

17:9-13.2 Enrollment

(a) Enrollment of a Chapter 375 eligible dependent is voluntary. A separate election will be required for enrollment, change in, or a voluntary termination of coverage for a Chapter 375 eligible dependent. If an employee or retiree (subscriber) does not elect coverage for a Chapter 375 eligible dependent by December 31, 2007, the subscriber may thereafter enroll the dependent as follows:

1. Submission of an enrollment application and certificate of creditable coverage to the Division no later than [30] 60 days after the dependent meets all eligibility criteria under N.J.A.C. 17:9-13.1. Coverage will be effective the first coverage period of the month, 60 days after the dependent meets all eligibility criteria, **unless proof is provided that other coverage was lost; in such cases, coverage is retroactive.**

2. In the event a subscriber does not submit an enrollment application to the Division within [30] 60 days after the dependent meets all eligibility criteria under N.J.A.C. 17:9-13.1, the subscriber can only enroll the dependent during the annual October open enrollment period. If the dependent meets all eligibility criteria, coverage will be effective the first coverage period in January, following the open enrollment period.

(b) (No change.)

(a)

OFFICE OF THE STATE TREASURER
Offset of State Lottery Prizes to Satisfy Defaulted
Federal and State Student Loans
Proposed Readoption: N.J.A.C. 17:43

Authorized By: Ford M. Scudder, Acting State Treasurer,
 Department of the Treasury.

Authority: N.J.S.A. 5:9-13.10 through 5:9-13.16.

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

Proposal Number: PRN 2016-075.

Submit written comments by July 15, 2016, to:

Megan R. Mazzoni, Esq.
 Deputy Director, Administration and Compliance
 Division of Lottery
 PO Box 041
 Trenton, NJ 08625-0041
 or electronically at megan.mazzoni@lottery.nj.gov

The agency proposal follows:

Summary

In order to provide ample notification, the public comment period will be extended to 60 days, since the proposed readoption of this chapter is not listed in the agency calendar. This notice of proposal is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Pursuant to Executive Order No. 66 (1978) and N.J.S.A. 52:14B-5.1, N.J.A.C. 17:43 is scheduled to expire on May 4, 2016. As the Office of the State Treasurer has submitted this notice to the Office of Administrative Law prior to that date, the expiration date is extended 180 days to October 31, 2016, pursuant to N.J.S.A. 52:14B-5.1.c(2). The Office of the State Treasurer, the Division of State Lottery and the Higher Education Student Assistance Authority (HESAA) have reviewed the rules proposed for readoption and determined them to be necessary, reasonable, and proper for the efficient administration of the procedures therein to offset State lottery prizes to satisfy defaulted Federal and State student loans for which they were originally promulgated, as required by the Executive Order. To ensure the continued efficient administration of this State lottery offset, the Office of the State Treasurer is proposing the readoption of this chapter to satisfy defaulted Federal and State student loans.

The rules proposed for readoption provide for a match of lists of winners of lottery prizes in excess of \$1,000 with lists of individuals who are in default of a student loan. The match is to be based on lists maintained by the Division of State Lottery in the Department of the Treasury and HESAA. No lottery prize in excess of \$1,000 will be

disbursed until a comparison has been made and a resolution of any debt is satisfied.

If a match is found, HESAA is required to notify the lottery winner that payment of the prize is being withheld and that the individual may request a hearing on the debt. If the individual does not request a hearing, the lottery prize will be applied to the debt prior to the disbursement of the remainder of the lottery prize. If the individual requests a hearing, the resolution of the hearing process will determine whether or not the lottery prize will be applied to the debt. If the defaulted loan is subject to a judgment, the lottery prize will be applied to satisfy the judgment prior to the disbursement of the remainder of the lottery prize. If the debtor appeals the judgment, the resolution of the appeal will determine whether or not the lottery prize will be applied to the debt.

Social Impact

The rules proposed for readoption will enhance the ability of the State to collect defaulted Federal and State student loans. Defaulted student loans negatively impact access to low cost student loans since the Federal government has to increase Federal spending to cover the costs of defaulted student loans, and since the State student loan program will have less to lend to students if it has to use bond proceeds to cover the costs of defaults. Therefore, providing the State another collection tool can help safeguard the student loan funds that facilitate access to higher education.

Economic Impact

The rules proposed for readoption will have a positive economic impact on the loan funds that HESAA will have available for students who wish to borrow since repayments of defaulted loans will continue to be made through the State lottery offset. In accordance with P.L. 1997, c. 306, the costs of administering the act and this chapter will be borne by the Division of Lottery, Office of Information Technology (OIT), and HESAA. The administrative cost of the program is estimated to be nominal. The operating costs will continue with no need for additional staff. Lottery winners whose prizes are subject to the offset will have their prizes reduced by the offset amount.

