

# 34:15D-21

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2001            **CHAPTER:** 152  
**NJSA:** 34:15D-21      (Employment and training services)  
**BILL NO:** S1783/1733    (Substituted for A3774)

**SPONSOR(S):** Kosco and Cafiero

**DATE INTRODUCED:** June 11, 2001

**COMMITTEE:**            **ASSEMBLY:** ----  
**SENATE:** Labor; Budget

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**            **ASSEMBLY:** June 28, 2001  
**SENATE:** June 28, 2001

**DATE OF APPROVAL:** July 13, 2001

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Senate Committee Substitute (1<sup>st</sup> reprint) enacted)  
(Amendments during passage denoted by superscript numbers)

#### **S1783/1733**

**SPONSORS STATEMENT (S1783):** (Begins on page 29 of original bill)    Yes

**SPONSORS STATEMENT (S1733):** (Begins on page 44 of original bill)    Yes

**COMMITTEE STATEMENT:**                            **ASSEMBLY:**            No

**SENATE:**            Yes    6-25-2001 (Labor)  
6-25-2001 (Budget)

**FLOOR AMENDMENT STATEMENTS:**                            No

**LEGISLATIVE FISCAL ESTIMATE:**                            Yes

**A3774**

**SPONSORS STATEMENT:** (Begins on page 41 of original bill) Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**A3349**

**SPONSORS STATEMENT:** (Begins on page 44 of original bill) Yes

Bill and sponsors statement identical to S1733

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

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**SENATE, No. 1783**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED JUNE 11, 2001

**Sponsored by:**

**Senator LOUIS F. KOSCO**

**District 38 (Bergen)**

**Senator JAMES S. CAFIERO**

**District 1 (Cape May, Atlantic and Cumberland)**

**SYNOPSIS**

Concerns basic skills training.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/12/2001)**

S1783 KOSCO, CAFIERO

2

1 AN ACT concerning basic skills training and revising various parts of  
2 the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read as  
8 follows:

9 3. As used in this act:

10 "Administrative costs" means any costs incurred by the department  
11 to administer the program, including any cost required to collect  
12 information and conduct evaluations of service providers pursuant to  
13 section 8 of this act and conduct surveys of occupations pursuant to  
14 section 12 of this act, to the extent that funding is not available from  
15 federal or other sources.

16 "Approved service provider" means a service provider approved  
17 pursuant to section 8 of this act.

18 "Commission" means the State Employment and Training  
19 Commission.

20 "Commissioner" means the Commissioner of Labor or the  
21 commissioner's designees.

22 "Customized training services" means employment and training  
23 services which are provided by the Office of Customized Training  
24 pursuant to section 5 of this act.

25 "Department" means the State Department of Labor.

26 "Employer" or "business" means any employer subject to the  
27 provisions of R.S.43:21-1 et seq.

28 "Employment and training services" means:

- 29 a. Counseling provided pursuant to section 7 of this act;  
30 b. Vocational training;  
31 c. Remedial education; or  
32 d. Occupational safety and health training.

33 "Fund" means the Workforce Development Partnership Fund  
34 established pursuant to section 9 of this act.

35 "Labor Demand Occupation" means an occupation for which there  
36 is or is likely to be an excess of demand over supply for adequately  
37 trained workers, including, but not limited to, an occupation  
38 designated as a labor demand occupation by the New Jersey  
39 Occupational Information Coordinating Committee pursuant to section  
40 12 of this act.

41 "Occupational safety and health training" means training or  
42 education which is designed to assist in the recognition and prevention  
43 of potential health and safety hazards related to an occupation which

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 is the subject of vocational training.

2 "Office" means the Office of Customized Training established  
3 pursuant to section 5 of this act.

4 "Permanent employment" means full-time employment unsubsidized  
5 by government training funds which provides a significant opportunity  
6 for career advancement and long-term job security and is in the  
7 occupation for which a worker receives vocational training pursuant  
8 to this act.

9 "Program" means the Workforce Development Partnership Program  
10 created pursuant to this act.

11 "Qualified disadvantaged worker" means a worker who is not a  
12 qualified displaced worker or a qualified employed worker but who  
13 otherwise meets the following criteria:

14 a. Is unemployed;

15 b. Is working part-time and actively seeking full-time work or is  
16 working full-time but is earning wages substantially below the median  
17 salary for others in the labor force with similar qualifications and  
18 experience; or

19 c. Is certified by the Department of Human Services as:

20 (1) Currently receiving public assistance;

21 (2) Having been recently removed from the public assistance rolls  
22 because of gross income exceeding the grant standard for assistance;  
23 or

24 (3) Being eligible for public assistance but not receiving the  
25 assistance because of a failure to apply for it.

26 "Qualified displaced worker" means a worker who:

27 a. Is unemployed, and:

28 (1) Is currently receiving unemployment benefits pursuant to  
29 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
30 extension; or

31 (2) Has exhausted eligibility for the benefits or extended benefits  
32 during the preceding 52 weeks; or

33 b. Meets the criteria set by Title [III of the "Job Training  
34 Partnership Act," Pub.L. 97-300 (29 U.S.C. s.1651 et seq.)] I of the  
35 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. Sec.  
36 2801 et seq.), to be regarded as [an "eligible dislocated worker"] a  
37 "dislocated worker" pursuant to that act.

38 "Qualified employed worker" means a worker who is employed by  
39 an employer participating in a customized training program, or other  
40 employed worker who is in need of remedial education or basic skills  
41 as defined in this section.

42 "Qualified job counselor" means a job counselor whose  
43 qualifications meet standards established by the commissioner.

44 "Remedial education" means any literacy or other basic skills  
45 training or education which may not be directly related to a particular  
46 occupation but is needed to facilitate success in vocational training or

1 work performance. For the purposes of the Supplemental Workforce  
2 Administrative Fund for Basic Skills, "basic skills" means basic math,  
3 reading comprehension, basic computer literacy, English proficiency  
4 and work-readiness skills.

5 "Service provider" or "provider" means a provider of employment  
6 and training services including, but not limited to, a private or public  
7 school or institution of higher education, a business, a labor  
8 organization or a community-based organization.

9 "Supplemental Workforce Administrative Fund for Basic Skills"  
10 means the fund established pursuant to subsection b. of section 9 of  
11 P.L.1992, c.43 (C. 34:15D-9) for the purpose of providing basic skills  
12 training.

13 "Total revenues dedicated to the program during any one fiscal  
14 year" means all moneys received for the fund during any fiscal year,  
15 including moneys withdrawn from the State disability benefits fund  
16 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
17 repayment made during that fiscal year from the fund to the State  
18 disability benefits fund pursuant to that section, but does not include  
19 any moneys allocated to the Supplemental Workforce Administrative  
20 Fund for Basic Skills pursuant to subsection b. of section 9 of  
21 P.L.1992, c.43 (C. 34:15D-9).

22 "Training grant" means a grant provided to fund vocational training  
23 and any needed remedial education for a qualified displaced or  
24 disadvantaged worker pursuant to section 6 of this act.

25 "Vocational training" means training or education which is related  
26 to an occupation and is designed to enhance the marketable skills and  
27 earning power of a worker or job seeker.

28 (cf: P.L.1992, c.43, s.3)

29

30 2. Section 8 of P.L.1992, c.43 (C.34:15D-8) is amended to read as  
31 follows:

32 8. a. No employment and training services shall be obtained from  
33 a service provider with moneys from the fund unless the provider is  
34 located in New Jersey, is listed as an eligible training provider in  
35 accordance with procedures established for the approval and listing of  
36 eligible training providers under the Workforce Investment Act,  
37 29 U.S.C. s.2842 and which includes, and is approved, pursuant to the  
38 procedures and criteria established by the State Employment and  
39 Training Commission pursuant to section 13 of this act, by:

40 (1) The commissioner in consultation with the Department of  
41 Education and the [Department of] Commission on Higher Education,  
42 in the case of counseling, vocational training or remedial education; or

43 (2) The commissioner in consultation with the Department of  
44 Health and Senior Services, in the case of occupational safety and  
45 health training.

46 b. No service provider shall be approved to be funded by the

1 program to provide an employment and training service unless the  
2 provider agrees to provide the service to each trainee referred to it on  
3 a first-come, first-served basis, up to the total number of trainees that  
4 the provider agrees to serve. This subsection shall not be construed  
5 as limiting or curtailing in any way an employer's right to select the  
6 workers who participate in customized training pursuant to the  
7 provisions of subsection e. of section 5 of this act.

8 c. Each service provider shall make appropriate records available  
9 upon request for monitoring or inspection by the commissioner,  
10 including:

11 (1) A record for each student enrolled, including the student's name  
12 and Social Security number;

13 (2) A record of all administrative and overhead expenses of the  
14 provider related to the providing of employment and training services  
15 funded by the program and the provider's direct expenses of providing  
16 the services; and

17 (3) Any other information deemed appropriate by the State  
18 Employment and Training Commission for evaluation purposes.

19 d. In the case of a provider of vocational training services, the  
20 commissioner shall collect the information needed to effectively  
21 measure the long-term success of the former trainees of the provider  
22 in obtaining permanent employment and increasing earnings over a  
23 period of not less than two years following the completion of training.  
24 The commission shall set such standards as it deems appropriate  
25 regarding comparisons of the former trainees with groups of otherwise  
26 similar individuals who did not receive the training. The commissioner  
27 shall use the information obtained pursuant to this subsection to:

28 (1) Assist in evaluating the performance of providers of vocational  
29 training services;

30 (2) Assist in determining which providers of vocational training  
31 services to approve pursuant to subsection a. of this section;

32 (3) Assist in providing reliable information regarding the quality of  
33 available providers of vocational training services as part of the  
34 counseling provided pursuant to section 7 of this act; and

35 (4) Assist in evaluating the overall effectiveness of training funded  
36 by the program.

37 (cf: P.L.1992, c.43, s.8)

38  
39 3. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read as  
40 follows:

41 9. a. A restricted, nonlapsing, revolving Workforce Development  
42 Partnership Fund, to be managed and invested by the State Treasurer,  
43 is hereby established to: provide employment and training services to  
44 qualified displaced, disadvantaged and employed workers by means of  
45 training grants or customized training services; provide for the other  
46 costs indicated in subsection a. of section 4 of this act; and facilitate

1 the provision of education and training to youth by means of grants  
2 provided by the Youth Transitions to Work Partnership pursuant to  
3 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
4 appropriations to the fund, all interest accumulated on balances in the  
5 fund and all cash received for the fund from any other source shall be  
6 used solely for the purposes specifically delineated by this act.

7 Beginning January 1, 1995, and for all subsequent calendar years,  
8 the balance in the fund as of the previous December 31, as determined  
9 in accordance with generally accepted accounting principles, shall not  
10 exceed 1.5 times the amount of contributions deposited for the  
11 calendar year then ended. If the balance exceeds this amount, the  
12 excess shall be deposited into the unemployment compensation fund  
13 within seven business days of the date that the determination is made.

14 b. The "Supplemental Workforce Administrative Fund for Basic  
15 Skills" is established within the Workforce Development Partnership  
16 Fund to provide basic skills training. All moneys allocated to the  
17 Supplemental Workforce Administrative Fund for Basic Skills shall be  
18 allocated by the Commissioner of Labor as follows: 1/3 shall be  
19 allocated to support basic skills training delivered at the State's One-  
20 Stop Career Centers to individual One-Stop Career Center customers  
21 in conjunction with employability development plans; 1/3 shall be  
22 allocated to Workforce Investment Boards for basic skills training for  
23 individual One-Stop Career Center customers in conjunction with  
24 employability development plans and for basic skills training and  
25 vocational rehabilitation services for individual One-Stop Career  
26 Center customers with learning disabilities in conjunction with  
27 employability development plans; and 1/3 shall be allocated to  
28 employer organizations, labor organizations, community-based  
29 organizations, or consortia made up of one or more educational  
30 institutions and one or more eligible individual employers or labor,  
31 employer or community-based organizations to provide basic skills  
32 training to individual incumbent workers, pre-apprentices or  
33 apprentices in conjunction with employability development plans.

34 Beginning January 1, 2003, and for all subsequent calendar years,  
35 the amount of fund balance in the Supplemental Workforce  
36 Administrative Fund for Basic Skills as of the previous December 31,  
37 as determined in accordance with generally accepted accounting  
38 principles, shall not exceed the amount of contributions deposited into  
39 this fund during the calendar year then ended. If the balance exceeds  
40 that amount, the excess shall be deposited into the unemployment  
41 compensation fund within seven business days of the date this  
42 determination is made.

43 (cf: P.L.1993, c.268, s.10)

44

45 4. Section 1 of P.L.1992, c.44 (C.34:15D-12) is amended to read  
46 as follows:



1 1. For the purposes of sections 1 through 9 of this act:  
2 "Commissioner" is the Commissioner of Labor, or designee of the  
3 commissioner.

4 "Department" means the New Jersey Department of Labor.

5 "Employer" means any employer subject to R.S.43:21-1 et seq.

6 "Fund" or "Workforce Development Partnership Fund" means the  
7 Workforce Development Partnership Fund created pursuant to section  
8 9 of P.L.1992, c.43 (C.34:15D-9).

9 "Supplemental Workforce Administrative Fund for Basic Skills"  
10 means the fund established pursuant to subsection b. of section 9 of  
11 P.L.1992, c.43 (C.34:15D-9).

12 (cf: P.L.1992, c.44, s.1)

13

14 5. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to read  
15 as follows:

16 2. a. Beginning on January 1, 1993 through December 31, 2001,  
17 each worker shall contribute to the Workforce Development  
18 Partnership Fund an amount equal to 0.025% of the worker's wages  
19 as determined in accordance with paragraph (3) of subsection (b) of  
20 R.S.43:21-7 regarding the worker's employment with an employer.

21 Also beginning on January 1, 1993 through June 30, 2001, each  
22 employer shall contribute to the Workforce Development Partnership  
23 Fund an amount equal to the amount that the employer's contribution  
24 to the Unemployment Compensation Fund is decreased pursuant to  
25 subparagraph (i) of subparagraph (G) of paragraph (5) of subsection  
26 (c) of R.S.43:21-7.

27 b. Beginning on January 1, 2002, each worker shall contribute to  
28 the Workforce Development Partnership Fund an amount equal to  
29 0.0425% of the worker's wages as determined in accordance with  
30 paragraph (3) of subsection (b) of R.S.43:21-7 regarding the worker's  
31 employment with an employer, of which 0.0175% is allocated to the  
32 Supplemental Workforce Administrative Fund for Basic Skills.

33 Beginning on July 1, 2001, each employer shall contribute to the  
34 Workforce Development Partnership Fund an amount equal to the  
35 amount that the employer's contribution is decreased pursuant to  
36 subparagraph (ii) of subparagraph (G) of paragraph (5) of subsection  
37 (c) of R.S.43:21-7.

38 (cf: P.L.1995, c.422, s.4)

39

40 6. Section 6 of P.L.1992, c.44 (C.34:15D-17) is amended to read  
41 as follows:

42 6. a. If an employee receives wages from more than one employer  
43 during any calendar year, and the sum of the employee's contributions  
44 deposited in the Workforce Development Partnership Fund exceeds an  
45 amount equal to 0.025% of the wages determined in accordance with  
46 the provisions of paragraph (3) of subsection (b) of R.S.43:21-7

1 during the calendar year beginning January 1, 1993 [or any subsequent  
2 calendar year] through December 31, 2001, the employee shall be  
3 entitled to a refund of the excess if a claim establishing the employee's  
4 right to the refund is made within two years after the end of the  
5 respective calendar year in which the wages are received and are the  
6 subject of the claim. The commissioner shall refund any overpayment  
7 from the fund without interest.

8 b. If an employee receives wages from more than one employer  
9 during any calendar year, and the sum of the employee's contributions  
10 deposited in the Workforce Development Partnership Fund exceeds an  
11 amount equal to 0.0425% of the wages determined in accordance with  
12 the provisions of paragraph (3) of subsection (b) of R.S.43:21-7  
13 during the calendar year beginning January 1, 2002 or any subsequent  
14 calendar year, the employee shall be entitled to a refund of the excess  
15 if a claim establishing the employee's right to the refund is made within  
16 two years after the end of the respective calendar year in which the  
17 wages are received and are the subject of the claim. The commissioner  
18 shall refund any overpayment from the fund without interest.

19 c. Any employee who is a taxpayer and entitled, pursuant to the  
20 provisions of subsection a. of this section, to a refund of contributions  
21 deducted during a tax year from his wages shall, in lieu of the refund,  
22 be entitled to a credit in the full amount thereof against the tax  
23 otherwise due on his New Jersey gross income for that tax year if he  
24 submits his claim for the credit and accompanies that claim with  
25 evidence of his right to the credit in the manner provided by regulation  
26 by the Director of the Division of Taxation. In any case in which the  
27 amount, or any portion thereof, of any credit allowed hereunder results  
28 in or increases an excess of income tax payment over income tax  
29 liability, the amount of the new or increased excess shall be considered  
30 an overpayment and shall be refunded to the taxpayer in the manner  
31 provided by subsection (a) of N.J.S.54A:9-7.

32 (cf: P.L.1995, c.422, s.6)

33  
34 7. R.S.43:21-7 is amended to read as follows:

35 43:21-7. Contributions.

36 Employers other than governmental entities, whose benefit  
37 financing provisions are set forth in section 4 of P.L.1971, c.346  
38 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
39 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
40 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
41 compensation fund, contributions as set forth in subsections (a), (b)  
42 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
43 applicable to all employers, consistent with the provisions of the  
44 "unemployment compensation law" and the "Temporary Disability  
45 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

1 (a) Payment.

2 (1) Contributions shall accrue and become payable by each  
3 employer for each calendar year in which he is subject to this chapter  
4 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
5 during that calendar year, at the rates and on the basis hereinafter set  
6 forth. Such contributions shall become due and be paid by each  
7 employer to the controller for the fund, in accordance with such  
8 regulations as may be prescribed, and shall not be deducted, in whole  
9 or in part, from the remuneration of individuals in his employ.

10 (2) In the payment of any contributions, a fractional part of a cent  
11 shall be disregarded unless it amounts to \$0.005 or more, in which  
12 case it shall be increased to \$0.01.

13 (b) Rate of contributions. Each employer shall pay the following  
14 contributions:

15 (1) For the calendar year 1947, and each calendar year thereafter,  
16  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
17 as otherwise prescribed by subsection (c) of this section.

