proposes a number of amendments and a repeal and replacement with a new rule that govern the administration, enrollment and purchases, insurance and death benefits, membership, and retirement within the Judicial Retirement System.

Following is a discussion of the proposed amendments, repeal, and new rules:

Subchapter 1. Administration

At Subchapter 1, the Division proposes to amend N.J.A.C. 17:10-1.5(a), Records, to include a cross-reference to the general rule found at N.J.A.C. 17:1-1.2. Subsection (b) is proposed for amendment to include a member’s telephone number and email address as a part of a member’s confidential file. This proposed amendment is consistent with the practices of other State-administered retirement funds.

Subchapter 1A. Definitions

The Division proposes new N.J.A.C. 17:10-1A, Definitions, to add the following terms: “final salary,” “in the aggregate of public service,” and “judicial service.” “Final salary” was added to mean the salary upon which a member’s Judicial Retirement System pension contributions are based as of the date of his or her retirement. “In the aggregate of public service” was added to mean a member’s total years of both judicial and non-judicial service credit in the Judicial Retirement System. This would include service purchased or inter-fund transferred into the Judicial Retirement System from another State-administered retirement system.

TREASURY—GENERAL

(a)

**DIVISION OF PENSIONS AND BENEFITS
STATE HOUSE COMMISSION
Judicial Retirement System
Disability Retirement Process (P.L. 2019, c. 287)
Proposed Amendments: N.J.A.C. 17:10-1.5, 2.2, 2.3,
2.4, 3.4, 3.5, 4.5, 4.7, 4.9, 5.1, 5.2, 5.4, and 5.10
Proposed Repeal and New Rule: N.J.A.C. 17:10-3.6
Proposed New Rule: N.J.A.C. 17:10-1A**

Authorized By: Judicial Retirement System, Shirlene Scott, Acting Secretary.

Authority: N.J.S.A. 43:6A-29.d.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2020-110.

Submit comments by January 15, 2021, to:

Susanne Culliton
Administrative Practice Officer

“Judicial service” was added to mean a member’s years of service as a judge under the Judicial Retirement System.

Subchapter 2. Enrollment and Purchases

N.J.A.C. 17:10-2.2, Enrollment following deferred retirement, is proposed for amendment to expressly state that a member who has been granted a deferred retirement who becomes a member for a second time, while under the age of 60, shall be reenrolled in the JRS with a new account. N.J.S.A. 43:6A-5.e clearly states that membership in the retirement system shall only cease upon retirement, death, or resignation. Therefore, language has been added to make members aware that if they return to a position eligible for JRS after being granted a deferred retirement, they must be reenrolled with a new account.

N.J.A.C. 17:10-2.3(a), Eligibility for purchase, is proposed for amendment to define what “active service” means. While some other retirement systems have a period of active service after resignation or termination, as noted above, N.J.S.A. 43:6A-5.e requires an immediate end to membership upon retirement. Therefore, only members who are actively contributing to the retirement system are eligible to apply to purchase service credit. Additionally, language was added to specify that after a member separates from service, but does not retire or defer retirement, the member must purchase his or her requested service in a lump sum.

N.J.A.C. 17:10-2.4(a), Optional purchase of eligible service, is proposed for amendment to remove the annual salary or compensation requirement of \$500.00, as this no longer is applicable. Also, a definition of “service” is proposed to clarify, pursuant to N.J.S.A. 43:6A-3, that purchases of service credit are limited to public service for which credit is allowed on the basis of contributions made by the State.

Subchapter 3. Insurance and Death Benefits

N.J.A.C. 17:10-3.4, Survivor benefits, new subsection (c) is proposed to state that when a member dies in active service, interest will accrue up until the date of death and will be paid to the listed beneficiary or the estate.

N.J.A.C. 17:10-3.5, Contributory group life insurance; beneficiary designation, is proposed for amendment to delineate the types of contributory insurance that are available to JRS members. New subsection (a) is proposed to specify the two types of contributory insurance that are available to JRS members (Group Term Life Insurance and Group Variable Life Insurance). The Board also proposes to add new subsection (c), which informs members how to withdraw from contributory life insurance.

