



NEW JERSEY STATE BAR ASSOCIATION

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October 6, 2025

Hon. Michael J. Blee, J.A.D.
Acting Administrative Director of the Courts
Richard J. Hughes Justice Complex / 25 Market Street
Trenton, New Jersey 08625

Re: Proposed Court Rule Amendment to Allow Electronic
Withdrawals From Attorney Trust Accounts

Dear Judge Blee:

Pursuant to Presidential Executive Order 14247, the United States government is transitioning away from the use of paper payments. The Executive Order states, "The continued use of paper-based payments by the Federal Government, including checks and money orders, flowing into and out of the United States General Fund, which might be thought of as America's bank account, imposes unnecessary costs; delays; and risks of fraud, lost payments, theft, and inefficiencies."

As a result, the Internal Revenue Service, an agency with which many attorneys interact, has begun to transition away from the use of paper payments to and from taxpayers. The IRS has already implemented a policy, beginning Sept. 30, to issue all tax refund payments electronically, and has indicated this marks the first step of a broader transition to requiring electronic payments as well.

This poses a unique dilemma for New Jersey attorneys who represent clients who request payments be made to the IRS on their behalf, as R. 1:21-6 has been interpreted to prohibit online, telephone or electronic transfers, other than wire transfers, out of an attorney trust account. The NJSBA requests that the Court consider an amendment to the Court Rules to allow trust account withdrawals via electronic fund transfers (ETF) and Automatic Clearing House (ACH) transfers, with appropriate safeguards.

At least four other states appear to either allow or not prohibit such withdrawals from attorney trust accounts:

Guideline 1(e)(5) of the Wisconsin Office of Lawyer Regulation Guidelines for Trust Account Records, allows electronic transfers from a trust account, pursuant to the state's Supreme Court Rule 20:1.15, so long as the attorney retains written confirmation and authorization for each transaction.

Appendix 1, Paragraph 6 of the Minnesota Rules of Professional Conduct provides for "withdrawal [from attorney trust accounts] by bank wire, electronic or telephone transfer, an attorney or law firm must create a written memorandum authorizing the transaction, signed by the attorney responsible for the transaction".

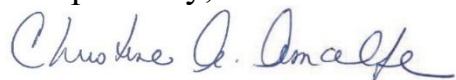
New York Rule of Professional Conduct 1.15(e) allows withdrawals by check or, with prior written approval from the party entitled to the proceeds, by bank transfer. Inquiries to the New York City Bar Association Ethics Hotline confirmed electronic payments from attorney trust accounts are allowed, so long as written authorization is provided by the client.

Maryland Court Rule 19-410(b) allows disbursements from an attorney trust account by check or electronic transfer. A written memo authorizing the transaction and identifying the responsible attorney is required for electronic transfers. Inquiries to the Maryland State Bar Association Ethics Hotline confirmed an opinion that both ACH and wire transfers are permitted under the Maryland Rules.

In light of the above, and to allow attorneys to fully represent their clients in interactions with the IRS and other entities requiring payment by electronic transfer, the NJSBA respectfully requests that the Court consider the attached amendment to R. 1:21-6. The proposed changes would affirmatively allow trust account withdrawals using EFT or ACH, and make such withdrawals subject to all existing requirements for paper withdrawals, including the requirements to maintain proper authorizations and records for each withdrawal.

Thank you for your consideration. The NJSBA looks forward to cooperating with the Court to provide any further background or information necessary to fully evaluate this request and implement the proposed amendment.

Respectfully,

A handwritten signature in blue ink, reading "Christine A. Amalfe".

Christine A. Amalfe
President

cc: Norberto A. Garcia, Esq., NJSBA President-Elect
Angela C. Scheck, NJSBA Executive Director