18 (2) The "wages" of any individual, with respect to any one  
19 employer, as the term is used in this subsection (b) and in subsections  
20 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
21 during calendar year 1975, for services performed either within or  
22 without this State; provided that no contribution shall be required by  
23 this State with respect to services performed in another state if such  
24 other state imposes contribution liability with respect thereto. If an  
25 employer (hereinafter referred to as a successor employer) during any  
26 calendar year acquires substantially all the property used in a trade or  
27 business of another employer (hereinafter referred to as a  
28 predecessor), or used in a separate unit of a trade or business of a  
29 predecessor, and immediately after the acquisition employs in his trade  
30 or business an individual who immediately prior to the acquisition was  
31 employed in the trade or business of such predecessors, then, for the  
32 purpose of determining whether the successor employer has paid  
33 wages with respect to employment equal to the first \$4,800.00 paid  
34 during calendar year 1975, any wages paid to such individual by such  
35 predecessor during such calendar year and prior to such acquisition  
36 shall be considered as having been paid by such successor employer.

37 (3) For calendar years beginning on and after January 1, 1976, the  
38 "wages" of any individual, as defined in the preceding paragraph (2)  
39 of this subsection (b), shall be established and promulgated by the  
40 Commissioner of Labor on or before September 1 of the preceding  
41 year and shall be 28 times the Statewide average weekly remuneration  
42 paid to workers by employers, as determined under R.S.43:21-3(c),  
43 raised to the next higher multiple of \$100.00 if not already a multiple  
44 thereof, provided that if the amount of wages so determined for a  
45 calendar year is less than the amount similarly determined for the  
46 preceding year, the greater amount will be used; provided, further, that

1 if the amount of such wages so determined does not equal or exceed  
2 the amount of wages as defined in subsection (b) of section 3306 of  
3 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
4 Revenue Code of 1986 (26 U.S.C. s.3306(b)), the wages as  
5 determined in this paragraph in any calendar year shall be raised to  
6 equal the amount established under the Federal Unemployment Tax  
7 Act for that calendar year.

8 (c) Future rates based on benefit experience.

9 (1) A separate account for each employer shall be maintained and  
10 this shall be credited with all the contributions which he has paid on  
11 his own behalf on or before January 31 of any calendar year with  
12 respect to employment occurring in the preceding calendar year;  
13 provided, however, that if January 31 of any calendar year falls on a  
14 Saturday or Sunday, an employer's account shall be credited as of  
15 January 31 of such calendar year with all the contributions which he  
16 has paid on or before the next succeeding day which is not a Saturday  
17 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
18 construed to grant any employer or individuals in his service prior  
19 claims or rights to the amounts paid by him into the fund either on his  
20 own behalf or on behalf of such individuals. Benefits paid with respect  
21 to benefit years commencing on and after January 1, 1953, to any  
22 individual on or before December 31 of any calendar year with respect  
23 to unemployment in such calendar year and in preceding calendar years  
24 shall be charged against the account or accounts of the employer or  
25 employers in whose employment such individual established base  
26 weeks constituting the basis of such benefits, except that, with respect  
27 to benefit years commencing after January 4, 1998, an employer's  
28 account shall not be charged for benefits paid to a claimant if the  
29 claimant's employment by that employer was ended in any way which,  
30 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
31 would have disqualified the claimant for benefits if the claimant had  
32 applied for benefits at the time when that employment ended. Benefits  
33 paid under a given benefit determination shall be charged against the  
34 account of the employer to whom such determination relates. When  
35 each benefit payment is made, either a copy of the benefit check or  
36 other form of notification shall be promptly sent to the employer  
37 against whose account the benefits are to be charged. Such copy or  
38 notification shall identify the employer against whose account the  
39 amount of such payment is being charged, shall show at least the name  
40 and social security account number of the claimant and shall specify  
41 the period of unemployment to which said check applies. If the total  
42 amount of benefits paid to a claimant and charged to the account of  
43 the appropriate employer exceeds 50% of the total base year, base  
44 week wages paid to the claimant by that employer, then such employer  
45 shall have canceled from his account such excess benefit charges as  
46 specified above.

1 Each employer shall be furnished an annual summary statement of  
2 benefits charged to his account.

3 (2) Regulations may be prescribed for the establishment,  
4 maintenance, and dissolution of joint accounts by two or more  
5 employers, and shall, in accordance with such regulations and upon  
6 application by two or more employers to establish such an account, or  
7 to merge their several individual accounts in a joint account, maintain  
8 such joint account as if it constituted a single employer's account.

9 (3) No employer's rate shall be lower than 5.4% unless assignment  
10 of such lower rate is consistent with the conditions applicable to  
11 additional credit allowance for such year under section 3303(a)(1) of  
12 the Internal Revenue Code of 1986 (26 U.S.C. s.3303(a)(1)), any  
13 other provision of this section to the contrary notwithstanding.

14 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
15 8/10%, except as otherwise provided in the following provisions. No  
16 employer's rate for the 12 months commencing July 1 of any calendar  
17 year shall be other than 2 8/10%, unless as of the preceding January 31  
18 such employer shall have paid contributions with respect to wages paid  
19 in each of the three calendar years immediately preceding such year,  
20 in which case such employer's rate for the 12 months commencing July  
21 1 of any calendar year shall be determined on the basis of his record up  
22 to the beginning of such calendar year. If, at the beginning of such  
23 calendar year, the total of all his contributions, paid on his own behalf,  
24 for all past years exceeds the total benefits charged to his account for  
25 all such years, his contribution rate shall be:

26 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than  
27 5%, of his average annual payroll (as defined in paragraph (2),  
28 subsection (a) of R.S.43:21-19);

29 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than  
30 6%, of his average annual payroll;

31 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than  
32 7%, of his average annual payroll;

33 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than  
34 8%, of his average annual payroll;

35 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than  
36 9%, of his average annual payroll;

37 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
38 of his average annual payroll;

39 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less  
40 than 11%, of his average annual payroll;

41 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his  
42 average annual payroll.

43 (B) If the total of an employer's contributions, paid on his own  
44 behalf, for all past periods for the purposes of this paragraph (4), is  
45 less than the total benefits charged against his account during the same  
46 period, his rate shall be:

1 (1) 4%, if such excess is less than 10% of his average annual  
2 payroll;

3 (2)  $4\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than  
4 20%, of his average annual payroll;

5 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
6 annual payroll.

7 (C) Specially assigned rates. If no contributions were paid on  
8 wages for employment in any calendar year used in determining the  
9 average annual payroll of an employer eligible for an assigned rate  
10 under this paragraph (4), the employer's rate shall be specially assigned  
11 as follows:

12 (i) if the reserve balance in its account is positive, its assigned rate  
13 shall be the highest rate in effect for positive balance accounts for that  
14 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
15 its account is negative, its assigned rate shall be the highest rate in  
16 effect for deficit accounts for that period.

17 (D) The contribution rates prescribed by subparagraphs (A) and  
18 (B) of this paragraph (4) shall be increased or decreased in accordance  
19 with the provisions of paragraph (5) of this subsection (c) for  
20 experience rating periods through June 30, 1986.

21 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31  
22 of any calendar year the balance in the unemployment trust fund equals  
23 or exceeds 4% but is less than 7% of the total taxable wages reported  
24 to the controller as of that date in respect to employment during the  
25 preceding calendar year, the contribution rate, effective July 1  
26 following, of each employer eligible for a contribution rate calculation  
27 based upon benefit experience, shall be increased by  $\frac{3}{10}$  of 1% over  
28 the contribution rate otherwise established under the provisions of  
29 paragraph (3) or (4) of this subsection. If on March 31 of any  
30 calendar year the balance of the unemployment trust fund exceeds 2  
31  $\frac{1}{2}\%$  but is less than 4% of the total taxable wages reported to the  
32 controller as of that date in respect to employment during the  
33 preceding calendar year, the contribution rate, effective July 1  
34 following, of each employer eligible for a contribution rate calculation  
35 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
36 the contribution rate otherwise established under the provisions of  
37 paragraph (3) or (4) of this subsection.

38 If on March 31 of any calendar year the balance of the  
39 unemployment trust fund is less than 2  $\frac{1}{2}\%$  of the total taxable wages  
40 reported to the controller as of that date in respect to employment  
41 during the preceding calendar year, the contribution rate, effective July  
42 1 following, of each employer (1) eligible for a contribution rate  
43 calculation based upon benefit experience, shall be increased by (i)  
44  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the  
45 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
46 (ii) an additional amount equal to 20% of the total rate established

1 herein, provided, however, that the final contribution rate for each  
2 employer shall be computed to the nearest multiple of 1/10% if not  
3 already a multiple thereof; (2) not eligible for a contribution rate  
4 calculation based upon benefit experience, shall be increased by 6/10  
5 of 1% over the contribution rate otherwise established under the  
6 provisions of paragraph (4) of this subsection. For the period  
7 commencing July 1, 1984 and ending June 30, 1986, the contribution  
8 rate for each employer liable to pay contributions under R.S.43:21-7  
9 shall be increased by a factor of 10% computed to the nearest multiple  
10 of 1/10% if not already a multiple thereof.

11 (B) If on March 31 of any calendar year the balance in the  
12 unemployment trust fund equals or exceeds 10% but is less than 12  
13 1/2% of the total taxable wages reported to the controller as of that  
14 date in respect to employment during the preceding calendar year, the  
15 contribution rate, effective July 1 following, of each employer eligible  
16 for a contribution rate calculation based upon benefit experience, shall  
17 be reduced by 3/10 of 1% under the contribution rate otherwise  
18 established under the provisions of paragraphs (3) and (4) of this  
19 subsection; provided that in no event shall the contribution rate of any  
20 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
21 calendar year the balance in the unemployment trust fund equals or  
22 exceeds 12 1/2% of the total taxable wages reported to the controller  
23 as of that date in respect to employment during the preceding calendar  
24 year, the contribution rate, effective July 1 following, of each  
25 employer eligible for a contribution rate calculation based upon benefit  
26 experience, shall be reduced by 6/10 of 1% if his account for all past  
27 periods reflects an excess of contributions paid over total benefits  
28 charged of 3% or more of his average annual payroll, otherwise by  
29 3/10 of 1% under the contribution rate otherwise established under the  
30 provisions of paragraphs (3) and (4) of this subsection; provided that  
31 in no event shall the contribution rate of any employer be reduced to  
32 less than 4/10 of 1%.

33 (C) The "balance" in the unemployment trust fund, as the term is  
34 used in subparagraphs (A) and (B) above, shall not include moneys  
35 credited to the State's account under section 903 of the Social Security  
36 Act, as amended (42 U.S.C. s.1103), during any period in which such  
37 moneys are appropriated for the payment of expenses incurred in the  
38 administration of the "unemployment compensation law."

39 (D) Prior to July 1 of each calendar year the controller shall  
40 determine the Unemployment Trust Reserve Ratio, which shall be  
41 calculated by dividing the balance of the unemployment trust fund as  
42 of the prior March 31 by total taxable wages reported to the controller  
43 by all employers as of March 31 with respect to their employment  
44 during the last calendar year.

45 (E) (Deleted by amendment, P.L.1997, c.263).

46 (ii) With respect to experience rating years beginning on or after

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1 July 1, 1997, the new employer rate or the unemployment experience  
 2 rate of an employer under this section shall be the rate which appears  
 3 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 4 as of the applicable calculation date and on the line with the Employer  
 5 Reserve Ratio, as defined in paragraph 4 of this subsection  
 6 (R.S.43:21-7 (c)(4)), as set forth in the following table:

7

8 EXPERIENCE RATING TAX TABLE

9 Fund Reserve Ratio<sup>1</sup>

10

	6.00%	4.00%	3.00%	2.50%	2.49%
Employer	and	to	to	to	and
Reserve	Over	5.99%	3.99%	2.99%	Under
Ratio <sup>2</sup>	A	B	C	D	E
15 Positive Reserve Ratio:					
16 17% and over	0.3	0.4	0.5	0.6	1.2
17 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
18 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
19 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
20 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
21 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
22 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
23 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
24 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
25 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
26 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
27 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
28 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
29 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
30 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
31 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
32 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
33 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
34 Deficit Reserve Ratio:					
35 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
36 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
37 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
38 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
39 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
40 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
41 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
42 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
43 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
44 -35.00% and under	5.4	5.4	5.8	6.4	7.0
45 New Employer Rate	2.8	2.8	2.8	3.1	3.4



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1       <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
2 the prior calendar year.

3       <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
4 percentage of employer's taxable wages).

5       (iii) With respect to experience rating years beginning on or after  
6 July 1, 1998, the new employer rate or the unemployment experience  
7 rate of an employer under this section shall be the rate which appears  
8 in the column headed by the Unemployment Trust Fund Reserve Ratio  
9 as of the applicable calculation date and on the line with the Employer  
10 Reserve Ratio, as defined in paragraph 4 of this subsection  
11 (R.S.43:21-7 (c)(4)), as set forth in the following table:

12

**EXPERIENCE RATING TAX TABLE**

13

Fund Reserve Ratio<sup>1</sup>

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	4.50%	3.50%	3.00%	2.50%	2.49%
Employer Reserve Ratio <sup>2</sup>	and Over A	to 4.49% B	to 3.49% C	to 2.99% D	and Under E
<b>Positive Reserve Ratio:</b>					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
<b>Deficit Reserve Ratio:</b>					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7

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1	-25.00%to-29.99%	3.7	4.8	5.6	6.3	6.8
2	-30.00%to-34.99%	3.8	4.8	5.7	6.3	6.9
3	-35.00% and under	5.4	5.4	5.8	6.4	7.0
4	New Employer Rate	2.8	2.8	2.8	3.1	3.4

5 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
6 the prior calendar year.

7 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
8 percentage of employer's taxable wages).

9 (F)(i) (Deleted by amendment, P.L.1997, c.263).

10 (ii) With respect to experience rating years beginning on or after  
11 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
12 the prior March 31, is less than 1.00%, the contribution rate for each  
13 employer liable to pay contributions, as computed under subparagraph  
14 (E) of this paragraph (5), shall be increased by a factor of 10%  
15 computed to the nearest multiple of 1/10% if not already a multiple  
16 thereof.

17 (G) (i) On or after January 1, 1993 and until June 30, 2001,  
18 notwithstanding any other provisions of this paragraph (5), the  
19 contribution rate for each employer liable to pay contributions, as  
20 computed under subparagraph (E) of this paragraph (5), shall be  
21 decreased by 0.1%, except that, during any experience rating year  
22 starting before January 1, 1998 in which the fund reserve ratio is  
23 equal to or greater than 7.00% or during any experience rating year  
24 starting on or after January 1, 1998, in which the fund reserve ratio is  
25 equal to or greater than 3.5%, there shall be no decrease pursuant to  
26 this subparagraph (G) in the contribution of any employer who has a  
27 deficit reserve ratio of negative 35.00% or under.

28 (ii) On or after July 1, 2001, notwithstanding any other provisions  
29 of this paragraph (5), the contribution rate for each employer liable to  
30 pay contributions, as computed under subparagraph (E) of this  
31 paragraph (5), shall be decreased by 0.1175%, except that, during any  
32 experience rating year starting on or after July 1, 2001, in which the  
33 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
34 decrease pursuant to this subparagraph (G) in the contribution of any  
35 employer who has a deficit reserve ratio of negative 35.00% or under.

36 (H) On or after January 1, 1993 until December 31, 1993,  
37 notwithstanding any other provisions of this paragraph (5), the  
38 contribution rate for each employer liable to pay contributions, as  
39 computed under subparagraph (E) of this paragraph (5), shall be  
40 decreased by a factor of 52.0% computed to the nearest multiple of  
41 1/10%, except that, if an employer has a deficit reserve ratio of  
42 negative 35.0% or under, the employer's rate of contribution shall not  
43 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
44 amount of the reduction in the employer contributions stipulated by  
45 this subparagraph (H) shall be in addition to the amount of the  
46 reduction in the employer contributions stipulated by subparagraph (G)

1 of this paragraph (5), except that the rate of contribution of an  
2 employer who has a deficit reserve ratio of negative 35.0% or under  
3 shall not be reduced pursuant to this subparagraph (H) to less than  
4 5.4% and the rate of contribution of any other employer shall not be  
5 reduced to less than 0.0%.

6 On or after January 1, 1994 until December 31, 1995, except as  
7 provided pursuant to subparagraph (I) of this paragraph (5),  
8 notwithstanding any other provisions of this paragraph (5), the  
9 contribution rate for each employer liable to pay contributions, as  
10 computed under subparagraph (E) of this paragraph (5), shall be  
11 decreased by a factor of 36.0% computed to the nearest multiple of  
12 1/10%, except that, if an employer has a deficit reserve ratio of  
13 negative 35.0% or under, the employer's rate of contribution shall not  
14 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
15 amount of the reduction in the employer contributions stipulated by  
16 this subparagraph (H) shall be in addition to the amount of the  
17 reduction in the employer contributions stipulated by subparagraph (G)  
18 of this paragraph (5), except that the rate of contribution of an  
19 employer who has a deficit reserve ratio of negative 35.0% or under  
20 shall not be reduced pursuant to this subparagraph (H) to less than  
21 5.4% and the rate of contribution of any other employer shall not be  
22 reduced to less than 0.0%.

23 On or after April 1, 1996 until December 31, 1996, the contribution  
24 rate for each employer liable to pay contributions, as computed under  
25 subparagraph (E) of this paragraph (5), shall be decreased by a factor  
26 of 25.0% computed to the nearest multiple of 1/10%, except that, if  
27 an employer has a deficit reserve ratio of negative 35.0% or under, the  
28 employer's rate of contribution shall not be reduced pursuant to this  
29 subparagraph (H) to less than 5.4%. The amount of the reduction in  
30 the employer contributions stipulated by this subparagraph (H) shall  
31 be in addition to the amount of the reduction in the employer  
32 contributions stipulated by subparagraph (G) of this paragraph (5),  
33 except that the rate of contribution of an employer who has a deficit  
34 reserve ratio of negative 35.0% or under shall not be reduced pursuant  
35 to this subparagraph (H) to less than 5.4% and the rate of contribution  
36 of any other employer shall not be reduced to less than 0.0%.

