



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 21-0106, Version: 1

**Dept/ Agency:** Administration/Division of Personnel  
**Action:** ( ) Ratifying (X) Authorizing ( ) Amending  
**Type of Service:** Authorizing Mandatory Direct Deposit for City Employees  
**Purpose:** City-Wide  
**Entity Name:** City-Wide  
**Entity Address:** 920 Broad Street, Newark, New Jersey 07102  
**Project Fiscal Impact:** None  
**Effective Date:** Thursday, April 1, 2021  
**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS  
( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ  
( ) Private Sale ( ) Grant ( ) Sub-recipient (X) n/a  
**Additional Information:**

**WHEREAS**, P.L. 1981, C. 385 (C.52:14-15a) was amended by the State and General Assembly of the State of New Jersey to provide that municipalities (along with other State entities), may provide for mandatory direct deposit of net pay for all employees on or after July 1, 2014; and

**WHEREAS**, N.J.S.A. 52:14-15f (b) authorizes municipalities to require direct deposit for municipal employees, as well as authorizes the grant of an exemption from the requirements as the Municipal Council may deem necessary; and

**WHEREAS**, such "good cause" may include, for example, inability to obtain a bank account due to failed financial background check, or any special exceptions that may be permitted by law; and

**WHEREAS**, the City's Chief Financial Officer recommends that the Municipal Council adopt this requirement for mandatory direct deposit of net pay because it will increase the productivity of the Department of Finance and decrease or eliminate costs associated with producing checks and replacing stolen or lost checks and will further advance the current public health goal of "social distancing" during the ongoing COVID-19 pandemic; and

**WHEREAS**, the Municipal Council desires to delegate its authority to grant exemptions to the Business Administrator for purposes of economy and efficiency.

**NOW THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. All employees and elected public officials who receive compensation from the City of Newark, are mandated to have direct deposit of their compensation as of April 1, 2021, in accordance with N.J.S.A. 52:14-15f (b).

2. Municipal employees may request, in writing, an exemption from the direct deposit mandate to the City of Newark's, Director of the Department of Finance/Chief Financial Officer. The Municipal Council delegates and authorizes the Business Administrator to review those requests for consideration and approval. Such requests will be presented to the Business Administrator within thirty (30) days with a recommendation to deny, or approve for good cause shown without Municipal Council approval.

3. Seasonal employees, temporary employees and employees granted exemptions to direct deposit by the Business Administrator, will be enrolled in the Money Network Electronic Payroll Program and issued a "Pay Card" (debit card) through the then existing designated bank used by the City of Newark for Pay Cards.

### **STATEMENT**

Resolution authorizing mandatory direct deposit for all municipal employees and elected public officials of the City of Newark of their compensation, pursuant to N.J.S.A. 52:14-15f (b), and, for reasons including current public health concerns. The Municipal Council delegates its authority to grant exemptions to the Business Administrator for purposes of economy and efficiency.