Existing N.J.A.C. 17:10-3.6 is proposed for repeal because there exists no statutory requirement for JRS members to provide proof of insurability for non-contributory group life insurance at any point of their membership. The Commission proposes to rename the replacement heading “Death benefits in active service; death benefits in retirement.” The addition of new subsection (a) is needed to fully explain what death benefits are available to survivors of active JRS members, while new subsection (b) pertains to survivors of retired JRS members. At present, Subchapter 3 provides only information regarding the insurance benefits available to JRS members.

Subchapter 4. Membership

At Subchapter 4, the Commission proposes to amend N.J.A.C. 17:10-4.5(a), to correct the cross-reference and define “service.” Under the statute, “service” is more than just time spent in a position. Rather, it includes a second element—the payment by the employer of the required level of contribution to the Judicial Retirement System in relation to that time. Therefore, “service” means public service rendered for which credit is allowed on the basis of contributions made by the State. Additionally, N.J.A.C. 17:10-4.5(b) is proposed for amendment to reflect that purchases of military service are at full cost.

N.J.A.C. 17:10-4.7, Deductions, is proposed to be reworded to reflect similar verbiage already found used in the existing rules for Public Employee’s Retirement System (PERS), at N.J.A.C. 17:2-4.12, the Teachers’ Pension and Annuity Fund (TPAF), at N.J.A.C. 17:3-4.12, and the State Police Retirement System (SPRS), at N.J.A.C. 17:5-3.3. As to subsection (a), the proposed change adds “a full pension and contributory insurance” before “deduction” to clarify what type of deduction is

intended. Additionally, the amendments are intended to clarify that service credit can only be established when deductions are taken. As to subsection (b), the proposed amendments clarify that if wages are sufficient, arrears and loan deductions should be taken, which is the existing Division practice, after the deductions are made as set forth in subsection (a).

N.J.A.C. 17:10-4.9, Withdrawals, is proposed for amendment to remove the reference to interest being added to a member’s accumulated deductions when he or she applies to withdraw from the retirement system. N.J.S.A. 43:6A-11.a clearly states that members only receive their accumulated deductions standing to the credit of their individual account. Also, subsection (b) is to be deleted because, unlike some State-administered retirement systems whose member accounts stay open for two years after separation, JRS membership ends immediately upon retirement, death, or resignation pursuant to N.J.S.A. 43:6A-5.

Subchapter 5. Retirement

N.J.A.C. 17:10-5.1(a)1, Applications, is proposed for amendment to state that applications for retirement cannot be filed more than one year in advance, except when a member files for deferred retirement. This is proposed because it is consistent practice with the Division and is in line with the filing requirements for all other State-administered retirement systems.

N.J.A.C. 17:10-5.2, Effective date, is proposed for amendment to add new subsection (b), containing language consistent with N.J.S.A. 43:6A-9.1 and 9.2, establishing that the State House Commission determines the retirement date.

The Commission proposes to amend N.J.A.C. 17:10-5.4, Deferred retirement, to add new subsection (b) to comply with P.L. 2019, c. 287, signed on January 9, 2020, by Governor Murphy, which permits a member of the JRS to retire and defer receipt of a retirement benefit if appointed county prosecutor by the Governor at the time of retirement.

The heading at N.J.A.C. 17:10-5.10, is proposed to be amended to reflect “Disability retirement process; medical examinations; physicians.” New language is proposed to outline the disability retirement process. The existing paragraph, which relates to medical examinations and physicians, is relocated as the second sentence at paragraph (a)4.

As the Commission has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments, repeal, and new rules at N.J.A.C. 17:10 benefit JRS members, retirees, and their survivors. Members, retirees, survivors of members and retirees, and employers all rely on the efficient operation of the JRS to provide them with the information needed regarding their individual accounts. Members and employers rely upon the publication and clarity of rules governing the JRS to guide the administration of their benefits and maintain the retirement system’s stability.

Economic Impact

The proposed repeal, new rules, and amendments promote the effective and efficient administration of enrollments, retirements, transfers, purchases, withdrawals, and other areas of membership in the JRS. The proposed amendments, repeal, and new rules for JRS members has no negative impact on the retirement system.

Federal Standards Statement

A Federal standards analysis is not required because N.J.S.A. 43:16A-13(7) governs the subject of this rulemaking, and there are no Federal requirements or standards that affect the subject of this rulemaking.

Jobs Impact

Implementation of the proposed amendments, repeal, and new rules will not result in the generation or loss of jobs.