37 On or after January 1, 1997 until December 31, 1997, the  
38 contribution rate for each employer liable to pay contributions, as  
39 computed under subparagraph (E) of this paragraph (5), shall be  
40 decreased by a factor of 10.0% computed to the nearest multiple of  
41 1/10%, except that, if an employer has a deficit reserve ratio of  
42 negative 35.0% or under, the employer's rate of contribution shall not  
43 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
44 amount of the reduction in the employer contributions stipulated by  
45 this subparagraph (H) shall be in addition to the amount of the  
46 reduction in the employer contributions stipulated by subparagraph (G)

1 of this paragraph (5), except that the rate of contribution of an  
2 employer who has a deficit reserve ratio of negative 35.0% or under  
3 shall not be reduced pursuant to this subparagraph (H) to less than  
4 5.4% and the rate of contribution of any other employer shall not be  
5 reduced to less than 0.0%.

6 On and after January 1, 1998 until December 31, 2000, the  
7 contribution rate for each employer liable to pay contributions, as  
8 computed under subparagraph (E) of this paragraph (5), shall be  
9 decreased each calendar year by a factor, as set out below, computed  
10 to the nearest multiple of 1/10%, except that, if an employer has a  
11 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
12 contribution shall not be reduced pursuant to this subparagraph (H) to  
13 less than 5.4%:

14 From January 1, 1998 until December 31, 1998, a factor of 12%;

15 From January 1, 1999 until December 31, 1999, a factor of 10%;

16 From January 1, 2000 until December 31, 2000, a factor of 7%.

17 The amount of the reduction in the employer contributions  
18 stipulated by this subparagraph (H) shall be in addition to the amount  
19 of the reduction in the employer contributions stipulated by  
20 subparagraph (G) of this paragraph (5), except that the rate of  
21 contribution of an employer who has a deficit reserve ratio of negative  
22 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
23 to less than 5.4% and the rate of contribution of any other employer  
24 shall not be reduced to less than 0.0%.

25 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
26 on March 31 of calendar year 1994 or calendar year 1995, the  
27 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
28 in effect as of July 1 of that calendar year.

29 If, upon calculating the unemployment compensation fund reserve  
30 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
31 March 31, 1998 or March 31, 1999, the controller finds that the fund  
32 reserve ratio has decreased to a level of less than 3.00%, the  
33 Commissioner of Labor shall notify the State Treasurer of this fact and  
34 of the dollar amount necessary to bring the fund reserve ratio up to a  
35 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
36 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
37 General Fund to the unemployment compensation fund, revenues in  
38 the amount specified by the commissioner and which, upon deposit in  
39 the unemployment compensation fund, shall result, upon recalculation,  
40 in a fund reserve ratio used to determine employer contributions  
41 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
42 at least 3.00%.

43 If, upon calculating the unemployment compensation fund reserve  
44 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
45 controller finds that the fund reserve ratio has decreased to a level of  
46 less than 3.00%, the Commissioner of Labor shall notify the State

1 Treasurer of this fact and of the dollar amount necessary to bring the  
2 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
3 prior to March 31, 2000, transfer from the General Fund to the  
4 unemployment compensation fund, revenues in the amount specified  
5 by the commissioner and which, upon deposit in the unemployment  
6 compensation fund, shall result, upon recalculation, in a fund reserve  
7 ratio used to determine employer contributions beginning July 1, 2000  
8 of at least 3.00%.

9 (6) Additional contributions.

10 Notwithstanding any other provision of law, any employer who has  
11 been assigned a contribution rate pursuant to subsection (c) of this  
12 section for the year commencing July 1, 1948, and for any year  
13 commencing July 1 thereafter, may voluntarily make payment of  
14 additional contributions, and upon such payment shall receive a  
15 recomputation of the experience rate applicable to such employer,  
16 including in the calculation the additional contribution so made. Any  
17 such additional contribution shall be made during the 30-day period  
18 following the date of the mailing to the employer of the notice of his  
19 contribution rate as prescribed in this section, unless, for good cause,  
20 the time for payment has been extended by the controller for not to  
21 exceed an additional 60 days; provided that in no event may such  
22 payments which are made later than 120 days after the beginning of  
23 the year for which such rates are effective be considered in  
24 determining the experience rate for the year in which the payment is  
25 made. Any employer receiving any extended period of time within  
26 which to make such additional payment and failing to make such  
27 payment timely shall be, in addition to the required amount of  
28 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
29 greater, not to exceed \$50.00. Any adjustment under this subsection  
30 shall be made only in the form of credits against accrued or future  
31 contributions.

32 (7) Transfers.

33 (A) Upon the transfer of the organization, trade or business, or  
34 substantially all the assets of an employer to a successor in interest,  
35 whether by merger, consolidation, sale, transfer, descent or otherwise,  
36 the controller shall transfer the employment experience of the  
37 predecessor employer to the successor in interest, including credit for  
38 past years, contributions paid, annual payrolls, benefit charges, et  
39 cetera, applicable to such predecessor employer, pursuant to  
40 regulation, if it is determined that the employment experience of the  
41 predecessor employer with respect to the organization, trade, assets  
42 or business which has been transferred may be considered indicative  
43 of the future employment experience of the successor in interest.  
44 Unless the predecessor employer was owned or controlled (by legally  
45 enforceable means or otherwise), directly or indirectly, by the  
46 successor in interest, or the predecessor employer and the successor

1 in interest were owned or controlled (by legally enforceable means or  
2 otherwise), directly or indirectly, by the same interest or interests, the  
3 transfer of the employment experience of the predecessor shall not be  
4 effective if such successor in interest, within four months of the date  
5 of such transfer of the organization, trade, assets or business, or  
6 thereafter upon good cause shown, files a written notice protesting the  
7 transfer of the employment experience of the predecessor employer.

8 (B) An employer who transfers part of his or its organization,  
9 trade, assets or business to a successor in interest, whether by merger,  
10 consolidation, sale, transfer, descent or otherwise, may jointly make  
11 application with such successor in interest for transfer of that portion  
12 of the employment experience of the predecessor employer relating to  
13 the portion of the organization, trade, assets or business transferred to  
14 the successor in interest, including credit for past years, contributions  
15 paid, annual payrolls, benefit charges, et cetera, applicable to such  
16 predecessor employer. The transfer of employment experience may be  
17 allowed pursuant to regulation only if it is found that the employment  
18 experience of the predecessor employer with respect to the portion of  
19 the organization, trade, assets or business which has been transferred  
20 may be considered indicative of the future employment experience of  
21 the successor in interest. Credit shall be given to the successor in  
22 interest only for the years during which contributions were paid by the  
23 predecessor employer with respect to that part of the organization,  
24 trade, assets or business transferred.

25 (C) A transfer of the employment experience in whole or in part  
26 having become final, the predecessor employer thereafter shall not be  
27 entitled to consideration for an adjusted rate based upon his or its  
28 experience or the part thereof, as the case may be, which has thus been  
29 transferred. A successor in interest to whom employment experience  
30 or a part thereof is transferred pursuant to this subsection shall, as of  
31 the date of the transfer of the organization, trade, assets or business,  
32 or part thereof, immediately become an employer if not theretofore an  
33 employer subject to this chapter (R.S.43:21-1 et seq.).

34 (d) Contributions of workers to the unemployment compensation  
35 fund and the State disability benefits fund.

36 (1) (A) For periods after January 1, 1975, each worker shall  
37 contribute to the fund 1% of his wages with respect to his employment  
38 with an employer, which occurs on and after January 1, 1975, after  
39 such employer has satisfied the condition set forth in subsection (h) of  
40 R.S.43:21-19 with respect to becoming an employer; provided,  
41 however, that such contributions shall be at the rate of 1/2 of 1% of  
42 wages paid with respect to employment while the worker is in the  
43 employ of the State of New Jersey, or any governmental entity or  
44 instrumentality which is an employer as defined under  
45 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
46 the "Temporary Disability Benefits Law" or while the worker is

1 exempt from the provisions of the "Temporary Disability Benefits  
2 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

3 (B) Effective January 1, 1978 there shall be no contributions by  
4 workers in the employ of any governmental or nongovernmental  
5 employer electing or required to make payments in lieu of  
6 contributions unless the employer is covered by the State plan under  
7 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
8 that case contributions shall be at the rate of 1/2 of 1%, except that  
9 commencing July 1, 1986, workers in the employ of any  
10 nongovernmental employer electing or required to make payments in  
11 lieu of contributions shall be required to make contributions to the  
12 fund at the same rate prescribed for workers of other nongovernmental  
13 employers.

14 (C) (i) Notwithstanding the above provisions of this paragraph (1),  
15 during the period starting July 1, 1986 and ending December 31, 1992,  
16 each worker shall contribute to the fund 1.125% of wages paid with  
17 respect to his employment with a governmental employer electing or  
18 required to pay contributions or nongovernmental employer, including  
19 a nonprofit organization which is an employer as defined under  
20 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization  
21 elects or is required to finance its benefit costs with contributions to  
22 the fund or by payments in lieu of contributions, after that employer  
23 has satisfied the conditions set forth in subsection R.S.43:21-19(h)  
24 with respect to becoming an employer. Contributions, however, shall  
25 be at the rate of 0.625% while the worker is covered by an approved  
26 private plan under the "Temporary Disability Benefits Law" while the  
27 worker is exempt under section 7 of that law, P.L.1948, c.110  
28 (C.43:21-31) or any other provision of that law; provided that such  
29 contributions shall be at the rate of 0.625% of wages paid with respect  
30 to employment with the State of New Jersey or any other  
31 governmental entity or instrumentality electing or required to make  
32 payments in lieu of contributions and which is covered by the State  
33 plan under the "Temporary Disability Benefits Law," except that, while  
34 the worker is exempt from the provisions of the "Temporary Disability  
35 Benefits Law" under section 7 of that law, P.L.1948, c.110  
36 (C.43:21-31) or any other provision of that law, or is covered for  
37 disability benefits by an approved private plan of the employer, the  
38 contributions to the fund shall be 0.125%.

39 (ii) (Deleted by amendment, P.L.1995, c.422.)

40 (D) Notwithstanding any other provisions of this paragraph (1),  
41 during the period starting January 1, 1993 and ending June 30, 1994,  
42 each worker shall contribute to the unemployment compensation fund  
43 0.5% of wages paid with respect to the worker's employment with a  
44 governmental employer electing or required to pay contributions or  
45 nongovernmental employer, including a nonprofit organization which  
46 is an employer as defined under paragraph (6) of subsection (h) of

1 R.S.43:21-19, regardless of whether that nonprofit organization elects  
2 or is required to finance its benefit costs with contributions to the fund  
3 or by payments in lieu of contributions, after that employer has  
4 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
5 with respect to becoming an employer. No contributions, however,  
6 shall be made by the worker while the worker is covered by an  
7 approved private plan under the "Temporary Disability Benefits Law,"  
8 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
9 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
10 provision of that law; provided that the contributions shall be at the  
11 rate of 0.50% of wages paid with respect to employment with the  
12 State of New Jersey or any other governmental entity or  
13 instrumentality electing or required to make payments in lieu of  
14 contributions and which is covered by the State plan under the  
15 "Temporary Disability Benefits Law," except that, while the worker is  
16 exempt from the provisions of the "Temporary Disability Benefits  
17 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
18 other provision of that law, or is covered for disability benefits by an  
19 approved private plan of the employer, no contributions shall be made  
20 to the fund.

21 Each worker shall, starting on January 1, 1996 and ending  
22 March 31, 1996, contribute to the unemployment compensation fund  
23 0.60% of wages paid with respect to the worker's employment with a  
24 governmental employer electing or required to pay contributions or  
25 nongovernmental employer, including a nonprofit organization which  
26 is an employer as defined under paragraph (6) of subsection (h) of  
27 R.S.43:21-19, regardless of whether that nonprofit organization elects  
28 or is required to finance its benefit costs with contributions to the fund  
29 or by payments in lieu of contributions, after that employer has  
30 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
31 with respect to becoming an employer, provided that the contributions  
32 shall be at the rate of 0.10% of wages paid with respect to  
33 employment with the State of New Jersey or any other governmental  
34 entity or instrumentality electing or required to make payments in lieu  
35 of contributions.

36 Each worker shall, starting on January 1, 1998 and ending  
37 December 31, 1998, contribute to the unemployment compensation  
38 fund 0.10% of wages paid with respect to the worker's employment  
39 with a governmental employer electing or required to pay  
40 contributions or nongovernmental employer, including a nonprofit  
41 organization which is an employer as defined under paragraph (6) of  
42 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
43 organization elects or is required to finance its benefit costs with  
44 contributions to the fund or by payments in lieu of contributions, after  
45 that employer has satisfied the conditions set forth in subsection (h) of  
46 R.S.43:21-19 with respect to becoming an employer, provided that the



1 contributions shall be at the rate of 0.10% of wages paid with respect  
2 to employment with the State of New Jersey or any other  
3 governmental entity or instrumentality electing or required to make  
4 payments in lieu of contributions.

5 Each worker shall, starting on January 1, 1999 until December 31,  
6 1999, contribute to the unemployment compensation fund 0.15% of  
7 wages paid with respect to the worker's employment with a  
8 governmental employer electing or required to pay contributions or  
9 nongovernmental employer, including a nonprofit organization which  
10 is an employer as defined under paragraph (6) of subsection (h) of  
11 R.S.43:21-19, regardless of whether that nonprofit organization elects  
12 or is required to finance its benefit costs with contributions to the fund  
13 or by payments in lieu of contributions, after that employer has  
14 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
15 with respect to becoming an employer, provided that the contributions  
16 shall be at the rate of 0.10% of wages paid with respect to  
17 employment with the State of New Jersey or any other governmental  
18 entity or instrumentality electing or required to make payments in lieu  
19 of contributions.

20 Each worker shall, starting on January 1, 2000 until December 31,  
21 [2002] 2001, contribute to the unemployment compensation fund  
22 0.20% of wages paid with respect to the worker's employment with a  
23 governmental employer electing or required to pay contributions or  
24 nongovernmental employer, including a nonprofit organization which  
25 is an employer as defined under paragraph (6) of subsection (h) of  
26 R.S.43:21-19, regardless of whether that nonprofit organization elects  
27 or is required to finance its benefit costs with contributions to the fund  
28 or by payments in lieu of contributions, after that employer has  
29 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
30 with respect to becoming an employer, provided that the contributions  
31 shall be at the rate of 0.10% of wages paid with respect to  
32 employment with the State of New Jersey or any other governmental  
33 entity or instrumentality electing or required to make payments in lieu  
34 of contributions.

35 Each worker shall, starting on January 2, 2002 until December 31,  
36 2002, contribute to the unemployment compensation fund 0.1825% of  
37 wages paid with respect to the worker's employment with a  
38 governmental employer electing or required to pay contributions or  
39 nongovernmental employer, including a nonprofit organization which  
40 is an employer as defined under paragraph (6) of subsection (h) of  
41 R.S.43:21-19, regardless of whether that nonprofit organization elects  
42 or is required to finance its benefit costs with contributions to the fund  
43 or by payments in lieu of contributions, after that employer has  
44 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
45 with respect to becoming an employer, provided that the contributions  
46 shall be at the rate of 0.0825% of wages paid with respect to

1 employment with the State of New Jersey or any other governmental  
2 entity or instrumentality electing or required to make payments in lieu  
3 of contributions.

4 Each worker shall, starting on and after January 1, 2003, contribute  
5 to the unemployment compensation fund [~~0.40%~~] 0.3825% of wages  
6 paid with respect to the worker's employment with a governmental  
7 employer electing or required to pay contributions or nongovernmental  
8 employer, including a nonprofit organization which is an employer as  
9 defined under paragraph (6) of subsection (h) of R.S.43:21-19,  
10 regardless of whether that nonprofit organization elects or is required  
11 to finance its benefit costs with contributions to the fund or by  
12 payments in lieu of contributions, after that employer has satisfied the  
13 conditions set forth in subsection (h) of R.S.43:21-19 with respect to  
14 becoming an employer, provided that the contributions shall be at the  
15 rate of [~~0.10%~~] 0.0825% of wages paid with respect to employment  
16 with the State of New Jersey or any other governmental entity or  
17 instrumentality electing or required to make payments in lieu of  
18 contributions.

19 (E) Each employer shall, notwithstanding any provision of law in  
20 this State to the contrary, withhold in trust the amount of his workers'  
21 contributions from their wages at the time such wages are paid, shall  
22 show such deduction on his payroll records, shall furnish such  
23 evidence thereof to his workers as the division or controller may  
24 prescribe, and shall transmit all such contributions, in addition to his  
25 own contributions, to the office of the controller in such manner and  
26 at such times as may be prescribed. If any employer fails to deduct the  
27 contributions of any of his workers at the time their wages are paid, or  
28 fails to make a deduction therefor at the time wages are paid for the  
29 next succeeding payroll period, he alone shall thereafter be liable for  
30 such contributions, and for the purpose of R.S.43:21-14, such  
31 contributions shall be treated as employer's contributions required  
32 from him.

33 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
34 context clearly requires otherwise, the term "contributions" shall  
35 include the contributions of workers pursuant to this section.

36 (G) Each worker shall, starting on July 1, 1994, contribute to the  
37 State disability benefits fund an amount equal to 0.50% of wages paid  
38 with respect to the worker's employment with a government employer  
39 electing or required to pay contributions to the State disability benefits  
40 fund or nongovernmental employer, including a nonprofit organization  
41 which is an employer as defined under paragraph (6) of subsection (h)  
42 of R.S.43:21-19, unless the employer is covered by an approved  
43 private disability plan or is exempt from the provisions of the  
44 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
45 seq.) under section 7 of that law (C.43:21-31) or any other provision  
46 of that law.

