STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
UNCLAIMED PROPERTY ADMINISTRATION (UPA)

# HOLDER REPORTING GUIDE

This reporting guide is designed to provide the Holder of unclaimed property with the information needed to report, remit and/or deliver abandoned property to the New Jersey State Treasurer. The statute (Public Laws of 1989, Chapter 58; New Jersey Statutes 46:30B-1 et seq.) should be referenced for a complete statement of the law and its various details. The State reserves the right to alter or supplement any statement made in this guide. To ensure successful filing of your report, it is highly recommended that the Holder read the entire document before preparing your annual holder report.

The State of New Jersey accepts NAUPA Standard Electronic File Format. New Jersey UPA only accepts NAUPA standard files with the following file extension names: .HRS, .RPT or .TXT. **The UPA does not accept HDE files.** If you have any questions, please refer to the Frequently Asked Questions link on our website.

**Holder Reporting Highlights:**

- New Jersey requires online holder reporting. The NJ UPA does not accept paper reports. To create a manual report electronically, please visit our Online Holder Reporting Application.
- For Holders who are reporting $50,000 or more, a Fed Wire is required. You must email details of your Fed Wire payment to upawire@treas.nj.gov prior to the wire transfer to ensure proper credit to your account. Please fill out the originator (Holder) name on the Wire form. DO NOT USE the processing bank's name in that field. Proper credit cannot be applied if this line is incorrect. For wire details, please see our UPA Wire Instructions for more information.
- Negative reports are recommended. A negative report is an annual report submission made by the Holder even though the Holder is not reporting or remitting any unclaimed property for that report year. Although not required, filing a negative report confirms that you have reviewed your books and records for unclaimed property but did not identify any for this report year. The UPA only accepts negative report filings through our Online Holder Reporting application.
- The State of New Jersey does not have reciprocal unclaimed property agreements with any other states.
- Always register securities with the USPS address and not the physical address. If a package is mailed USPS First Class mail to the physical address it will not be delivered to this office and is usually returned to sender.

Unclaimed Property Administration
P.O. Box 214
Trenton, NJ 08625-0214

- Mutual funds must be liquidated and the cash proceeds reported by individual owner.
- Holders of tangible items should visit our Safekeeping/Tangible Item Reporting webpage.
- To stay current with any new reporting requirements, please review the Unclaimed Property Statute L.1989, c.58 as amended by L.2002, c.35; L.2010, c.25; L.2012, c.14; and L.2015, c.8.

## Holder/Client/UPA Communication

The UPA Report Section experiences a large number of calls from property owners with claim questions rather than reporting questions. To correct this confusion and to better serve and expedite the claims process, please follow the instructions below:

- Please instruct the owners/claimants to search for their property on our NJ Property Search website. If they locate property they should simply follow the instructions for filing a claim provided on the website.
- All Holders are advised to add the UPA homepage with all correspondence to owners including their due diligence mailings.

Email **Claim** questions to:
unclaimedproperty@treas.nj.gov

Email **Reporting** questions to:
unclaimedreports@treas.nj.gov

## General Reporting Requirements

### I. Conditions for Reporting

In general, three conditions must be satisfied before any unclaimed property is turned over to the UPA:

#### 1. Presumption of Abandonment

Property that has remained unclaimed by the owner for a certain period of one to five years. Visit our abandonment table for more information.

#### 2. The State of Escheatment

The last known address of the owner of the abandoned property determines the State that unclaimed property is reported to. In addition, please note that the State in which the Holder is incorporated has the right to escheat funds belonging to beneficial owners who cannot be identified or where there is no last known address. (See Delaware v. New York, 114 S.Ct. 2670 (1993)).

#### 3. Notice to Apparent Owners (Due Diligence)

If the amount of the unclaimed property is $50.00 or more, the holder shall send a *certified letter with return receipt requested* R.S. 46:30B-50 to the apparent owner at the last known address. This notice should inform the owner that the holder is in possession of unclaimed property that will be turned over to the State Treasurer unless the owner claims it from the

holder before the report is filed. This notice to apparent owners should be mailed *not more than 120 days nor less than 60 days before filing the report.*

## II. Reports and Content

A properly completed report must include your Federal Tax Identification number in the Holder Summary and the owner details required for the determination of entitlement to property on Owner Information.

Holders reporting property from a life or endowment insurance policy or annuity contract must report the full name and address of the insured or annuitant as well as the named beneficiary recorded and maintained by the company holding the funds.

Dividends are not to be reported as an aggregate.

NAUPA standard files can be created and submitted using the Online Holder Reporting process.

## III. Payment and Delivery of Unclaimed Property

At the time of filing the report, the Holder must remit to the State Treasurer all of the property remaining unclaimed. This remittance and report should include all applicable interest/dividend/income/corporate actions to the date of the report **not to the date of the end of the abandonment cycle**. Payment must accompany the report. All cash remittances are to be made payable to "Treasurer, State of New Jersey."