Agriculture Industry Impact

The proposed amendments, repeal, and new rules will not have any impact on the agriculture industry.

Regulatory Flexibility Statement

The rules of the JRS affect members, retirees, survivors of members and retirees, and employers of the JRS. Thus, the proposed amendments, repeal, and new rules do not impose any reporting, recordkeeping, or other compliance requirements upon small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is not required.

Housing Affordability Impact Analysis

The proposed amendments, repeal, and new rules will have no impact on the affordability of housing in New Jersey, nor will they evoke a change in the average costs associated with housing, because the proposed amendments, repeal, and new rules pertain to the administration of the JRS for members, retirees, and survivors of members and retirees, specifically, the disability retirement process and P.L. 2019, c. 287.

Smart Growth Development Impact Analysis

The proposed amendments, repeal, and new rules will not have any impact on the achievement of smart growth; nor will they evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan, because the proposed amendments, repeal, and new rules pertain to administration of the JRS for members, retirees, and survivors of members and retirees, specifically, the disability retirement process and P.L. 2019, c. 287.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Commission has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 1. ADMINISTRATION

17:10-1.5 Records

(a) [The] **In addition to the provisions at N.J.A.C. 17:1-1.2, the approved** minutes of the Commission are a matter of public record and may be inspected during regular business hours in the office of the secretary.

(b) The mailing address[es], **telephone number, or email address of** [all] **any** active [and] **or** retired member[s are] is considered to be a part of the member's confidential files and shall not be released for any purpose.

(c)-(e) (No change.)

SUBCHAPTER 1A. DEFINITIONS

17:10-1A.1 Definitions

The following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

“**Final salary**” means the salary on which a member's Judicial Retirement System pension contributions are based upon as of the date of his or her retirement.

“**In the aggregate of public service**” means a member's total years of both judicial and non-judicial service credit in the Judicial Retirement System. This would include service purchased or inter-fund transferred into the Judicial Retirement System from another State-administered retirement system.

“**Judicial service**” means a member's years of service as a judge under the Judicial Retirement System.

SUBCHAPTER 2. ENROLLMENT AND PURCHASES

17:10-2.2 Enrollment following deferred retirement

[The membership account under which a] **Any** member [elected] **who was granted a** deferred retirement [shall be reinstated, in the case of such member who resumes service prior to the normal retirement age] **who again becomes a member while under the age of 60, shall be reenrolled in the JRS with a new account.**

17:10-2.3 Eligibility for purchase

(a) Only active members of the Judicial Retirement System shall be eligible to make application for purchase of credit. An active member is a member who is contributing to the System. [or who contributed to the System less than two years before the date of the purchase request. Active members who are not currently contributing to the System shall] **After a member separates from service, but does not retire or defer retirement, the member must purchase [their] his or her** requested service in a lump sum.

(b)-(c) (No change.)

17:10-2.4 Optional purchase of eligible service

(a) A member may purchase all, or a portion, of former membership in a New Jersey State-administered retirement system. A member may also purchase service rendered in an office, position, or employment of the State of New Jersey, or of a county, municipality, board of education, or public agency of the State of New Jersey [provided that the annual salary or compensation was at least \$500.00 pursuant to N.J.S.A. 43:6A-14.2]. **“Service” means public service rendered for which pension credit is allowed on the basis of contributions made by the State.**

(b)-(c) (No change.)

SUBCHAPTER 3. INSURANCE AND DEATH BENEFITS

17:10-3.4 Survivor benefits

(a)-(b) (No change.)

(c) **If a member dies in “active” status, a return of contributions plus interest up until the date of death will be paid to the designated beneficiary on file or, if no beneficiary was selected, to the deceased member's estate.**

17:10-3.5 Contributory group life insurance; beneficiary designation

(a) **Contributory Group Life Insurance is an optional insurance plan available at different coverage levels of subsidized coverage, in which the member pays a portion of the premium through regular payroll deductions. Judicial Retirement System members who are not covered by contributory group life insurance may elect to enroll at any later time, but must then provide evidence of insurability. There are two contributory group life insurance plans available to JRS members: Group Term Life Insurance or Group Variable Universal Life Insurance (GVUL). Contributory Group Term Life Insurance coverage ends 31 days after a member ceases judicial service, whether for reasons of retirement, termination of service, or the end of a period of coverage under a leave of absence without pay. This contributory group life insurance plan can be converted to an individual policy, without a medical exam, at a participant's own expense. Contributory GVUL is portable coverage, meaning that it can be continued after retirement or after a member leaves judicial service, at the participant's own cost.**

(b) Members enrolled in the contributory group life insurance (Group Term life insurance or Group Variable Universal Life (GVUL) insurance) must designate their beneficiary or beneficiaries directly with the insurance provider. Any change of beneficiary designation for non-contributory group life insurance filed with the Division of Pensions and Benefits shall not affect the beneficiary designation for the contributory group life insurance.