1 (2) (A) (Deleted by amendment, P.L.1984, c.24.)  
2 (B) (Deleted by amendment, P.L.1984, c.24.)  
3 (C) (Deleted by amendment, P.L.1994, c.112.)  
4 (D) (Deleted by amendment, P.L.1994, c.112.)  
5 (E) (i) (Deleted by amendment, P.L.1994, c.112.)  
6 (ii) (Deleted by amendment, P.L.1996, c.28.)  
7 (iii) (Deleted by amendment, P.L.1994, c.112.)  
8 (3) If an employee receives wages from more than one employer  
9 during any calendar year, and either the sum of his contributions  
10 deposited in and credited to the State disability benefits fund plus the  
11 amount of his contributions, if any, required towards the costs of  
12 benefits under one or more approved private plans under the  
13 provisions of section 9 of the "Temporary Disability Benefits Law"  
14 (C.43:21-33) and deducted from his wages, or the sum of such latter  
15 contributions, if the employee is covered during such calendar year  
16 only by two or more private plans, exceeds an amount equal to 1/2 of  
17 1% of the "wages" determined in accordance with the provisions of  
18 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
19 January 1, 1976, the employee shall be entitled to a refund of the  
20 excess if he makes a claim to the controller within two years after the  
21 end of the calendar year in which the wages are received with respect  
22 to which the refund is claimed and establishes his right to such refund.  
23 Such refund shall be made by the controller from the State disability  
24 benefits fund. No interest shall be allowed or paid with respect to any  
25 such refund. The controller shall, in accordance with prescribed  
26 regulations, determine the portion of the aggregate amount of such  
27 refunds made during any calendar year which is applicable to private  
28 plans for which deductions were made under section 9 of the  
29 "Temporary Disability Benefits Law," such determination to be based  
30 upon the ratio of the amount of such wages exempt from contributions  
31 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
32 subsection with respect to coverage under private plans, to the total  
33 wages so exempt plus the amount of such wages subject to  
34 contributions to the disability benefits fund, as provided in  
35 subparagraph (G) of paragraph (1) of this subsection. The controller  
36 shall, in accordance with prescribed regulations, prorate the amount  
37 so determined among the applicable private plans in the proportion  
38 that the wages covered by each plan bear to the total private plan  
39 wages involved in such refunds, and shall assess against and recover  
40 from the employer, or the insurer if the insurer has indemnified the  
41 employer with respect thereto, the amount so prorated. The  
42 provisions of R.S.43:21-14 with respect to collection of employer  
43 contributions shall apply to such assessments. The amount so  
44 recovered by the controller shall be paid into the State disability  
45 benefits fund.

1 (4) If an individual does not receive any wages from the employing  
2 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is  
3 treated as his employer, or receives his wages from some other  
4 employing unit, such employer shall nevertheless be liable for such  
5 individual's contributions in the first instance; and after payment  
6 thereof such employer may deduct the amount of such contributions  
7 from any sums payable by him to such employing unit, or may recover  
8 the amount of such contributions from such employing unit, or, in the  
9 absence of such an employing unit, from such individual, in a civil  
10 action; provided proceedings therefor are instituted within three  
11 months after the date on which such contributions are payable. General  
12 rules shall be prescribed whereby such an employing unit may recover  
13 the amount of such contributions from such individuals in the same  
14 manner as if it were the employer.

15 (5) Every employer who has elected to become an employer  
16 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
17 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
18 provisions of R.S.43:21-8, shall post and maintain printed notices of  
19 such election on his premises, of such design, in such numbers, and at  
20 such places as the director may determine to be necessary to give  
21 notice thereof to persons in his service.

22 (6) Contributions by workers, payable to the controller as herein  
23 provided, shall be exempt from garnishment, attachment, execution, or  
24 any other remedy for the collection of debts.

25 (e) Contributions by employers to State disability benefits fund.

26 (1) Except as hereinafter provided, each employer shall, in addition  
27 to the contributions required by subsections (a), (b), and (c) of this  
28 section, contribute  $\frac{1}{2}$  of 1% of the wages paid by such employer to  
29 workers with respect to employment unless he is not a covered  
30 employer as defined in section 3 of the "Temporary Disability Benefits  
31 Law" (C.43:21-27 (a)), except that the rate for the State of New  
32 Jersey shall be  $\frac{1}{10}$  of 1% for the calendar year 1980 and for the first  
33 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year  
34 thereafter, the controller shall review the experience accumulated in  
35 the account of the State of New Jersey and establish a rate for the next  
36 following fiscal year which, in combination with worker contributions,  
37 will produce sufficient revenue to keep the account in balance; except  
38 that the rate so established shall not be less than  $\frac{1}{10}$  of 1%. Such  
39 contributions shall become due and be paid by the employer to the  
40 controller for the State disability benefits fund as established by law,  
41 in accordance with such regulations as may be prescribed, and shall  
42 not be deducted, in whole or in part, from the remuneration of  
43 individuals in his employ. In the payment of any contributions, a  
44 fractional part of a cent shall be disregarded unless it amounts to  
45 \$0.005 or more, in which case it shall be increased to \$0.01.

46 (2) During the continuance of coverage of a worker by an approved

1 private plan of disability benefits under the "Temporary Disability  
2 Benefits Law," the employer shall be exempt from the contributions  
3 required by subparagraph (1) above with respect to wages paid to such  
4 worker.

5 (3) (A) The rates of contribution as specified in subparagraph (1)  
6 above shall be subject to modification as provided herein with respect  
7 to employer contributions due on and after July 1, 1951.

8 (B) A separate disability benefits account shall be maintained for  
9 each employer required to contribute to the State disability benefits  
10 fund and such account shall be credited with contributions deposited  
11 in and credited to such fund with respect to employment occurring on  
12 and after January 1, 1949. Each employer's account shall be credited  
13 with all contributions paid on or before January 31 of any calendar  
14 year on his own behalf and on behalf of individuals in his service with  
15 respect to employment occurring in preceding calendar years;  
16 provided, however, that if January 31 of any calendar year falls on a  
17 Saturday or Sunday an employer's account shall be credited as of  
18 January 31 of such calendar year with all the contributions which he  
19 has paid on or before the next succeeding day which is not a Saturday  
20 or Sunday. But nothing in this act shall be construed to grant any  
21 employer or individuals in his service prior claims or rights to the  
22 amounts paid by him to the fund either on his own behalf or on behalf  
23 of such individuals. Benefits paid to any covered individual in  
24 accordance with Article III of the "Temporary Disability Benefits  
25 Law" on or before December 31 of any calendar year with respect to  
26 disability in such calendar year and in preceding calendar years shall be  
27 charged against the account of the employer by whom such individual  
28 was employed at the commencement of such disability or by whom he  
29 was last employed, if out of employment.

30 (C) The controller may prescribe regulations for the establishment,  
31 maintenance, and dissolution of joint accounts by two or more  
32 employers, and shall, in accordance with such regulations and upon  
33 application by two or more employers to establish such an account, or  
34 to merge their several individual accounts in a joint account, maintain  
35 such joint account as if it constituted a single employer's account.

36 (D) Prior to July 1 of each calendar year, the controller shall make  
37 a preliminary determination of the rate of contribution for the  
38 12 months commencing on such July 1 for each employer subject to  
39 the contribution requirements of this subsection (e).

40 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
41 preceding January 31 of such year such employer shall have been a  
42 covered employer who has paid contributions to the State disability  
43 benefits fund with respect to employment in the three calendar years  
44 immediately preceding such year.

45 (2) If the minimum requirements in (1) above have been fulfilled  
46 and the credited contributions exceed the benefits charged by more

1 than \$500.00, such preliminary rate shall be as follows:

2 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less  
3 than  $1\frac{1}{4}$ % of his average annual payroll (as defined in this chapter  
4 (R.S.43:21-1 et seq.));

5 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds 1  
6  $\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual payroll;

7 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds 1  
8  $\frac{1}{2}$ % of his average annual payroll.

9 (3) If the minimum requirements in (1) above have been fulfilled  
10 and the contributions credited exceed the benefits charged but by not  
11 more than \$500.00 plus 1% of his average annual payroll, or if the  
12 benefits charged exceed the contributions credited but by not more  
13 than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

14 (4) If the minimum requirements in (1) above have been fulfilled  
15 and the benefits charged exceed the contributions credited by more  
16 than \$500.00, such preliminary rate shall be as follows:

17 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of 1%  
18 of his average annual payroll;

19 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
20  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

21 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
22  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

23 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
24  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

25 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
26 1% of his average annual payroll.

27 (5) Determination of the preliminary rate as specified in (2), (3)  
28 and (4) above shall be subject, however, to the condition that it shall  
29 in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages or  
30 increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary rate  
31 determined for the preceding year in accordance with (1), (2), (3) or  
32 (4), whichever shall have been applicable.

33 (E) (1) Prior to July 1 of each calendar year the controller shall  
34 determine the amount of the State disability benefits fund as of  
35 December 31 of the preceding calendar year, increased by the  
36 contributions paid thereto during January of the current calendar year  
37 with respect to employment occurring in the preceding calendar year.  
38 If such amount exceeds the net amount withdrawn from the  
39 unemployment trust fund pursuant to section 23 of the "Temporary  
40 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
41 amount at the end of such preceding calendar year of the  
42 unemployment disability account (as defined in section 22 of said law  
43 (C.43:21-46)), such excess shall be expressed as a percentage of the  
44 wages on which contributions were paid to the State disability benefits  
45 fund on or before January 31 with respect to employment in the  
46 preceding calendar year.

1 (2) The controller shall then make a final determination of the rates  
2 of contribution for the 12 months commencing July 1 of such year for  
3 employers whose preliminary rates are determined as provided in (D)  
4 hereof, as follows:

5 (i) If the percentage determined in accordance with paragraph  
6 (E)(1) of this subsection equals or exceeds  $1\frac{1}{4}\%$ , the final employer  
7 rates shall be the preliminary rates determined as provided in (D)  
8 hereof, except that if the employer's preliminary rate is determined as  
9 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
10 the preliminary employer rate decreased by such percentage of excess  
11 taken to the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate  
12 be less than  $\frac{1}{10}$  of 1%.

13 (ii) If the percentage determined in accordance with paragraph  
14 (E)(1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1% and is less than  
15  $1\frac{1}{4}$  of 1%, the final employer rates shall be the preliminary employer  
16 rates.

17 (iii) If the percentage determined in accordance with paragraph  
18 (E)(1) of this subsection is less than  $\frac{3}{4}$  of 1%, but in excess of  $\frac{1}{4}$  of  
19 1%, the final employer rates shall be the preliminary employer rates  
20 determined as provided in (D) hereof increased by the difference  
21 between  $\frac{3}{4}$  of 1% and such percentage taken to the nearest  $\frac{5}{100}$  of  
22 1%; provided, however, that no such final rate shall be more than  $\frac{1}{4}$   
23 of 1% in the case of an employer whose preliminary rate is determined  
24 as provided in (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
25 employer whose preliminary rate is determined as provided in (D)(1)  
26 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
27 whose preliminary rate is determined as provided in (D)(4) hereof.

28 (iv) If the amount of the State disability benefits fund determined  
29 as provided in paragraph (E)(1) of this subsection is equal to or less  
30 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
31 employer whose preliminary rate is determined as provided in (D)(2)  
32 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
33 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
34 case of an employer whose preliminary rate is determined as provided  
35 in (D)(4) hereof. Notwithstanding any other provision of law or any  
36 determination made by the controller with respect to any 12-month  
37 period commencing on July 1, 1970, the final rates for all employers  
38 for the period beginning January 1, 1971, shall be as set forth herein.  
39 (cf: P.L.1997, c.263, s.12)

40  
41 8. This act shall take effect immediately.

42  
43  
44 STATEMENT

45  
46 This bill amends the "1992 New Jersey Employment and Workforce

1 Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.), to increase  
2 funding for basic skills training, which consists of basic math, reading  
3 comprehension, basic computer literacy, English proficiency and work-  
4 readiness skills. The bill establishes a Supplemental Workforce  
5 Administrative Fund for Basic Skills within the Workforce  
6 Development Partnership Fund by redirecting a portion of the  
7 employer and employee contributions equal to a total of 0.035% of the  
8 taxable wage base (\$21,200 per worker in 2000) from the  
9 unemployment compensation fund to the Supplemental Workforce  
10 Administrative Fund for Basic Skills.



**SENATE, No. 1733**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED JUNE 7, 2001

**Sponsored by:**

**Senator JACK SINAGRA**

**District 18 (Middlesex)**

**Senator JOHN A. LYNCH**

**District 17 (Middlesex, Somerset and Union)**

**Co-Sponsored by:**

**Senators Codey and Cafiero**

**SYNOPSIS**

Concerns reemployment services and training programs.

**CURRENT VERSION OF TEXT**

As introduced.



S1733 SINAGRA, LYNCH

2

1 AN ACT concerning reemployment services and training programs and  
2 revising various parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 16 of P.L.1948, c.446 (C.34:1A-16) is amended to read  
8 as follows:

9 16. a. There shall be within the Department of Labor an  
10 Employment Security Council, which shall consist of nine members,  
11 not more than five of whom shall be of the same political affiliation.  
12 [Three of the nine members of the council shall be persons who by  
13 reason of vocation, employment or affiliation, may fairly be regarded  
14 as representative of employers, three shall be persons who by reason  
15 of vocation, employment or affiliation, may fairly be regarded as  
16 representative of employees, and three shall represent the general  
17 public. Each member]

18 b. Eight members of the council shall be appointed by the  
19 Governor, not later than October 1, 2001, with the advice and consent  
20 of the Senate, for a term of four years [ and ]. Each shall serve until  
21 his successor has been appointed and has qualified. The eight  
22 appointed members shall include two representatives of employers  
23 nominated by the New Jersey Business and Industry Association, two  
24 representatives of employers nominated by the New Jersey State  
25 Chamber of Commerce and four representatives of organized labor  
26 nominated by the New Jersey State AFL-CIO. The appointed  
27 members shall select a ninth member to serve as chairperson and may  
28 elect either to select an impartial individual or to provide for the  
29 alternating of the chairperson between business and labor  
30 representatives for such periods of time as the appointed members  
31 determine are appropriate. The terms of the nine members who were  
32 appointed before the appointments made pursuant to this subsection  
33 b. shall expire on October 1, 2001, and the members appointed  
34 pursuant to this subsection shall commence the performance of their  
35 duties as members on October 1, 2001.

36 [Each Governor shall designate one of the members of the council  
37 representing the general public as chairman of such council. Any  
38 member of the council so designated shall serve as such chairman at  
39 the pleasure of the Governor designating him and until his successor  
40 has been designated. The chairman of the council shall be its presiding  
41 officer.]

42 c. Any vacancies in the appointed membership of said council

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 occurring other than by expiration of term shall be filled by the  
2 Governor, with the advice and consent of the Senate, for the unexpired  
3 term only. Any member of the council may be removed from office  
4 by the Governor, for cause, upon notice and opportunity to be heard.

5 [The members of the council shall serve without compensation but  
6 shall be reimbursed for] d. The funds provided to the council  
7 pursuant to section 9 of P.L.1992, c.43 (C.34:15D-9) shall be  
8 allocated equally among the eight appointed members to pay for  
9 needed staff support and other necessary expenses incurred in the  
10 performance of their duties.

11 (cf: P.L.1984, c.24, s.13)

12

13 2. Section 17 of P.L.1948, c.446 (C.34:1A-17) is amended to read  
14 as follows:

15 17. The Employment Security Council shall:

16 (a) Consult and advise with the Commissioner of Labor or his  
17 designated representative with respect to the finances, administration  
18 and operation of the [unemployment compensation law and the  
19 temporary disability benefits law] "unemployment compensation law,"  
20 R.S.43:21-1 et seq., the "Temporary Disability Benefits Law,"  
21 P.L.1948, c.110 (C.43:21-25 et seq. and the State workforce  
22 development law;

23 (b) Review the operation and effect of the [unemployment  
24 compensation law and the temporary disability benefits law]  
25 "unemployment compensation law," R.S.43:21-1 et seq., the  
26 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
27 seq.), and the State workforce development law in their several parts,  
28 and to that end hold hearings with respect thereto as it may deem  
29 necessary or desirable; [and]

30 (c) Report to the Governor and the Legislature annually and at such  
31 other times as it may deem in the public interest with respect to its  
32 findings and conclusions; and

33 (d) Hold meetings to carry out its duties, not less than one time  
34 each calendar quarter, which shall be subject to the provisions of the  
35 "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.),  
36 regarding the meetings of public bodies.

37 The commissioner shall, insofar as practicable, inform and consult  
38 the council on all matters of major policies and procedures involved in  
39 or connected with the finance and administration of the  
40 [unemployment compensation law and the temporary disability  
41 benefits law] "unemployment compensation law," R.S.43:21-1 et  
42 seq., the "Temporary Disability Benefits Law," P.L.1948, c.110  
43 (C.43:21-25 et seq.), and the State workforce development law,  
44 including the allocation of program resources under those laws  
45 between program categories and between geographic areas, and he

1 shall inform the council of the action taken in connection with such  
2 matters. No legislative or regulatory proposal concerning the finances,  
3 administration or operation of the "unemployment compensation law,"  
4 R.S.43:21-1 et seq., the "Temporary Disability Benefits Law,"  
5 P.L.1948, c.110 (C.43:21-25 et seq.), or the State workforce  
6 development law shall be submitted to the Legislature or the general  
7 public by the Governor or any commissioner or other representative  
8 of the Governor, including any provision of the Governor's annual  
9 budget affecting the finances, administration or operation of any of  
10 those laws, until the council is given an opportunity to review and  
11 comment on the proposal.

12 The council shall have access to all files and records of the  
13 [division] department and may require any officer or employee therein  
14 to provide such information as it may deem necessary in the  
15 performance of its functions.

16 For the purposes of this section, "State workforce development  
17 law" means the body of State statutes which provide for the funding  
18 of employment and training services and benefits from payroll taxes  
19 paid by employers, employees or both, including the "1992 New Jersey  
20 Employment and Workforce Development Act," P.L.1992, c.43  
21 (C.34:15D-1 et seq.), P.L.1992, c.44 (C.34:15D-12 et seq.), P.L.1992,  
22 c.47 (C.43:21-57 et seq.), the "Youth Transitions to Work Partnership  
23 Act," P.L.1993, c.268 (C.34:15E-1 et seq.), and P.L. c. (C. )  
24 (now before the Legislature as this bill).  
25 (cf: P.L.1984, c.24, s.14)  
26

27 3. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read  
28 as follows:

29 1. As used in this act:

30 "Approved service provider" means a service provider approved  
31 pursuant to section 6 of this act.

32 "Apprenticeship Policy Committee" means the New Jersey  
33 Apprenticeship Policy Committee established by an agreement between  
34 the Bureau of Apprenticeship and Training in the United States  
35 Department of Labor, the State Department of Labor and the State  
36 Department of Education and consisting of a representative of the  
37 Commissioner of the State Department of Education, a representative  
38 of the Commissioner of the State Department of Labor, the Director  
39 of Region II of the Bureau of Apprenticeship and Training in the  
40 United States Department of Labor, and a representative of the New  
41 Jersey State AFL-CIO.

42 "Commissioner" means the Commissioner of Labor.

43 "Department" means the Department of Labor.

44 "Employment and training services" means:

- 45 a. Counseling provided pursuant to section 4 of this act;  
46 b. Vocational training; or

1 c. Remedial education.