The UPA requires that all DTC eligible securities are transferred via ACATS to our custodian. Please see our Securities Delivery Instructions for more information.

The Unclaimed Personal Property Report shall be filed with payment **before November 1**, of each year as of the preceding June 30. The Unclaimed Life Insurance Report shall be filed **before May 1,** of each year as of the preceding December 31. Failure to meet this requirement will result in statutory interest and penalties. Pursuant to P.L. 1989, Chapter 58 Uniform Unclaimed Property Act:

**46:30B-103. "Interest Payable For Failure To Pay Or Deliver Property On Time.**
A person who fails to pay or deliver property within the time prescribed by this chapter shall pay the administrator interest at the annual rate of 10% above the annual rate of discount in effect on the date the property should have been paid or delivered, for the most recent issue of 52-week United States Treasury Bills on the property or value thereof from the date the property should have been paid or delivered."

**46:30B-104. "Penalty for failure to render report or perform other duties.**
Except as otherwise provided in R.S.46:30B-105 or 46:30B-105.1, a “holder who fails to report, pay or deliver property within the time prescribed by Chapter 30B of Title 46 of the Revised Statutes, or fails to perform other duties imposed by that chapter, shall pay to the administrator, in addition to the interest as provided in R.S.46:30B-103, a civil penalty of $200.00 for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of $100,000."

**46:30B-105. "Penalty for willful failure to report, pay, or deliver property.**
A holder who willfully fails to report, pay, or deliver property within the time prescribed by chapter 30B of Title 46 of the Revised Statutes, shall pay to the administrator, in addition to the interest provided in R.S.46:30B-103, a penalty of $1,000 for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of $250,000, plus 25% of the value of any property that should have been but was not reported." For the purpose of this section, a willful failure to report includes the filing of a report which is plainly inaccurate, incomplete, or out of balance and the same is not corrected by the holder within six months after its original due date.

## IV. Release of Liability

A holder who pays and delivers property to the State of New Jersey in good faith is relieved of all liability to the extent of the money paid or property delivered.

## V. Advertising of Unclaimed Property

After the receipt of the report, the State Treasurer will publish a listing of the apparent owners of unclaimed property in a newspaper of general circulation in the county of the last known address of the owner.

## VI. Compliance Audits

In an effort to provide assistance and ensure compliance, the UPA's audit staff or Third Party Audit firms may conduct periodic examinations of a Holder's records.

## VII. Retention of Records

Every holder must maintain records of its unclaimed property for 5 years after the property has been reported and remitted to the State Treasurer. In addition to the records, electronic media should be retained for two years after the report is filed.

## VIII. Data File Reporting

The State of New Jersey requires all Holders to report unclaimed property and negative reports using a NAUPA standard file (via the State's Online Holder Reporting Application). You must register and log in to create a NAUPA standard file and to upload a file. Please note HDE files are no longer accepted. Any questions can be directed to the Holder Reporting Section: unclaimedreports@treas.nj.gov

## IX. Property Type Codes

The property type code selected should accurately reflect the type of property being reported. These codes determine the documentation required from the claimant. It cannot be emphasized enough how critical correct reporting of property types is to the claim process. New Jersey has adopted many of the NAUPA Codes and retains a few Codes that are not NAUPA standard. As mentioned previously, please refer to the property type codes, NJ Property Type Codes

**46:30B-10. Further conditions to be satisfied to subject property to custody.**
To subject property to the custody of this State as unclaimed property, the following conditions also shall be satisfied:

- The last known address, as shown on the records of the holder, of the apparent owner is in this State.

- The records of the holder do not reflect the identity of the person entitled to the property and it is established that the last known address of the person entitled to the property is in this State;

- The records of the holder do not reflect the last known address of the apparent owner, and it is established that:

  (1) The last known address of the person entitled to the property is in this State, or

  (2) The holder is a domiciliary or a government or governmental subdivision or agency of this State and has not previously paid or delivered the property to the state of the last known address of the apparent owner or other person entitled to the property;

- The last known address, as shown on the records of the holder, of the apparent owner is in a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property and the holder is a domiciliary or a government or governmental subdivision or agency of this State;

- The last known address, as shown on the records of the holder, of the apparent owner is in a foreign nation and the holder is a domiciliary or a government or governmental subdivision or agency of this State; or

- The transaction from which the property arose occurred in this State, and

  (1) The last known address of the apparent owner or other person entitled to the property is unknown, or

  (2) The last known address of the apparent owner or other person entitled to the property is in a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property, and

  (3) The holder is a domiciliary of a state that does not provide by law for the escheat or custodial taking of the property or its escheat or unclaimed property law is not applicable to the property.

**NOTE:** A zip code alone is sufficient to identify the state of the owner's (the creditor's) last known address in order to identify which state has the right to escheat the abandoned property under the first priority rule.