(c) **Members enrolled in the contributory group life insurance can elect to discontinue the contributory insurance after one year (12 months) following enrollment.**

[17:10-3.6 Proof of insurability; non-contributory and contributory group life insurance

(a) When proof of insurability is required for non-contributory group life insurance, the member's opportunity to prove such insurability shall expire one year (12 months) from the date the initial written notice is sent advising such member that the member must prove insurability by taking a medical examination.

(b) Judicial Retirement System members who are not covered by contributory group life insurance may elect to enroll at any time but must provide evidence of insurability.]

17:10-3.6 Death benefits in active service; death benefits in retirement

(a) Upon an active member's death, an eligible surviving spouse/partner receives a statutory monthly pension benefit equal to 25 percent of the member's final monthly salary; plus 10 percent of the member's final salary if there is one dependent child, or a total of 15 percent if there is more than one dependent child. If there is no surviving spouse/partner, or if the surviving spouse/partner remarries, one dependent child is to receive 15 percent of the member's final salary; two dependent children receive a total of 20 percent and three or more dependent children receive a total of 30 percent of the member's final salary.

(b) Upon a retired member's death, an eligible surviving spouse/partner receives a statutory monthly pension benefit equal to 25 percent of the current monthly salary for the judicial position the member held at retirement, plus 10 percent of the member's final salary if there is one dependent child, or a total of 15 percent to be divided evenly among two or more dependent children. If there is no surviving spouse/partner, or if the surviving spouse/partner dies, remarries, or enters into a civil union, the following benefit is payable to the member's dependent children: 15 percent of the member's final salary to one dependent child; 20 percent of final salary divided evenly between two dependent children; or 30 percent of final salary divided evenly among three or more dependent children.

SUBCHAPTER 4. MEMBERSHIP

17:10-4.5 Purchasing eligible service credit

(a) Only former public service in New Jersey may be purchased for service credit. Former non-Judicial Retirement System service will be calculated pursuant to N.J.S.A. 43:6A-14.2.a. **"Service" means public service rendered for which pension credit is allowed on the basis of contributions made by the State.**

(b) Military service after October 13, 1994, that is rendered after Judicial Retirement System enrollment occurs may be purchased at full cost in accordance with the requirements of the Federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

17:10-4.7 Deductions

(a) A full pension and contributory insurance deduction shall be taken for the JRS in any payroll period in which the member is paid a sufficient amount to make [shall receive credit toward retirement for any payroll period in which] a full normal [pension] deduction [has been received by the retirement system]. **If wages are sufficient, deductions should also be made for any other arrears or loan deductions then in effect.**

[(b) A full deduction is required in all instances where the salary exceeds the amount of normal deduction.]

(b) No deductions shall be taken, nor service credit given, in any pay period for employers who report on a biweekly basis, in which the employee's salary is not sufficient to cover the required deductions for the JRS.

(c) (No change.)

17:10-4.9 Withdrawals

In accordance with the provisions of N.J.S.A. 43:6A-11, and in the event no other benefits are payable, a member of the Judicial Retirement System may apply for and receive the member's accumulated deductions to the Retirement System [plus regular interest] upon the member's withdrawal from the Retirement System and upon the filing of a proper application therefor.

[(b) Interest will not be credited to a member's account beyond two years from the last date of contributions made to the Judicial Retirement System.]

SUBCHAPTER 5. RETIREMENT

17:10-5.1 Applications

(a) Applications for retirement must be made on forms prescribed by the Judicial Retirement System (System):

1. Such forms must be completed in all respects and filed with the **Division for the Judicial Retirement System. Applications for retirement can be filed no more than one year in advance, except that a member whose employment has ended prior to his or her eligibility for a retirement benefit, may file an application for deferred retirement at any time thereafter.**

2.-3. (No change.)