2 "Federal job training funds" means any moneys expended to obtain  
3 employment and training services, pursuant to the ["Job Training  
4 Partnership Act," Pub.L.97-300 (29 U.S.C. s.1501 et seq),]  
5 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.  
6 Sec.2801 et seq.), except that, to the extent that the application of any  
7 specific provision of this act would cause the amount of federal job  
8 training funds provided to the State to be reduced, that provision shall  
9 not apply.

10 "Labor demand occupation" means an occupation for which there  
11 is or is likely to be an excess of demand over supply for adequately  
12 trained workers, including, but not limited to, an occupation  
13 designated as a labor demand occupation by the New Jersey  
14 Occupational Information Coordinating Committee pursuant to section  
15 7 of this act.

16 "Office of Customized Training" means the Office of Customized  
17 Training established pursuant to section 5 of P.L.1992, c.43  
18 (C.34:15D-5).

19 "Permanent employment" means full-time employment unsubsidized  
20 by government training funds which provides a significant opportunity  
21 for career advancement and long-term job security and is in the  
22 occupation for which a worker receives vocational training pursuant  
23 to this act.

24 "Qualified job counselor" means a job counselor whose  
25 qualifications meet standards established by the commissioner.

26 "Remedial education" means any literacy or other basic skills  
27 training or education which may not be directly related to a particular  
28 occupation but is needed to facilitate success in vocational training or  
29 work performance, including training or education in mathematics,  
30 reading comprehension, computer literacy, English proficiency and  
31 work-readiness skills.

32 "Self-sufficiency" for an individual means:

33 a. If the individual is a qualified displaced worker, earnings from  
34 employment not lower than the worker's highest rate of earnings from  
35 employment during that individual's most recent year of employment;  
36 or

37 b. For any other individual, earnings from employment not lower  
38 than the Lower Living Standard Income Level most recently issued by  
39 the United States Department of Labor for a family of four applicable  
40 to the area in which the individual resides.

41 "Service provider" or "provider" means a provider of employment  
42 and training services including but not limited to a private or public  
43 school or institution of higher education, a business, a labor  
44 organization or a community-based organization.

45 "Vocational training" means training or education which is related  
46 to an occupation and is designed to enhance the marketable skills and

1 earning power of a worker or job seeker.

2 (cf: P.L.1992, c.48, s.1)

3

4 4. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read  
5 as follows:

6 2. a. All vocational training funded with federal job training funds  
7 shall be training which is likely to substantially enhance the trainee's  
8 marketable skills and earning power and is for a labor demand  
9 occupation.

10 b. Federal job training funds shall not be used for activities which  
11 induce, encourage or assist: any displacement of currently employed  
12 workers by trainees, including partial displacement by means such as  
13 reduced hours of currently employed workers; any replacement of laid  
14 off workers by trainees; or any relocation of operations resulting in a  
15 loss of employment at a previous workplace.

16 c. Federal job training funds shall not be used for activities which  
17 impair existing contracts for services or collective bargaining  
18 agreements, except that activities which would be inconsistent with the  
19 terms of a collective bargaining agreement may be undertaken with the  
20 written concurrence of the collective bargaining unit and employer  
21 who are parties to the agreement.

22 d. Any federal job training funds which are provided directly to an  
23 employer or indirectly to an employer through a consortium shall be  
24 regarded as customized training grants and be administered by the  
25 Office of Customized Training and the employer and any consortium  
26 shall comply with all requirements of section 5 of P.L.1992, c.43  
27 (C.34:15D-5), except that federal job training funds provided directly  
28 or indirectly to an employer for use in connection with any program  
29 which includes apprenticeship training or activities may be exempt  
30 from the requirement of this subsection d. to be administered by the  
31 Office of Customized Training and be subject to the requirements of  
32 section 5 of P.L.1992, c.43 (C.34:15D-5) if it is instead approved by  
33 the Apprenticeship Policy Committee and the employer complies with  
34 the provisions of subsection e. of section 5 of P.L.1993, c.268  
35 (C.34:15E-5). Employment and training services funded by federal job  
36 training funds shall not otherwise replace, supplant, compete with or  
37 duplicate in any way any approved apprenticeship program.

38 (cf: P.L.1992, c.48, s.2)

39

40 5. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read  
41 as follows:

42 3. a. On the job training shall not be paid for with federal job  
43 training funds for any employment found by the commissioner to be of  
44 a level of skill and complexity too low to merit training.

45 b. The duration of on the job training for any individual shall not  
46 exceed the duration indicated by the Specific Vocational Preparation

1 code developed by the United States Department of Labor for the  
2 occupation for which the training is provided and shall in no case  
3 exceed 26 weeks. The department shall set the duration of on the job  
4 training for an individual for less than the indicated maximum, when  
5 training for the maximum duration is not warranted because of the  
6 level of the individual's previous training, education or work  
7 experience.

8 c. On the job training shall not be paid for with federal job training  
9 funds unless it is accompanied, concurrently or otherwise, by whatever  
10 amount of classroom-based vocational training, remedial education or  
11 both, is deemed appropriate for the worker by the commissioner.

12 d. Each employer receiving federal job training funds for on the  
13 job training shall retain in permanent employment each trainee who  
14 successfully completes the training. The commissioner may, for a time  
15 period he deems appropriate, provide for the withholding of whatever  
16 portion he deems appropriate of the funding as a final payment for  
17 training, contingent upon the retention of a program completer as  
18 required pursuant to this section.

19 e. On-the-job training shall not be paid for with federal job training  
20 funds unless the trainee is provided benefits, pay and working  
21 conditions at a level and extent not less than the benefits and working  
22 conditions of other trainees or employees of the trainee's employer  
23 working a similar length of time at the same type of work.

24 (cf: P.L.1992, c.48, s.3).

25

26 6. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read  
27 as follows:

28 5. An otherwise qualified individual shall not be denied  
29 employment and training services included in the Employability  
30 Development Plan developed for the individual pursuant to section 4  
31 of this act for any of the following reasons: the employment and  
32 training services include remedial education needed by the individual  
33 to advance in his current employment or occupation or to succeed in  
34 the vocational component of the training; the individual has identifiable  
35 vocational skills but the training services are needed to enable the  
36 individual to attain self-sufficiency; the training is part of a program  
37 under which the individual may obtain a college degree enhancing the  
38 individual's marketable skills and earning power; the individual has  
39 previously received a training grant; the length of the training period  
40 under the program; or the lack of a prior guarantee of employment  
41 upon completion of the training, except for on the job training. This  
42 section shall not be construed as requiring that federal job training  
43 funds be used to pay for employment and training services for which  
44 other assistance, such as State or federal student financial aid, is  
45 provided.

46 (cf: P.L.1992, c.48, s.5)

1       7. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read as  
2 follows:

3       3. As used in this act:

4       "Administrative costs" means any costs incurred by the department  
5 to administer the program, including any cost required to collect  
6 information and conduct evaluations of service providers pursuant to  
7 section 8 of this act and conduct surveys of occupations pursuant to  
8 section 12 of this act, to the extent that funding is not available from  
9 federal or other sources.

10       "Apprenticeship Policy Committee" means the New Jersey  
11 Apprenticeship Policy Committee established by an agreement between  
12 the Bureau of Apprenticeship and Training in the United States  
13 Department of Labor, the State Department of Labor and the State  
14 Department of Education and consisting of a representative of the  
15 Commissioner of the State Department of Education, a representative  
16 of the Commissioner of the State Department of Labor, the Director  
17 of Region II of the Bureau of Apprenticeship and Training in the  
18 United States Department of Labor and a representative of the New  
19 Jersey State AFL-CIO.

20       "Approved service provider" means a service provider approved  
21 pursuant to section 8 of this act.

22       "Commission" means the State Employment and Training  
23 Commission.

24       "Commissioner" means the Commissioner of Labor or the  
25 commissioner's designees.

26       "Customized training services" means employment and training  
27 services which are provided by the Office of Customized Training  
28 pursuant to section 5 of this act.

29       "Department" means the State Department of Labor.

30       "Employer" or "business" means any employer subject to the  
31 provisions of R.S.43:21-1 et seq.

32       "Employment and training services" means:

- 33       a. Counseling provided pursuant to section 7 of this act;
- 34       b. Vocational training;
- 35       c. Remedial education; or
- 36       d. Occupational safety and health training.

37       "Fund" means the Workforce Development Partnership Fund  
38 established pursuant to section 9 of this act.

39       "Labor Demand Occupation" means an occupation for which there  
40 is or is likely to be an excess of demand over supply for adequately  
41 trained workers, including, but not limited to, an occupation  
42 designated as a labor demand occupation by the New Jersey  
43 Occupational Information Coordinating Committee pursuant to section  
44 12 of this act.

45       "Occupational safety and health training" means training or  
46 education which is designed to assist in the recognition and prevention



1 of potential health and safety hazards related to an occupation [which  
2 is the subject of vocational training].

3 "Office" means the Office of Customized Training established  
4 pursuant to section 5 of this act.

5 "Permanent employment" means full-time employment unsubsidized  
6 by government training funds which provides a significant opportunity  
7 for career advancement and long-term job security and is in the  
8 occupation for which a worker receives vocational training pursuant  
9 to this act.

10 "Program" means the Workforce Development Partnership Program  
11 created pursuant to this act.

12 "Qualified disadvantaged worker" means a worker who is not a  
13 qualified displaced worker or a qualified employed worker but who  
14 otherwise meets the following criteria:

15 a. Is unemployed;

16 b. Is working part-time and actively seeking full-time work or is  
17 working full-time but is earning wages substantially below the median  
18 salary for others in the labor force with similar qualifications and  
19 experience; or

20 c. Is certified by the Department of Human Services as:

21 (1) Currently receiving public assistance;

22 (2) Having been recently removed from the public assistance rolls  
23 because of gross income exceeding the grant standard for assistance;  
24 or

25 (3) Being eligible for public assistance but not receiving the  
26 assistance because of a failure to apply for it.

27 "Qualified displaced worker" means a worker who:

28 a. Is unemployed, and:

29 (1) Is currently receiving unemployment benefits pursuant to  
30 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
31 extension; or

32 (2) Has exhausted eligibility for the benefits or extended benefits  
33 during the preceding 52 weeks; or

34 b. Meets the criteria set by [Title III of the "Job Training  
35 Partnership Act," Pub.L. 97-300 (29 U.S.C. s.1651 et seq.)] the  
36 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. Sec.  
37 2801 et seq.), to be regarded as [an "eligible dislocated worker"] a  
38 "dislocated worker" pursuant to that act.

39 "Qualified employed worker" means a worker who is employed by  
40 an employer participating in a customized training program, or other  
41 employed worker who is in need of remedial education.

42 "Qualified job counselor" means a job counselor whose  
43 qualifications meet standards established by the commissioner.

44 "Remedial education" means any literacy or other basic skills  
45 training or education which may not be directly related to a particular  
46 occupation but is needed to facilitate success in vocational training or

1 work performance, including training or education in mathematics,  
2 reading comprehension, computer literacy, English proficiency and  
3 work-readiness skills.

4 “Self-sufficiency” for an individual means:

5 a. If the individual is a qualified displaced worker, earnings from  
6 employment not lower than the worker’s highest rate of earnings from  
7 employment during that individual’s most recent year of employment;

8 or

9 b. For any other individual, earnings from employment not lower  
10 than the Lower Living Standard Income Level most recently issued by  
11 the United States Department of Labor for a family of four applicable  
12 to the area in which the individual resides.

13 "Service provider" or "provider" means a provider of employment  
14 and training services including but not limited to a private or public  
15 school or institution of higher education, a business, a labor  
16 organization or a community-based organization.

17 "Supplemental Workforce Activities Fund" means the fund  
18 established pursuant to subsection b. of section 9 of P.L.1992, c.43  
19 (C. 34:15D-9).

20 "Total revenues dedicated to the program during any one fiscal  
21 year" means all moneys received for the fund during any fiscal year,  
22 including moneys withdrawn from the State disability benefits fund  
23 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
24 repayment made during that fiscal year from the fund to the State  
25 disability benefits fund pursuant to that section, but does not include  
26 any moneys allocated to the Supplemental Workforce Activities Fund  
27 pursuant to subsection b. of section 9 of P.L.1992, c.43 (C. 34:15D-  
28 9).

29 "Training grant" means a grant provided to fund vocational training  
30 and any needed remedial education for a qualified displaced or  
31 disadvantaged worker pursuant to section 6 of this act, or to fund  
32 needed remedial education for a qualified employed worker pursuant  
33 to subsection b. of section 9 of P.L.1992, c.43 (C. 34:15D-9).

34 "Vocational training" means training or education which is related  
35 to an occupation and is designed to enhance the marketable skills and  
36 earning power of a worker or job seeker.

37 (cf: P.L.1992, c.43, s.3)

38  
39 8. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read as  
40 follows:

41 4. a. The Workforce Development Partnership Program is hereby  
42 established in the Department of Labor and shall be administered by  
43 the Commissioner of Labor. The purpose of the program is to provide  
44 qualified displaced, disadvantaged and employed workers with the  
45 employment and training services most likely to provide the greatest  
46 opportunity for long-range career advancement with high levels of

1 productivity and earning power. To implement that purpose, the  
2 program shall provide those services by means of training grants or  
3 customized training services, to the extent that funding for the services  
4 is not available from federal or other sources. The commissioner is  
5 authorized to expend moneys from the Workforce Development  
6 Partnership Fund to provide the training grants or customized training  
7 services and provide for each of the following:

8 (1) The cost of counseling required pursuant to section 7 of  
9 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
10 counseling is not available from federal or other sources;

11 (2) Reasonable administrative costs, which shall not [to] exceed  
12 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44  
13 (C.34:15D-13) during any [one] fiscal year, ending before July 1,  
14 2001, except for additional start-up administrative costs approved by  
15 the Director of the Office of Management and Budget during the first  
16 year of the program's operation;

17 (3) Reasonable costs, which shall not [exceeding] exceed 0.5% of  
18 the revenues collected pursuant to section 2 of P.L.1992, c.44  
19 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
20 2001, as required by the State Employment and Training Commission  
21 to design criteria and conduct an annual evaluation of the program;  
22 and

23 (4) The cost of reimbursement to individuals for excess  
24 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

25 b. Not more than 10% of the moneys received by any service  
26 provider pursuant to this act shall be expended on anything other than  
27 direct costs to the provider of providing the employment and training  
28 services, which direct costs shall not include any administrative or  
29 overhead expense of the provider.

30 c. Training and employment services shall be provided to a  
31 worker who receives counseling pursuant to section 7 of P.L.1992,  
32 c.43 (C.34:15D-7) only if the counselor who evaluates the worker  
33 pursuant to that section determines that the worker can reasonably be  
34 expected to successfully complete the training and education identified  
35 in the Employability Development Plan developed pursuant to that  
36 section for the worker.

37 d. All vocational training provided under this act:

38 (1) Shall be training which is likely to substantially enhance the  
39 individual's marketable skills and earning power; and

40 (2) Shall be training for a labor demand occupation, except for:

41 (a) Customized training provided to the present employees of a  
42 business which the commissioner deems to be in need of the training  
43 to prevent job loss caused by obsolete skills, technological change or  
44 national or global competition; or

45 (b) Customized training provided to employees at a facility which  
46 is being relocated from another state into New Jersey; or

1 (c) Entrepreneurial training and technical assistance supported by  
2 training grants provided pursuant to subsection b. of section 6 of  
3 P.L.1992, c.43 (C.34:15D-6).

4 e. [Not] During any fiscal year ending before July 1, 2001; not less  
5 than 25% of the total revenues dedicated to the program during any  
6 one fiscal year shall be reserved to provide employment and training  
7 services for qualified displaced workers[. Not]; not less than six  
8 percent of the total revenues dedicated to the program during any one  
9 fiscal year shall be reserved to provide employment and training  
10 services for qualified disadvantaged workers[. Not]; not less than  
11 45% of the total revenues dedicated to the program during any one  
12 fiscal year shall be reserved for and appropriated to the Office of  
13 Customized Training[. Not]; not less than 3% of the total revenues  
14 dedicated to the program during any one fiscal year shall be reserved  
15 for occupational safety and health training[. Beginning July 1, 1994,];  
16 and 5% of the total revenues dedicated to the program during any one  
17 fiscal year shall be reserved for and appropriated to the Youth  
18 Transitions to Work Partnership created pursuant to P.L.1993, c.268  
19 (C.34:15E-1 et seq.).

20 f. Funds available under the program shall not be used for  
21 activities which induce, encourage or assist: any displacement of  
22 currently employed workers by trainees, including partial displacement  
23 by means such as reduced hours of currently employed workers; any  
24 replacement of laid off workers by trainees; or any relocation of  
25 operations resulting in a loss of employment at a previous workplace  
26 located in the State.

27 g. On-the-job training shall not be funded by the program for any  
28 employment found by the commissioner to be of a level of skill and  
29 complexity too low to merit training. The duration of on-the-job  
30 training funded by the program for any worker shall not exceed the  
31 duration indicated by the Specific Vocational Preparation Code  
32 developed by the United States Department of Labor for the  
33 occupation for which the training is provided and shall in no case  
34 exceed 26 weeks. The department shall set the duration of on-the-job  
35 training for a worker for less than the indicated maximum, when  
36 training for the maximum duration is not warranted because of the  
37 level of the individual's previous training, education or work  
38 experience. On-the-job training shall not be funded by the program  
39 unless it is accompanied, concurrently or otherwise, by whatever  
40 amount of classroom-based vocational training, remedial education or  
41 both, is deemed appropriate for the worker by the commissioner. On-  
42 the-job training shall not be funded by the program unless the trainee  
43 is provided benefits, pay and working conditions at a level and extent  
44 not less than the benefits and working conditions of other trainees or  
45 employees of the trainee's employer working a similar length of time  
46 at the same type of work.

1 h. Employment and training services funded by the program shall  
2 not replace, supplant, compete with or duplicate in any way approved  
3 apprenticeship programs.

4 i. No activities funded by the program shall impair existing  
5 contracts for services or collective bargaining agreements, except that  
6 activities which would be inconsistent with the terms of a collective  
7 bargaining agreement may be undertaken with the written concurrence  
8 of the collective bargaining unit and employer who are parties to the  
9 agreement.