Federal Standards Statement

N.J.A.C. 17:43-1.4 contains a stipulation that for lottery prizes of more than \$5,000, Federal income tax withholding will take precedence over any other setoffs, deductions, or set asides under this chapter. This precedence for Federal income tax withholding is required by section 1942 of the Energy Policy Act, which amends Internal Revenue Code § 3402(q); Reg. §§ 31.3402(q)-1 and 1.6011-3. There are no other Federal laws or regulations that impact the rules proposed for readoption. N.J.A.C. 17:43 is based on State statute, which establishes authority for this chapter. Therefore, a Federal standards analysis is not required.

Jobs Impact

The rules proposed for readoption will not result in either the creation of new jobs or the loss of existing jobs.

Agriculture Industry Impact

The rules proposed for readoption will not have any impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the rules proposed for readoption do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The rules proposed for readoption govern only the administrative operations of State agencies relative to individuals who have won lottery prizes in excess of \$1,000 and who have defaulted on student loans.

Housing Affordability Impact Analysis

The Division of State Lottery anticipates that the rules proposed for readoption will have no impact on any aspect of housing, as the rules establish procedures for the offset of State Lottery prizes to satisfy defaulted Federal and State student loans.

Smart Growth Development Impact Analysis

The rules proposed for readoption would not result in a change in the housing production within Planning Areas 1 or 2, or within designated

centers, under the State Development and Redevelopment Plan. The basis for this finding is that the rules proposed for readoption, which establish procedures for the offset of State Lottery prizes to satisfy defaulted Federal and State student loans, have nothing to do with housing production, either within Planning Areas 1 or 2, within designated centers, or anywhere in the State of New Jersey.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 17:43.

ADMINISTRATIVE LAW

(a)

OFFICE OF ADMINISTRATIVE LAW

Notice of Extension of Comment Periods for Certain Notices of Proposal Published in the April 18, 2016, New Jersey Register

Take notice that, with the permission and on behalf of the State agencies affected, the Office of Administrative Law announces that the comment periods for the notices of proposal from the Department of Agriculture; the Department of Health; and the Department of Human Services, published in the April 18, 2016, New Jersey Register are hereby extended an additional 28 days. The extension of these comment periods is necessitated by a disruption in the mail delivery of that issue of the New Jersey Register, in order to provide the public with the amount of time to comment set forth in the notices of proposal. The comment period for the other notice of proposal published in that issue of the New Jersey

Register, from the Department of Health (N.J.A.C. 8:30), has already been extended 14 days, as set forth in a notice of administrative correction and extension of public comment period published in the May 2, 2016, New Jersey Register at 48 N.J.R. 692(a).

The affected notices of proposal, in Code title order, are as follows, with the new comment deadlines and comment addresses included:

Department of Agriculture; Division of Agricultural and Natural Resources, Criteria and Standards for Animal Waste Management, Proposed Readoption with Amendments: N.J.A.C. 2:91, 48 N.J.R. 615(a). Submit comments by July 15, 2016, to: Monique Purcell, Director, Division of Agricultural and Natural Resources, New Jersey Department of Agriculture, PO Box 330, Trenton, NJ 08625-0330 or e-mail: Animalwasterules@ag.state.nj.us.

Department of Health; Health Systems Branch, Division of Certificate of Need and Licensing; Hospital Licensing Standards, Independent Health Care Appeals Program Notice, Proposed Amendment: N.J.A.C. 8:43G-5.2, Proposed New Rule: N.J.A.C. 8:43G-5.6, 48 N.J.R. 626(a). Submit written comments by July 15, 2016, electronically to <http://www.nj.gov/health/legal/ecomments.shtml> or by regular mail to: Joy L. Lindo, Director, Office of Legal and Regulatory Compliance, Office of the Commissioner, NJ Department of Health, PO Box 360, Trenton, NJ 08625-0360.

Department of Human Services, Commission for the Blind and Visually Impaired, Blindness Education Program of the Commission for the Blind and Visually Impaired, Proposed Readoption: N.J.A.C. 10:92, 48 N.J.R. 682(a). Submit comments by July 15, 2016, to: Daniel Frye, J.D., Executive Director, New Jersey Commission for the Blind and Visually Impaired, 153 Halsey Street, 6th Floor, PO Box 47017, Newark, NJ 07101, or Daniel.frye@dhs.state.nj.us.