(b)-(d) (No change.)

17:10-5.2 Effective date

(a) A member's retirement allowance shall not become due and payable until 30 days after the date the State House Commission approves the application for retirement or 30 days after the date of retirement, whichever is later.

(b) The State House Commission shall retire the member at the time specified in the member's application, or at such other time within one month after the date so specified as the Commission finds advisable.

17:10-5.4 Deferred retirement

(a) No beneficiary shall be eligible for a benefit if the member who elected to receive a deferred pension shall die before attaining age 60.

(b) Notwithstanding the language at (a) above, a member of the JRS is permitted to resign as a judge and apply for, but defer, retirement in order to serve as a county prosecutor upon appointment by the Governor. To be eligible, the member must be at least 65 years of age and have at least 25 years of continuous service as a judge. The retirement would become effective after service as a county prosecutor ends. In addition, the health care benefits under the State Health Benefits Program that the person would be entitled to upon retirement as a State employee would also be deferred until after service as a prosecutor ends and the retirement becomes effective.

17:10-5.10 [Medical] Disability retirement process; medical examinations; physicians

(a) Members may file for a disability retirement if they become totally and permanently disabled from their job duties. The process is as follows:

1. A member in service requesting medical disability retirement pursuant to N.J.S.A. 43:6A-12, must write to the Chief Justice, copying the Administrative Director and the Assignment Judge, and submit all the medical information available relative to his or her disability, including reports of their personal physician and consulting physicians, hospital records, and diagnostic test results. All medical reports must be complete and specific and should address the medical disability criteria set forth at N.J.S.A. 43:6A-12. To be eligible, an applicant must be a member in service. A member in service means that:

i. The member or employer was making contributions to the retirement system at the time of the request for medical disability; or
ii. The member was on an approved leave of absence, paid or unpaid, at the time of the request and has not resigned;

2. The Chief Justice takes the request to the Supreme Court for review and certification;

3. If the Supreme Court certifies the disability, the certification is transmitted to the Governor by the Chief Justice, along with the disability request and medical information;

4. The Governor presents the claim for review and certification by three physicians, who then examine the member and then report back their findings. Where the statute prescribes that a physician be designated by the Judicial Retirement System to perform a medical examination, such physician shall be selected from the current membership directory of the Medical Society of New Jersey and the New Jersey Association of Osteopathic Physicians and Surgeons; however, in the cases of those members whose personal physician has identified them as having a probable abbreviated life expectancy, such "imminent death" cases may be processed without the necessity of an examination by a physician designated by the [System] **retirement system** if corroborating medical evidence of the diagnosis can be obtained[.];

5. The Governor notifies the Chief Justice of the determination. The Chief Justice notifies the Administrative Director, who in turn notifies the member; and

6. The member files an application for disability retirement identifying a date of retirement with the Division of Pensions and Benefits. The retirement cannot become effective until one month following the date of the application with the retirement system.

(a)

UNCLAIMED PROPERTY ADMINISTRATION

Unclaimed Personal Property

Proposed Readoption: N.J.A.C. 17:18

Authorized By: Steven R. Harris, Administrator, Unclaimed Property Administration.

Authority: N.J.S.A. 46:30B-107.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2020-111.

Submit written comments by January 15, 2021, to:

Robert H. Davidson, Administrative Practice Officer
Department of the Treasury
Unclaimed Property Administration
PO Box 214
Trenton, NJ 08695-0214
Upa4compliance@treas.nj.gov

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 52:14B-5.1, N.J.A.C. 17:18 was scheduled to expire on November 20, 2020. As the Department of the Treasury, Unclaimed Property Administration (UPA) filed this notice of readoption prior to that date, the expiration date is extended 180 days to May 19, 2021, pursuant to N.J.S.A. 52:14B-5.1.c(2). The UPA proposes to readopt N.J.A.C. 17:18 to maintain the implementation of existing provisions of the Uniform Unclaimed Property Act (Act), N.J.S.A. 46:30B-1 et seq., which govern managing unclaimed property. The UPA has reviewed these rules and has deemed them necessary, reasonable, and proper for the purposes for which they were originally promulgated.