10 (cf: P.L.1995, c.422, s.2)

11  
12 9. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read as  
13 follows:

14 6. a. The Workforce Development Partnership Program shall, to  
15 the extent that resources available in the fund permit, provide, for each  
16 qualified displaced or disadvantaged worker who undergoes  
17 counseling pursuant to section 7 of this act, a training grant to pay for  
18 employment and training services which are identified in the  
19 Employability Development Plan developed pursuant to that section  
20 for that worker. No training grant made pursuant to this subsection  
21 during the first 12 months following July 1, 1992 shall exceed the  
22 amount deemed reasonable by the commissioner for the particular  
23 training, which amount shall not exceed \$4,000, except that the  
24 commissioner may permit an additional amount, if he deems it  
25 necessary to provide remedial education identified in the Employability  
26 Development Plan. After January 1, 2002 and until such time as the  
27 commissioner makes adjustments pursuant to subsection c. of this  
28 section, the amount of a training grant for remedial education only  
29 shall not exceed \$3,000, and a grant which includes vocational training  
30 shall not exceed \$6,000.

31 b. The Workforce Development Partnership Program may  
32 provide, for any individual who is selected to receive a  
33 self-employment assistance allowance pursuant to section 4 of  
34 P.L.1995, c.394 (C.43:21-70), a training grant to pay for  
35 entrepreneurial training and technical assistance deemed necessary and  
36 appropriate by the commissioner to help the individual to become  
37 self-employed. A training grant made pursuant to this subsection shall  
38 be in an amount deemed reasonable by the commissioner for the  
39 particular training, but, during the first 12 months following January  
40 1, 1996, shall not be in an amount which exceeds \$400, or, if the grant  
41 is for training provided by any public institution of higher education  
42 indicated in N.J.S.18A:62-1, shall not be in an amount which exceeds  
43 \$1,500.

44 c. The maximum amounts permitted for training grants made  
45 pursuant to subsection a. or b. of this section may be adjusted  
46 annually, and shall be adjusted not less than one time every four years.

1 thereafter by the commissioner, taking into consideration changes in  
2 the prevailing costs of services and the availability of alternative  
3 sources of funding for the services. Any cost for employment and  
4 training services which exceeds the amount of a training grant shall be  
5 the responsibility of the worker receiving the grant. The cost of  
6 counseling provided pursuant to section 7 of this act shall not be  
7 charged against the training grant. No portion of a training grant may  
8 be expended on wage subsidies.

9 d. If the requirements of this section and sections 4 and 7 of this  
10 act are met, a qualified displaced ~~[or]~~, disadvantaged or employed  
11 worker shall not be denied a training grant for any of the following  
12 reasons: the training includes remedial education needed by the worker  
13 to advance in his current employment or occupation or to succeed in  
14 the vocational component of the training; the worker has identifiable  
15 vocational skills but the training services are needed to enable the  
16 worker to attain self-sufficiency; the training is part of a program  
17 under which the worker may obtain any college degree enhancing the  
18 worker's marketable skills and earning power; the worker has  
19 previously received a training grant; the length of the training period  
20 under the program; or the lack of a prior guarantee of employment  
21 upon completion of the training.

22 (cf: P.L.1995, c.394, s.11)

23  
24 10. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read  
25 as follows:

26 7. Counseling shall be made available by the department to each  
27 qualified displaced or disadvantaged worker applying to participate in  
28 the program. Counseling may also be made available to a qualified  
29 employed worker who seeks remedial education or is selected to  
30 participate in a customized training program, if the worker's employer  
31 requests the counseling. The department may itself provide the  
32 counseling or obtain the counseling from a service provider, if the  
33 service provider is different from and not affiliated with any service  
34 provider offering any employment and training services to the worker  
35 other than the counseling, except that the department may obtain  
36 testing and assessment services provided pursuant to subsection a. of  
37 this section from a provider which also offers employment and training  
38 services to the worker other than the counseling. The purpose of any  
39 counseling made available pursuant to this section is to assist each  
40 worker in obtaining the employment and training services most likely  
41 to provide the worker with the greatest opportunity for long-range  
42 career advancement with high levels of productivity and earning  
43 power. Whether provided by the department or a service provider, the  
44 counseling shall include:

45 a. Testing and assessment of the worker's job skills and aptitudes,  
46 including the worker's literacy skills and other basic skills. Basic skills

1 testing and assessment shall be provided to the worker unless  
2 information is provided regarding the worker's educational background  
3 and occupational or professional experience which clearly  
4 demonstrates that the worker's basic skill level meets the standards  
5 established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11)  
6 or unless the worker is already participating in a remedial education  
7 program which meets those standards;

8 b. An evaluation by a qualified job counselor of what remedial  
9 education, if any, is determined to be necessary for the worker to  
10 advance in his current employment or occupation or to succeed in any  
11 particular vocational training which the worker would undertake under  
12 the program, provided that the remedial education shall be at a level  
13 not lower than that needed to meet the standards established pursuant  
14 to section 14 of P.L.1989, c.293 (C.34:15C-11);

15 c. The provision of information to the worker regarding any of the  
16 labor demand occupations for which training meets the requirements  
17 of section 4 of this act in the worker's case, including [the]  
18 information about the wage levels in those occupations [which is  
19 available to the department and any information available to the  
20 department regarding], the effectiveness of approved service providers  
21 of vocational training in occupations which the worker is considering  
22 and the long-term success of former trainees of each provider in  
23 obtaining permanent employment and increasing earnings;

24 d. The provision of information to the worker regarding the  
25 services and benefits available to the worker under the provisions of  
26 this act and P.L.1992, c.47 (C.43:21-57 et al.); and

27 e. Discussion with the counselor of the results of the testing and  
28 evaluation and, based on those results, the development of a written  
29 Employability Development Plan identifying the training and  
30 employment services, including any needed remedial education, to be  
31 provided to the worker pursuant to this act.

32 Counseling made available at the request of an employer  
33 participating in a customized training program may include only those  
34 components requested by the employer.

35 All information regarding a worker applicant or trainee which is  
36 obtained or compiled in connection with the testing, assessment and  
37 evaluation and which may be identified with the worker shall be  
38 confidential and shall be released to an entity other than the worker,  
39 the counselor or the department only if the worker provides written  
40 permission to the department for the release of the information or the  
41 information is used solely for program evaluation.

42 (cf: P.L.1992, c.43, s.7)

43

44 11. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read  
45 as follows:

46 9. a.(1) A restricted, nonlapsing, revolving Workforce Development

1 Partnership Fund, to be managed and invested by the State Treasurer,  
2 is hereby established to: provide employment and training services to  
3 qualified displaced, disadvantaged and employed workers by means of  
4 training grants or customized training services; provide for the other  
5 costs indicated in subsection a. of section 4 of this act; and facilitate  
6 the provision of education and training to youth by means of grants  
7 provided by the Youth Transitions to Work Partnership pursuant to  
8 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
9 appropriations to the fund, all interest accumulated on balances in the  
10 fund and all cash received for the fund from any other source shall be  
11 used solely for the purposes specifically delineated by this act.

12 (2) During any fiscal year beginning after June 30, 2001, of the total  
13 revenues dedicated to the program during any one fiscal year; 25%  
14 shall be deposited in an account of the Workforce Development  
15 Partnership Fund reserved to provide employment and training  
16 services for qualified displaced workers; 6% shall be deposited in an  
17 account of the Workforce Development Partnership Fund reserved to  
18 provide employment and training services for qualified disadvantaged  
19 workers; 45% shall be deposited in an account of the Workforce  
20 Development Partnership Fund reserved for and appropriated to the  
21 Office of Customized Training; 3% shall be deposited in an account of  
22 the Workforce Development Partnership Fund reserved for  
23 occupational safety and health training; 5% shall be deposited in an  
24 account of the Workforce Development Partnership Fund reserved for  
25 the Youth Transitions to Work Partnership created pursuant to  
26 P.L.1993, c.268 (C.34:15E-1 et seq); 10% shall be deposited in an  
27 account of the Workforce Development Partnership Fund reserved for  
28 administrative costs as defined in section 3 of P.L.1992, c.43 (C.  
29 34:15D-3); 0.5% shall be deposited in an account of the Workforce  
30 Development Partnership Fund reserved for the State Employment and  
31 Training Commission to design criteria and conduct an annual  
32 evaluation of the program; and 5.5% shall be deposited in an account  
33 of the Workforce Development Partnership Fund reserved to be used,  
34 at the discretion of the commissioner, for any of the purposes  
35 indicated in subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

36 (3) Beginning January 1, 1995, [and for all subsequent calendar  
37 years] through June 30, 2002, the balance in the fund as of the  
38 previous December 31, as determined in accordance with generally  
39 accepted accounting principles, shall not exceed 1.5 times the amount  
40 of contributions deposited for the calendar year then ended. If the  
41 balance exceeds this amount, the excess shall be deposited into the  
42 unemployment compensation fund within seven business days of the  
43 date that the determination is made.

44 (4) Beginning July 1, 2002, and for any subsequent fiscal year, if  
45 the unexpended balance in any of the accounts indicated in paragraph  
46 (2) of this subsection a. is determined, in accordance with generally



1 accepted accounting principles, to exceed 20% of the amount of  
2 contributions collected for deposit in the account pursuant to this  
3 subsection during the fiscal year then ended, the excess shall be  
4 regarded as an unemployment compensation contribution and be  
5 subject to the immediate deposit requirement of the Federal  
6 Unemployment Tax Act, 26 U.S.C. s.3301 et seq. and shall be  
7 deposited into the unemployment compensation fund within seven  
8 business days of the date that the determination is made.

9 b. (1) A restricted, nonlapsing, revolving Supplemental Workforce  
10 Activities Fund, to be managed and invested by the State Treasurer,  
11 is hereby established for the following purposes:

12 (a) To help defray the necessary costs of the administration of the  
13 "unemployment compensation law," R.S.43:21-1 et seq., and  
14 supplement the federal funding of the Division of Employment  
15 Services provided under the Wagner-Peyser Act (29 U.S.C. s.49 et  
16 seq.). The funds provided from the Supplemental Workforce  
17 Activities Fund may be used to assist in the development of One Stop  
18 Career Centers at the local level which coordinate a variety of State  
19 and local programs, provided that all staff supported by funds  
20 provided pursuant to this subparagraph (a) shall be hired and employed  
21 by the State pursuant to Title 11A, Civil Service, of the New Jersey  
22 Statutes;

23 (b) To help fund the activities of the Employment Security Council,  
24 as provided by paragraph (2) of this subsection b. and section 16 of  
25 P.L.1948, c.446 (C.34:1A-16);

26 (c) To provide, subject to the requirements of this amendatory act,  
27 remedial education to qualified displaced, disadvantaged and employed  
28 workers by means of individual training grants under Employability  
29 Development Plans developed pursuant to section 7 of P.L.1992, c.43  
30 (C.34:15D-7) or by means of customized training grants to employers  
31 or consortia, including individual training and customized training  
32 grants which do not provide vocational training, and including grants  
33 providing remedial education for qualified displaced, disadvantaged or  
34 employed workers with learning disabilities or in need of vocational  
35 rehabilitation services. Any individual grant shall be subject to the  
36 requirements of subsections a., c. and d. of section 6 of P.L.1992, c.43  
37 (C.34:15D-6). Any grant provided in connection with this  
38 subparagraph (c) directly to an employer or to an employer through a  
39 consortium shall be regarded as a customized training grant and shall  
40 be administered by the Office of Customized Training and the  
41 employer and consortium shall comply with all requirements of section  
42 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided  
43 directly or indirectly to an employer for use in connection with any  
44 program which includes apprenticeship training or activities may be  
45 exempt from the requirement of this subparagraph (c) to be  
46 administered by the Office of Customized Training and be subject to

1 the requirements of section 5 of P.L.1992, c.43 (C.34:15D-5) if it is  
2 instead approved by the Apprenticeship Policy Committee and the  
3 employer complies with the provisions of subsection e. of section 5 of  
4 P.L.1993, c.268 (C.34:15E-5). Employment and training services  
5 funded by the Supplemental Workforce Activities Fund shall not  
6 otherwise replace, supplant, compete with or duplicate in any way any  
7 approved apprenticeship program and shall be provided in a manner  
8 which complies with the provisions of subsections b., c., f., g. and i.  
9 of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent that those  
10 subsections pertain to remedial education. Any service provider  
11 receiving moneys from the Supplemental Workforce Activities Fund  
12 shall be subject to the provisions of section 8 or P.L.1992, c.43  
13 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

14 (2) All appropriations to the fund, all interest accumulated on  
15 balances in the fund and all cash received for the fund from any other  
16 source shall be used solely for the purposes specifically delineated by  
17 this subsection b. Two percent of the moneys received by the  
18 Supplemental Workforce Activities Fund during any year shall be  
19 provided to the Employment Security Council to assist council  
20 members to pay for needed staff support and other necessary expenses  
21 incurred in the performance of their duties.

22 (3) Beginning June 30, 2003, and for all subsequent fiscal years, if  
23 the unexpended balance in the Supplemental Workforce Activities  
24 Fund, as determined in accordance with generally accepted accounting  
25 principles, exceeds 20% of the amount of contributions collected for  
26 the fund pursuant to this subsection during the fiscal year then ended,  
27 the excess shall be regarded as an unemployment compensation  
28 contribution and be subject to the immediate deposit requirement of  
29 the Federal Unemployment Tax Act, 26 U.S.C. s.3301 et seq. and shall  
30 be deposited into the unemployment compensation fund within seven  
31 business days of the date that the determination is made.

32 (cf: P.L.1993, c.268, s.10)

33

34 12. Section 1 of P.L.1992, c.44 (C.34:15D-12) is amended to read  
35 as follows:

36 1. For the purposes of sections 1 through 9 of this act:

37 "Commissioner" is the Commissioner of Labor, or designee of the  
38 commissioner.

39 "Department" means the New Jersey Department of Labor.

40 "Employer" means any employer subject to R.S.43:21-1 et seq.

41 "Fund" or "Workforce Development Partnership Fund" means the  
42 Workforce Development Partnership Fund created pursuant to section  
43 9 of P.L.1992, c.43 (C.34:15D-9).

44 "Supplemental Workforce Activities Fund" means the fund

1 established pursuant to subsection b. of section 9 of P.L.1992, c.43  
2 (C.34:15D-9).

3 (cf: P.L.1992, c.44, s.1)

4

5 13. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to read  
6 as follows:

7 2. a. Beginning on January 1, 1993 through December 31, 2001,  
8 each worker shall contribute to the Workforce Development  
9 Partnership Fund an amount equal to 0.025% of the worker's wages  
10 as determined in accordance with paragraph (3) of subsection (b) of  
11 R.S.43:21-7 regarding the worker's employment with an employer.

12 Also beginning on January 1, 1993 through December 31, 2001,  
13 each employer shall contribute to the Workforce Development  
14 Partnership Fund an amount equal to the amount that the employer's  
15 contribution to the Unemployment Compensation Fund is decreased  
16 pursuant to subparagraph (G) of paragraph (5) of subsection (c) of  
17 R.S.43:21-7.

18 b. Beginning on January 1, 2002, each worker shall contribute to  
19 the Workforce Development Partnership Fund an amount equal to  
20 0.0425% of the worker's wages as determined in accordance with  
21 paragraph (3) of subsection (b) of R.S.43:21-7 regarding the worker's  
22 employment with an employer, to be allocated as follows: 0.025% to  
23 the Workforce Development Partnership Fund and 0.0175% to the  
24 Supplemental Workforce Activities Fund.

25 Beginning on January 1, 2002, each employer shall contribute to the  
26 Workforce Development Partnership Fund at a rate of 0.1% of the  
27 wages of each employee of the employer as determined in accordance  
28 with paragraph (3) of subsection (b) of R.S.43:21-7 regarding the  
29 employee's employment with an employer and shall contribute to the  
30 Supplemental Workforce Activities Fund at a rate of 0.0175% of those  
31 wages, except that no employer who has a deficit reserve ratio of  
32 negative 35.0% or under shall make a contribution to either fund.

33 (cf: P.L.1995, c.422, s.4)

34

35 14. Section 6 of P.L.1992, c.44 (C.34:15D-17) is amended to read  
36 as follows:

37 6. a. If an employee receives wages from more than one employer  
38 during any calendar year, and the sum of the employee's contributions  
39 deposited in the Workforce Development Partnership Fund exceeds an  
40 amount equal to 0.025% of the wages determined in accordance with  
41 the provisions of paragraph (3) of subsection (b) of R.S.43:21-7  
42 during the calendar year beginning January 1, 1993 [or any subsequent  
43 calendar year] through December 31, 2001, the employee shall be  
44 entitled to a refund of the excess if a claim establishing the employee's  
45 right to the refund is made within two years after the end of the  
46 respective calendar year in which the wages are received and are the

1 subject of the claim. The commissioner shall refund any overpayment  
2 from the fund without interest.

3 b. If an employee receives wages from more than one employer  
4 during any calendar year, and the sum of the employee's contributions  
5 deposited in the Workforce Development Partnership Fund exceeds an  
6 amount equal to 0.0425% of the wages determined in accordance with  
7 the provisions of paragraph (3) of subsection (b) of R.S.43:21-7  
8 during the calendar year beginning January 1, 2002 or any subsequent  
9 calendar year, the employee shall be entitled to a refund of the excess  
10 if a claim establishing the employee's right to the refund is made within  
11 two years after the end of the respective calendar year in which the  
12 wages are received and are the subject of the claim. The commissioner  
13 shall refund any overpayment from the fund without interest.

14 c. Any employee who is a taxpayer and entitled, pursuant to the  
15 provisions of subsection a. of this section, to a refund of contributions  
16 deducted during a tax year from his wages shall, in lieu of the refund,  
17 be entitled to a credit in the full amount thereof against the tax  
18 otherwise due on his New Jersey gross income for that tax year if he  
19 submits his claim for the credit and accompanies that claim with  
20 evidence of his right to the credit in the manner provided by regulation  
21 by the Director of the Division of Taxation. In any case in which the  
22 amount, or any portion thereof, of any credit allowed hereunder results  
23 in or increases an excess of income tax payment over income tax  
24 liability, the amount of the new or increased excess shall be considered  
25 an overpayment and shall be refunded to the taxpayer in the manner  
26 provided by subsection (a) of N.J.S.54A:9-7.

27 (cf: P.L.1995, c.422, s.6)

28

29 15. R.S. 43:21-7 is amended to read as follows:

30 43:21-7. Contributions.

31 Employers other than governmental entities, whose benefit  
32 financing provisions are set forth in section 4 of P.L.1971, c.346  
33 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
34 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
35 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
36 compensation fund, contributions as set forth in subsections (a), (b)  
37 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
38 applicable to all employers, consistent with the provisions of the  
39 "unemployment compensation law" and the "Temporary Disability  
40 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

41 (a) Payment.

42 (1) Contributions shall accrue and become payable by each  
43 employer for each calendar year in which he is subject to this chapter  
44 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
45 during that calendar year, at the rates and on the basis hereinafter set  
46 forth. Such contributions shall become due and be paid by each

1 employer to the controller for the fund, in accordance with such  
2 regulations as may be prescribed, and shall not be deducted, in whole  
3 or in part, from the remuneration of individuals in his employ.

4 (2) In the payment of any contributions, a fractional part of a cent  
5 shall be disregarded unless it amounts to \$0.005 or more, in which  
6 case it shall be increased to \$0.01.

7 (b) Rate of contributions. Each employer shall pay the following  
8 contributions:

9 (1) For the calendar year 1947, and each calendar year thereafter,  
10  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
11 as otherwise prescribed by subsection (c) of this section.

12 (2) The "wages" of any individual, with respect to any one  
13 employer, as the term is used in this subsection (b) and in subsections  
14 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
15 during calendar year 1975, for services performed either within or  
16 without this State; provided that no contribution shall be required by  
17 this State with respect to services performed in another state if such  
18 other state imposes contribution liability with respect thereto. If an  
19 employer (hereinafter referred to as a successor employer) during any  
20 calendar year acquires substantially all the property used in a trade or  
21 business of another employer (hereinafter referred to as a  
22 predecessor), or used in a separate unit of a trade or business of a  
23 predecessor, and immediately after the acquisition employs in his  
24 trade or business an individual who immediately prior to the  
25 acquisition was employed in the trade or business of such  
26 predecessors, then, for the purpose of determining whether the  
27 successor employer has paid wages with respect to employment equal  
28 to the first \$4,800.00 paid during calendar year 1975, any wages paid  
29 to such individual by such predecessor during such calendar year and  
30 prior to such acquisition shall be considered as having been paid by  
31 such successor employer.

32 (3) For calendar years beginning on and after January 1, 1976, the  
33 "wages" of any individual, as defined in the preceding paragraph (2)  
34 of this subsection (b), shall be established and promulgated by the  
35 Commissioner of Labor on or before September 1 of the preceding  
36 year and shall be 28 times the Statewide average weekly remuneration  
37 paid to workers by employers, as determined under R.S.43:21-3(c),  
38 raised to the next higher multiple of \$100.00 if not already a multiple  
39 thereof, provided that if the amount of wages so determined for a  
40 calendar year is less than the amount similarly determined for the  
41 preceding year, the greater amount will be used; provided, further, that  
42 if the amount of such wages so determined does not equal or exceed  
43 the amount of wages as defined in subsection (b) of section 3306 of  
44 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
45 Revenue Code of 1986 (26 U.S.C. s.3306(b)), the wages as  
46 determined in this paragraph in any calendar year shall be raised to

1 equal the amount established under the Federal Unemployment Tax  
2 Act for that calendar year.

3 (c) Future rates based on benefit experience.

4 (1) A separate account for each employer shall be maintained and  
5 this shall be credited with all the contributions which he has paid on  
6 his own behalf on or before January 31 of any calendar year with  
7 respect to employment occurring in the preceding calendar year;  
8 provided, however, that if January 31 of any calendar year falls on a  
9 Saturday or Sunday, an employer's account shall be credited as of  
10 January 31 of such calendar year with all the contributions which he  
11 has paid on or before the next succeeding day which is not a Saturday  
12 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
13 construed to grant any employer or individuals in his service prior  
14 claims or rights to the amounts paid by him into the fund either on his  
15 own behalf or on behalf of such individuals. Benefits paid with respect  
16 to benefit years commencing on and after January 1, 1953, to any  
17 individual on or before December 31 of any calendar year with respect  
18 to unemployment in such calendar year and in preceding calendar years  
19 shall be charged against the account or accounts of the employer or  
20 employers in whose employment such individual established base  
21 weeks constituting the basis of such benefits, except that, with respect  
22 to benefit years commencing after January 4, 1998, an employer's  
23 account shall not be charged for benefits paid to a claimant if the  
24 claimant's employment by that employer was ended in any way which,  
25 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
26 would have disqualified the claimant for benefits if the claimant had  
27 applied for benefits at the time when that employment ended. Benefits  
28 paid under a given benefit determination shall be charged against the  
29 account of the employer to whom such determination relates. When  
30 each benefit payment is made, either a copy of the benefit check or  
31 other form of notification shall be promptly sent to the employer  
32 against whose account the benefits are to be charged. Such copy or  
33 notification shall identify the employer against whose account the  
34 amount of such payment is being charged, shall show at least the name  
35 and social security account number of the claimant and shall specify  
36 the period of unemployment to which said check applies. If the total  
37 amount of benefits paid to a claimant and charged to the account of  
38 the appropriate employer exceeds 50% of the total base year, base  
39 week wages paid to the claimant by that employer, then such employer  
40 shall have canceled from his account such excess benefit charges as  
41 specified above.

42 Each employer shall be furnished an annual summary statement of  
43 benefits charged to his account.

44 (2) Regulations may be prescribed for the establishment,  
45 maintenance, and dissolution of joint accounts by two or more  
46 employers, and shall, in accordance with such regulations and upon

1 application by two or more employers to establish such an account, or  
2 to merge their several individual accounts in a joint account, maintain  
3 such joint account as if it constituted a single employer's account.

4 (3) No employer's rate shall be lower than 5.4% unless assignment  
5 of such lower rate is consistent with the conditions applicable to  
6 additional credit allowance for such year under section 3303(a)(1) of  
7 the Internal Revenue Code of 1986 (26 U.S.C. s.3303(a)(1)), any  
8 other provision of this section to the contrary notwithstanding.

9 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
10 8/10%, except as otherwise provided in the following provisions. No  
11 employer's rate for the 12 months commencing July 1 of any calendar  
12 year shall be other than 2 8/10%, unless as of the preceding January 31  
13 such employer shall have paid contributions with respect to wages paid  
14 in each of the three calendar years immediately preceding such year,  
15 in which case such employer's rate for the 12 months commencing July  
16 1 of any calendar year shall be determined on the basis of his record up  
17 to the beginning of such calendar year. If, at the beginning of such  
18 calendar year, the total of all his contributions, paid on his own behalf,  
19 for all past years exceeds the total benefits charged to his account for  
20 all such years, his contribution rate shall be:

21 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than  
22 5%, of his average annual payroll (as defined in paragraph (2),  
23 subsection (a) of R.S.43:21-19);

24 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than  
25 6%, of his average annual payroll;

26 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than  
27 7%, of his average annual payroll;

28 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than  
29 8%, of his average annual payroll;

30 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than  
31 9%, of his average annual payroll;

32 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
33 of his average annual payroll;

34 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less  
35 than 11%, of his average annual payroll;

36 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his  
37 average annual payroll.

38 (B) If the total of an employer's contributions, paid on his own  
39 behalf, for all past periods for the purposes of this paragraph (4), is  
40 less than the total benefits charged against his account during the same  
41 period, his rate shall be:

42 (1) 4%, if such excess is less than 10% of his average annual  
43 payroll;

44 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less than  
45 20%, of his average annual payroll;

46 (3) 4 6/10%, if such excess equals or exceeds 20% of his average

1 annual payroll.

2 (C) Specially assigned rates. If no contributions were paid on  
3 wages for employment in any calendar year used in determining the  
4 average annual payroll of an employer eligible for an assigned rate  
5 under this paragraph (4), the employer's rate shall be specially assigned  
6 as follows:

7 (i) if the reserve balance in its account is positive, its assigned rate  
8 shall be the highest rate in effect for positive balance accounts for that  
9 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
10 its account is negative, its assigned rate shall be the highest rate in  
11 effect for deficit accounts for that period.

12 (D) The contribution rates prescribed by subparagraphs (A) and (B)  
13 of this paragraph (4) shall be increased or decreased in accordance  
14 with the provisions of paragraph (5) of this subsection (c) for  
15 experience rating periods through June 30, 1986.

16 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31  
17 of any calendar year the balance in the unemployment trust fund equals  
18 or exceeds 4% but is less than 7% of the total taxable wages reported  
19 to the controller as of that date in respect to employment during the  
20 preceding calendar year, the contribution rate, effective July 1  
21 following, of each employer eligible for a contribution rate calculation  
22 based upon benefit experience, shall be increased by 3/10 of 1% over  
23 the contribution rate otherwise established under the provisions of  
24 paragraph (3) or (4) of this subsection. If on March 31 of any  
25 calendar year the balance of the unemployment trust fund exceeds 2  
26 1/2% but is less than 4% of the total taxable wages reported to the  
27 controller as of that date in respect to employment during the  
28 preceding calendar year, the contribution rate, effective July 1  
29 following, of each employer eligible for a contribution rate calculation  
30 based upon benefit experience, shall be increased by 6/10 of 1% over  
31 the contribution rate otherwise established under the provisions of  
32 paragraph (3) or (4) of this subsection.

33 If on March 31 of any calendar year the balance of the  
34 unemployment trust fund is less than 2 1/2% of the total taxable wages  
35 reported to the controller as of that date in respect to employment  
36 during the preceding calendar year, the contribution rate, effective July  
37 1 following, of each employer (1) eligible for a contribution rate  
38 calculation based upon benefit experience, shall be increased by (i)  
39 6/10 of 1% over the contribution rate otherwise established under the  
40 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
41 (ii) an additional amount equal to 20% of the total rate established  
42 herein, provided, however, that the final contribution rate for each  
43 employer shall be computed to the nearest multiple of 1/10% if not  
44 already a multiple thereof; (2) not eligible for a contribution rate  
45 calculation based upon benefit experience, shall be increased by 6/10  
46 of 1% over the contribution rate otherwise established under the



1 provisions of paragraph (4) of this subsection. For the period  
2 commencing July 1, 1984 and ending June 30, 1986, the contribution  
3 rate for each employer liable to pay contributions under R.S.43:21-7  
4 shall be increased by a factor of 10% computed to the nearest multiple  
5 of 1/10% if not already a multiple thereof.

6 (B) If on March 31 of any calendar year the balance in the  
7 unemployment trust fund equals or exceeds 10% but is less than 12  
8 1/2% of the total taxable wages reported to the controller as of that  
9 date in respect to employment during the preceding calendar year, the  
10 contribution rate, effective July 1 following, of each employer eligible  
11 for a contribution rate calculation based upon benefit experience, shall  
12 be reduced by 3/10 of 1% under the contribution rate otherwise  
13 established under the provisions of paragraphs (3) and (4) of this  
14 subsection; provided that in no event shall the contribution rate of any  
15 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
16 calendar year the balance in the unemployment trust fund equals or  
17 exceeds 12 1/2% of the total taxable wages reported to the controller  
18 as of that date in respect to employment during the preceding calendar  
19 year, the contribution rate, effective July 1 following, of each  
20 employer eligible for a contribution rate calculation based upon benefit  
21 experience, shall be reduced by 6/10 of 1% if his account for all past  
22 periods reflects an excess of contributions paid over total benefits  
23 charged of 3% or more of his average annual payroll, otherwise by  
24 3/10 of 1% under the contribution rate otherwise established under the  
25 provisions of paragraphs (3) and (4) of this subsection; provided that  
26 in no event shall the contribution rate of any employer be reduced to  
27 less than 4/10 of 1%.

28 (C) The "balance" in the unemployment trust fund, as the term is  
29 used in subparagraphs (A) and (B) above, shall not include moneys  
30 credited to the State's account under section 903 of the Social Security  
31 Act, as amended (42 U.S.C. s.1103), during any period in which such  
32 moneys are appropriated for the payment of expenses incurred in the  
33 administration of the "unemployment compensation law."

34 (D) Prior to July 1 of each calendar year the controller shall  
35 determine the Unemployment Trust Reserve Ratio, which shall be  
36 calculated by dividing the balance of the unemployment trust fund as  
37 of the prior March 31 by total taxable wages reported to the controller  
38 by all employers as of March 31 with respect to their employment  
39 during the last calendar year.

40 (E) (Deleted by amendment, P.L. 1997, c.263).

41 (ii) [With respect to experience rating years beginning on or after  
42 July 1, 1997, the new employer rate or the unemployment experience  
43 rate of an employer under this section shall be the rate which appears  
44 in the column headed by the Unemployment Trust Fund Reserve Ratio  
45 as of the applicable calculation date and on the line with the Employer  
46 Reserve Ratio, as defined in paragraph 4 of this subsection

1 (R.S.43:21-7 (c)(4)), as set forth in the following table:

2

3 EXPERIENCE RATING TAX TABLE

4 Fund Reserve Ratio<sup>1</sup>

5

6 Employer	6.00%	4.00%	3.00%	2.50%	2.49%
7 Reserve	and	to	to	to	and
8 Ratio <sup>2</sup>	Over	5.99%	3.99%	2.99%	Under
9	A	B	C	D	E
10 Positive Reserve Ratio:					
11 17% and over	0.3	0.4	0.5	0.6	1.2
12 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
13 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
15 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
16 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
17 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
18 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
19 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
20 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
21 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
22 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
23 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
24 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
25 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
26 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
27 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
28 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
29 Deficit Reserve Ratio:					
30 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
31 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
32 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
33 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
34 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
35 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
36 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
37 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
38 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
39 -35.00% and under	5.4	5.4	5.8	6.4	7.0
40 New Employer Rate	2.8	2.8	2.8	3.1	3.4

41 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
42 the prior calendar year.

43 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
44 percentage of employer's taxable wages)] (Deleted by amendment,  
45 P.L. \_\_\_\_\_, c. \_\_\_\_\_).

46 (iii) With respect to experience rating years beginning on or after

1 July 1, 1998, the new employer rate or the unemployment experience  
 2 rate of an employer under this section shall be the rate which appears  
 3 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 4 as of the applicable calculation date and on the line with the Employer  
 5 Reserve Ratio, as defined in paragraph 4 of this subsection  
 6 (R.S.43:21-7 (c)(4)), as set forth in the following table:

7

8 EXPERIENCE RATING TAX TABLE

9 Fund Reserve Ratio<sup>1</sup>

10

11 Employer	4.50%	3.50%	3.00%	2.50%	2.49%
12 Reserve	and	to	to	to	and
13 Ratio <sup>2</sup>	Over	4.49%	3.49%	2.99%	Under
14	A	B	C	D	E
15 Positive Reserve Ratio:					
16 17% and over	0.3	0.4	0.5	0.6	1.2
17 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
18 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
19 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
20 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
21 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
22 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
23 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
24 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
25 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
26 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
27 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
28 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
29 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
30 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
31 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
32 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
33 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
34 Deficit Reserve Ratio:					
35 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
36 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
37 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
38 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
39 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
40 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
41 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
42 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
43 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
44 -35.00% and under	5.4	5.4	5.8	6.4	7.0
45 New Employer Rate	2.8	2.8	2.8	3.1	3.4

46 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in

1 the prior calendar year.

2 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
3 percentage of employer's taxable wages).

4 (F)(i) (Deleted by amendment, P.L.1997, c.263).

5 (ii) With respect to experience rating years beginning on or after  
6 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
7 the prior March 31, is less than 1.00%, the contribution rate for each  
8 employer liable to pay contributions, as computed under subparagraph  
9 (E) of this paragraph (5), shall be increased by a factor of 10%  
10 computed to the nearest multiple of 1/10% if not already a multiple  
11 thereof.

12 (G) On or after January 1, 1993 and until December 31, 2001,  
13 notwithstanding any other provisions of this paragraph (5), the  
14 contribution rate for each employer liable to pay contributions, as  
15 computed under subparagraph (E) of this paragraph (5), shall be  
16 decreased by 0.1%, except that, during any experience rating year  
17 starting before January 1, 1998 in which the fund reserve ratio is  
18 equal to or greater than 7.00% or during any experience rating year  
19 starting on or after January 1, 1998, in which the fund reserve ratio is  
20 equal to or greater than 3.5%, there shall be no decrease pursuant to  
21 this subparagraph (G) in the contribution of any employer who has a  
22 deficit reserve ratio of negative 35.00% or under.

23 On or after January 1, 2002, notwithstanding any other provisions  
24 of this paragraph (5), the contribution rate for each employer liable to  
25 pay contributions, as computed under subparagraph (E) of this  
26 paragraph (5), shall be decreased by 0.1175%, except that, during any  
27 experience rating year starting on or after January 1, 2002, in which  
28 the fund reserve ratio is equal to or greater than 3.5% there shall be no  
29 decrease pursuant to this subparagraph (G) in the contribution of any  
30 employer who has a deficit reserve ratio of negative 35.00% or under.

31 (H) On or after January 1, 1993 until December 31, 1993,  
32 notwithstanding any other provisions of this paragraph (5), the  
33 contribution rate for each employer liable to pay contributions, as  
34 computed under subparagraph (E) of this paragraph (5), shall be  
35 decreased by a factor of 52.0% computed to the nearest multiple of  
36 1/10%, except that, if an employer has a deficit reserve ratio of  
37 negative 35.0% or under, the employer's rate of contribution shall not  
38 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
39 amount of the reduction in the employer contributions stipulated by  
40 this subparagraph (H) shall be in addition to the amount of the  
41 reduction in the employer contributions stipulated by subparagraph (G)  
42 of this paragraph (5), except that the rate of contribution of an  
43 employer who has a deficit reserve ratio of negative 35.0% or under  
44 shall not be reduced pursuant to this subparagraph (H) to less than  
45 5.4% and the rate of contribution of any other employer shall not be  
46 reduced to less than 0.0%.

1 On or after January 1, 1994 until December 31, 1995, except as  
2 provided pursuant to subparagraph (I) of this paragraph (5),  
3 notwithstanding any other provisions of this paragraph (5), the  
4 contribution rate for each employer liable to pay contributions, as  
5 computed under subparagraph (E) of this paragraph (5), shall be  
6 decreased by a factor of 36.0% computed to the nearest multiple of  
7 1/10%, except that, if an employer has a deficit reserve ratio of  
8 negative 35.0% or under, the employer's rate of contribution shall not  
9 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
10 amount of the reduction in the employer contributions stipulated by  
11 this subparagraph (H) shall be in addition to the amount of the  
12 reduction in the employer contributions stipulated by subparagraph (G)  
13 of this paragraph (5), except that the rate of contribution of an  
14 employer who has a deficit reserve ratio of negative 35.0% or under  
15 shall not be reduced pursuant to this subparagraph (H) to less than  
16 5.4% and the rate of contribution of any other employer shall not be  
17 reduced to less than 0.0%.