N.J.A.C. 17:18-1 relates to safe deposit box policies and procedures, including abandonment, reporting, inspection, estimation of value, custody, notifications, alternate disposition, retention of records, auction sales, rights of purchasers of safe deposit box contents, and penalties, as well as definitions of terms used in the subchapter.

N.J.A.C. 17:18-2 relates to time deposits and provide guidelines for determining whether a time deposit is abandoned and the proper notice to be sent to time deposit owners regarding contact, abandonment, reporting of the deposit to the Administrator of unclaimed property, and definitions of terms used in the subchapter.

N.J.A.C. 17:18-3 concerns dormancy fees. This section also restates the statutory requirements of the issuer or seller of stored value cards and contains definitions of terms used in the subchapter.

N.J.A.C. 17:18-4 relates to procedures governing payment of claims by the Administrator of unclaimed property and contains definitions of terms used in the subchapter.

N.J.A.C. 17:18-5 concerns types of communications required between the issuer, holder, or seller and the apparent owner.

As the UPA has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The rules proposed for readoption were meant to clarify and explain for holders of: unclaimed safe deposit box property; time deposits; money orders; demand or savings deposits and any funds paid toward the purchases of shares, mutual fund investment certificates, or any other interests in a financial organization; checks, drafts, and similar

instruments issued or certified by a financial organization; security accounts; stored value cards; and all other abandoned property, the methodology to be followed in the holder's compliance efforts under the Act; and to develop a uniform understanding between the UPA and the holders of unclaimed property with regard to the various operational steps to be taken by the holders to report and deliver property. The rules proposed for readoption continue the above objectives.

Furthermore, the rules proposed for readoption are expected to further enable rightful owners to be reunited with their previously abandoned property, which is held in perpetuity until a rightful claim is made. The rules further provide a means to consolidate and adopt a unified approach towards the treatment of unclaimed property in the State of New Jersey.

Thus, the rules proposed for readoption clarify, for holders, the occurrence of events needed to determine whether property should be deemed abandoned under the Act. The rules should assist holders in their compliance efforts under New Jersey's unclaimed property statutes and should continue to develop a uniform understanding between the UPA and holders for reporting and delivering property. The rules afford a comprehensive and consistent treatment of property to protect the holder, the rightful owner, and the State. As a result, potential litigation concerning the interpretation of the Act and its application to unclaimed property should be minimized.

The provisions of the rules proposed for readoption, pertaining to detailed notice, and the manner in which that notice is to be given to apparent owners of abandoned property, and the requirement that claims may be paid only to an owner and not an heir searcher, continue to serve the statutory aim of protecting owners' interests in property that is or may become abandoned. Therefore, the rules should continue to enable the rightful owners to be reunited with their property.

Economic Impact

The rules proposed for readoption are expected to have no adverse economic impact in and of themselves because the rules implement the requirements of the Act pertaining to unclaimed property. The rules are likely to have a positive economic effect on the class of individuals expected to be affected by the rules proposed for readoption because they clarify the means of communication that may be utilized by certain holders of property deemed to be abandoned and the nature of the notices that must be sent to owners before property presumed to be abandoned is turned over to the Administrator by these holders.

Approximately 75 percent of the money generated by the administration of the abandoned property program is ultimately deposited into the State's General Fund. The remaining funds are retained for payment of claims and to administer the program. There is no time limit on when claims may be made. Thus, sufficient funds will always be made available for the payment of claims, since the State is obligated in perpetuity to pay all valid claims.

The rules proposed for readoption impose no additional costs on bank holders of property since banks are already required to maintain the information to be reported in accordance with the Act and the rules and laws regarding banking.

The rules proposed for readoption contain procedures that are designed to reunite the rightful owners of abandoned property with their property in a quick and efficient manner. Various economic issues are addressed by the rules, including how to report multiple safekeeping boxes of items, as well as indemnification of the holder where the State elects not to receive the property.

It is not expected that the UPA will require any staff increase or additional resources to carry out its responsibilities under the rules proposed for readoption.

Federal Standards Statement

The rules proposed for readoption do not contain requirements that exceed any requirements imposed by Federal law. The rules represent policies of the State of New Jersey regarding implementation of N.J.S.A. 46:30B-1 et seq., that are independent of Federal requirements or standards. Accordingly, no Federal standards analysis is required.

Jobs Impact

The Administrator does not anticipate that any jobs will be generated or lost as a result of the rules proposed for readoption.