18 On or after April 1, 1996 until December 31, 1996, the contribution  
19 rate for each employer liable to pay contributions, as computed under  
20 subparagraph (E) of this paragraph (5), shall be decreased by a factor  
21 of 25.0% computed to the nearest multiple of 1/10%, except that, if  
22 an employer has a deficit reserve ratio of negative 35.0% or under, the  
23 employer's rate of contribution shall not be reduced pursuant to this  
24 subparagraph (H) to less than 5.4%. The amount of the reduction in  
25 the employer contributions stipulated by this subparagraph (H) shall  
26 be in addition to the amount of the reduction in the employer  
27 contributions stipulated by subparagraph (G) of this paragraph (5),  
28 except that the rate of contribution of an employer who has a deficit  
29 reserve ratio of negative 35.0% or under shall not be reduced pursuant  
30 to this subparagraph (H) to less than 5.4% and the rate of contribution  
31 of any other employer shall not be reduced to less than 0.0%.

32 On or after January 1, 1997 until December 31, 1997, the  
33 contribution rate for each employer liable to pay contributions, as  
34 computed under subparagraph (E) of this paragraph (5), shall be  
35 decreased by a factor of 10.0% computed to the nearest multiple of  
36 1/10%, except that, if an employer has a deficit reserve ratio of  
37 negative 35.0% or under, the employer's rate of contribution shall not  
38 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
39 amount of the reduction in the employer contributions stipulated by  
40 this subparagraph (H) shall be in addition to the amount of the  
41 reduction in the employer contributions stipulated by subparagraph (G)  
42 of this paragraph (5), except that the rate of contribution of an  
43 employer who has a deficit reserve ratio of negative 35.0% or under  
44 shall not be reduced pursuant to this subparagraph (H) to less than  
45 5.4% and the rate of contribution of any other employer shall not be  
46 reduced to less than 0.0%.

1 On and after January 1, 1998 until December 31, 2000, the  
2 contribution rate for each employer liable to pay contributions, as  
3 computed under subparagraph (E) of this paragraph (5), shall be  
4 decreased each calendar year by a factor, as set out below, computed  
5 to the nearest multiple of 1/10%, except that, if an employer has a  
6 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
7 contribution shall not be reduced pursuant to this subparagraph (H) to  
8 less than 5.4%:

9 From January 1, 1998 until December 31, 1998, a factor of 12%;

10 From January 1, 1999 until December 31, 1999, a factor of 10%;

11 From January 1, 2000 until December 31, 2000, a factor of 7%.

12 The amount of the reduction in the employer contributions  
13 stipulated by this subparagraph (H) shall be in addition to the amount  
14 of the reduction in the employer contributions stipulated by  
15 subparagraph (G) of this paragraph (5), except that the rate of  
16 contribution of an employer who has a deficit reserve ratio of negative  
17 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
18 to less than 5.4% and the rate of contribution of any other employer  
19 shall not be reduced to less than 0.0%.

20 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
21 on March 31 of calendar year 1994 or calendar year 1995, the  
22 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
23 in effect as of July 1 of that calendar year.

24 If, upon calculating the unemployment compensation fund reserve  
25 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
26 March 31, 1998 or March 31, 1999, the controller finds that the fund  
27 reserve ratio has decreased to a level of less than 3.00%, the  
28 Commissioner of Labor shall notify the State Treasurer of this fact and  
29 of the dollar amount necessary to bring the fund reserve ratio up to a  
30 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
31 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
32 General Fund to the unemployment compensation fund, revenues in  
33 the amount specified by the commissioner and which, upon deposit in  
34 the unemployment compensation fund, shall result, upon recalculation,  
35 in a fund reserve ratio used to determine employer contributions  
36 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
37 at least 3.00%.

38 If, upon calculating the unemployment compensation fund reserve  
39 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
40 controller finds that the fund reserve ratio has decreased to a level of  
41 less than 3.00%, the Commissioner of Labor shall notify the State  
42 Treasurer of this fact and of the dollar amount necessary to bring the  
43 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
44 prior to March 31, 2000, transfer from the General Fund to the  
45 unemployment compensation fund, revenues in the amount specified  
46 by the commissioner and which, upon deposit in the unemployment

1 compensation fund, shall result, upon recalculation, in a fund reserve  
2 ratio used to determine employer contributions beginning July 1, 2000  
3 of at least 3.00%.

4 (6) Additional contributions.

5 Notwithstanding any other provision of law, any employer who has  
6 been assigned a contribution rate pursuant to subsection (c) of this  
7 section for the year commencing July 1, 1948, and for any year  
8 commencing July 1 thereafter, may voluntarily make payment of  
9 additional contributions, and upon such payment shall receive a  
10 recomputation of the experience rate applicable to such employer,  
11 including in the calculation the additional contribution so made. Any  
12 such additional contribution shall be made during the 30-day period  
13 following the date of the mailing to the employer of the notice of his  
14 contribution rate as prescribed in this section, unless, for good cause,  
15 the time for payment has been extended by the controller for not to  
16 exceed an additional 60 days; provided that in no event may such  
17 payments which are made later than 120 days after the beginning of  
18 the year for which such rates are effective be considered in  
19 determining the experience rate for the year in which the payment is  
20 made. Any employer receiving any extended period of time within  
21 which to make such additional payment and failing to make such  
22 payment timely shall be, in addition to the required amount of  
23 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
24 greater, not to exceed \$50.00. Any adjustment under this subsection  
25 shall be made only in the form of credits against accrued or future  
26 contributions.

27 (7) Transfers.

28 (A) Upon the transfer of the organization, trade or business, or  
29 substantially all the assets of an employer to a successor in interest,  
30 whether by merger, consolidation, sale, transfer, descent or otherwise,  
31 the controller shall transfer the employment experience of the  
32 predecessor employer to the successor in interest, including credit for  
33 past years, contributions paid, annual payrolls, benefit charges, et  
34 cetera, applicable to such predecessor employer, pursuant to  
35 regulation, if it is determined that the employment experience of the  
36 predecessor employer with respect to the organization, trade, assets  
37 or business which has been transferred may be considered indicative  
38 of the future employment experience of the successor in interest.  
39 Unless the predecessor employer was owned or controlled (by legally  
40 enforceable means or otherwise), directly or indirectly, by the  
41 successor in interest, or the predecessor employer and the successor  
42 in interest were owned or controlled (by legally enforceable means or  
43 otherwise), directly or indirectly, by the same interest or interests, the  
44 transfer of the employment experience of the predecessor shall not be  
45 effective if such successor in interest, within four months of the date  
46 of such transfer of the organization, trade, assets or business, or

1 thereafter upon good cause shown, files a written notice protesting the  
2 transfer of the employment experience of the predecessor employer.

3 (B) An employer who transfers part of his or its organization,  
4 trade, assets or business to a successor in interest, whether by merger,  
5 consolidation, sale, transfer, descent or otherwise, may jointly make  
6 application with such successor in interest for transfer of that portion  
7 of the employment experience of the predecessor employer relating to  
8 the portion of the organization, trade, assets or business transferred to  
9 the successor in interest, including credit for past years, contributions  
10 paid, annual payrolls, benefit charges, et cetera, applicable to such  
11 predecessor employer. The transfer of employment experience may be  
12 allowed pursuant to regulation only if it is found that the employment  
13 experience of the predecessor employer with respect to the portion of  
14 the organization, trade, assets or business which has been transferred  
15 may be considered indicative of the future employment experience of  
16 the successor in interest. Credit shall be given to the successor in  
17 interest only for the years during which contributions were paid by the  
18 predecessor employer with respect to that part of the organization,  
19 trade, assets or business transferred.

20 (C) A transfer of the employment experience in whole or in part  
21 having become final, the predecessor employer thereafter shall not be  
22 entitled to consideration for an adjusted rate based upon his or its  
23 experience or the part thereof, as the case may be, which has thus been  
24 transferred. A successor in interest to whom employment experience  
25 or a part thereof is transferred pursuant to this subsection shall, as of  
26 the date of the transfer of the organization, trade, assets or business,  
27 or part thereof, immediately become an employer if not theretofore an  
28 employer subject to this chapter (R.S.43:21-1 et seq.).

29 (d) Contributions of workers to the unemployment compensation  
30 fund and the State disability benefits fund.

31 (1) (A) For periods after January 1, 1975, each worker shall  
32 contribute to the fund 1% of his wages with respect to his employment  
33 with an employer, which occurs on and after January 1, 1975, after  
34 such employer has satisfied the condition set forth in subsection (h) of  
35 R.S.43:21-19 with respect to becoming an employer; provided,  
36 however, that such contributions shall be at the rate of 1/2 of 1% of  
37 wages paid with respect to employment while the worker is in the  
38 employ of the State of New Jersey, or any governmental entity or  
39 instrumentality which is an employer as defined under  
40 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
41 the "Temporary Disability Benefits Law" or while the worker is  
42 exempt from the provisions of the "Temporary Disability Benefits  
43 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

44 (B) Effective January 1, 1978 there shall be no contributions by  
45 workers in the employ of any governmental or nongovernmental  
46 employer electing or required to make payments in lieu of



1 contributions unless the employer is covered by the State plan under  
2 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
3 that case contributions shall be at the rate of 1/2 of 1%, except that  
4 commencing July 1, 1986, workers in the employ of any  
5 nongovernmental employer electing or required to make payments in  
6 lieu of contributions shall be required to make contributions to the  
7 fund at the same rate prescribed for workers of other nongovernmental  
8 employers.

9 (C) (i) Notwithstanding the above provisions of this paragraph (1),  
10 during the period starting July 1, 1986 and ending December 31, 1992,  
11 each worker shall contribute to the fund 1.125% of wages paid with  
12 respect to his employment with a governmental employer electing or  
13 required to pay contributions or nongovernmental employer, including  
14 a nonprofit organization which is an employer as defined under  
15 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization  
16 elects or is required to finance its benefit costs with contributions to  
17 the fund or by payments in lieu of contributions, after that employer  
18 has satisfied the conditions set forth in subsection R.S.43:21-19(h)  
19 with respect to becoming an employer. Contributions, however, shall  
20 be at the rate of 0.625% while the worker is covered by an approved  
21 private plan under the "Temporary Disability Benefits Law" while the  
22 worker is exempt under section 7 of that law, P.L.1948, c.110  
23 (C.43:21-31) or any other provision of that law; provided that such  
24 contributions shall be at the rate of 0.625% of wages paid with respect  
25 to employment with the State of New Jersey or any other  
26 governmental entity or instrumentality electing or required to make  
27 payments in lieu of contributions and which is covered by the State  
28 plan under the "Temporary Disability Benefits Law," except that, while  
29 the worker is exempt from the provisions of the "Temporary Disability  
30 Benefits Law" under section 7 of that law, P.L.1948, c.110  
31 (C.43:21-31) or any other provision of that law, or is covered for  
32 disability benefits by an approved private plan of the employer, the  
33 contributions to the fund shall be 0.125%.

34 (ii) (Deleted by amendment, P.L.1995, c.422.)

35 (D) Notwithstanding any other provisions of this paragraph (1),  
36 during the period starting January 1, 1993 and ending June 30, 1994,  
37 each worker shall contribute to the unemployment compensation fund  
38 0.5% of wages paid with respect to the worker's employment with a  
39 governmental employer electing or required to pay contributions or  
40 nongovernmental employer, including a nonprofit organization which  
41 is an employer as defined under paragraph (6) of subsection (h) of  
42 R.S.43:21-19, regardless of whether that nonprofit organization elects  
43 or is required to finance its benefit costs with contributions to the fund  
44 or by payments in lieu of contributions, after that employer has  
45 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
46 with respect to becoming an employer. No contributions, however,

1 shall be made by the worker while the worker is covered by an  
2 approved private plan under the "Temporary Disability Benefits Law,"  
3 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
4 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
5 provision of that law; provided that the contributions shall be at the  
6 rate of 0.50% of wages paid with respect to employment with the  
7 State of New Jersey or any other governmental entity or  
8 instrumentality electing or required to make payments in lieu of  
9 contributions and which is covered by the State plan under the  
10 "Temporary Disability Benefits Law," except that, while the worker is  
11 exempt from the provisions of the "Temporary Disability Benefits  
12 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
13 other provision of that law, or is covered for disability benefits by an  
14 approved private plan of the employer, no contributions shall be made  
15 to the fund.

16 Each worker shall, starting on January 1, 1996 and ending March  
17 31, 1996, contribute to the unemployment compensation fund 0.60%  
18 of wages paid with respect to the worker's employment with a  
19 governmental employer electing or required to pay contributions or  
20 nongovernmental employer, including a nonprofit organization which  
21 is an employer as defined under paragraph (6) of subsection (h) of  
22 R.S.43:21-19, regardless of whether that nonprofit organization elects  
23 or is required to finance its benefit costs with contributions to the fund  
24 or by payments in lieu of contributions, after that employer has  
25 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
26 with respect to becoming an employer, provided that the contributions  
27 shall be at the rate of 0.10% of wages paid with respect to  
28 employment with the State of New Jersey or any other governmental  
29 entity or instrumentality electing or required to make payments in lieu  
30 of contributions.

31 Each worker shall, starting on January 1, 1998 and ending  
32 December 31, 1998, contribute to the unemployment compensation  
33 fund 0.10% of wages paid with respect to the worker's employment  
34 with a governmental employer electing or required to pay  
35 contributions or nongovernmental employer, including a nonprofit  
36 organization which is an employer as defined under paragraph (6) of  
37 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
38 organization elects or is required to finance its benefit costs with  
39 contributions to the fund or by payments in lieu of contributions, after  
40 that employer has satisfied the conditions set forth in subsection (h) of  
41 R.S.43:21-19 with respect to becoming an employer, provided that the  
42 contributions shall be at the rate of 0.10% of wages paid with respect  
43 to employment with the State of New Jersey or any other  
44 governmental entity or instrumentality electing or required to make  
45 payments in lieu of contributions.

46 Each worker shall, starting on January 1, 1999 until December 31,

1 1999, contribute to the unemployment compensation fund 0.15% of  
2 wages paid with respect to the worker's employment with a  
3 governmental employer electing or required to pay contributions or  
4 nongovernmental employer, including a nonprofit organization which  
5 is an employer as defined under paragraph (6) of subsection (h) of  
6 R.S.43:21-19, regardless of whether that nonprofit organization elects  
7 or is required to finance its benefit costs with contributions to the fund  
8 or by payments in lieu of contributions, after that employer has  
9 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
10 with respect to becoming an employer, provided that the contributions  
11 shall be at the rate of 0.10% of wages paid with respect to  
12 employment with the State of New Jersey or any other governmental  
13 entity or instrumentality electing or required to make payments in lieu  
14 of contributions.

15 Each worker shall, starting on January 1, 2000 until December 31,  
16 ~~[2002]~~ 2001, contribute to the unemployment compensation fund  
17 0.20% of wages paid with respect to the worker's employment with  
18 a governmental employer electing or required to pay contributions or  
19 nongovernmental employer, including a nonprofit organization which  
20 is an employer as defined under paragraph (6) of subsection (h) of  
21 R.S.43:21-19, regardless of whether that nonprofit organization elects  
22 or is required to finance its benefit costs with contributions to the fund  
23 or by payments in lieu of contributions, after that employer has  
24 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
25 with respect to becoming an employer, provided that the contributions  
26 shall be at the rate of 0.10% of wages paid with respect to  
27 employment with the State of New Jersey or any other governmental  
28 entity or instrumentality electing or required to make payments in lieu  
29 of contributions.

30 Each worker shall, starting on January 1, 2002 until December 31,  
31 2002, contribute to the unemployment compensation fund 0.1825% of  
32 wages paid with respect to the worker's employment with a  
33 governmental employer electing or required to pay contributions or  
34 nongovernmental employer, including a nonprofit organization which  
35 is an employer as defined under paragraph (6) of subsection (h) of  
36 R.S.43:21-19, regardless of whether that nonprofit organization elects  
37 or is required to finance its benefit costs with contributions to the fund  
38 or by payments in lieu of contributions, after that employer has  
39 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
40 with respect to becoming an employer, provided that the contributions  
41 shall be at the rate of 0.0825% of wages paid with respect to  
42 employment with the State of New Jersey or any other governmental  
43 entity or instrumentality electing or required to make payments in lieu  
44 of contributions.

45 Each worker shall, starting on and after January 1, 2003, contribute  
46 to the unemployment compensation fund ~~[0.40%]~~ 0.3825% of wages

1 paid with respect to the worker's employment with a governmental  
2 employer electing or required to pay contributions or nongovernmental  
3 employer, including a nonprofit organization which is an employer as  
4 defined under paragraph (6) of subsection (h) of R.S.43:21-19,  
5 regardless of whether that nonprofit organization elects or is required  
6 to finance its benefit costs with contributions to the fund or by  
7 payments in lieu of contributions, after that employer has satisfied the  
8 conditions set forth in subsection (h) of R.S.43:21-19 with respect to  
9 becoming an employer, provided that the contributions shall be at the  
10 rate of ~~[0.10%]~~ 0.0825% of wages paid with respect to employment  
11 with the State of New Jersey or any other governmental entity or  
12 instrumentality electing or required to make payments in lieu of  
13 contributions.

14 (E) Each employer shall, notwithstanding any provision of law in  
15 this State to the contrary, withhold in trust the amount of his workers'  
16 contributions from their wages at the time such wages are paid, shall  
17 show such deduction on his payroll records, shall furnish such  
18 evidence thereof to his workers as the division or controller may  
19 prescribe, and shall transmit all such contributions, in addition to his  
20 own contributions, to the office of the controller in such manner and  
21 at such times as may be prescribed. If any employer fails to deduct the  
22 contributions of any of his workers at the time their wages are paid, or  
23 fails to make a deduction therefor at the time wages are paid for the  
24 next succeeding payroll period, he alone shall thereafter be liable for  
25 such contributions, and for the purpose of R.S.43:21-14, such  
26 contributions shall be treated as employer's contributions required  
27 from him.

28 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
29 context clearly requires otherwise, the term "contributions" shall  
30 include the contributions of workers pursuant to this section.

31 (G) Each worker shall, starting on July 1, 1994, contribute to the  
32 State disability benefits fund an amount equal to 0.50% of wages paid  
33 with respect to the worker's employment with a government employer  
34 electing or required to pay contributions to the State disability benefits  
35 fund or nongovernmental employer, including a nonprofit organization  
36 which is an employer as defined under paragraph (6) of subsection (h)  
37 of R.S.43:21-19, unless the employer is covered by an approved  
38 private disability plan or is exempt from the provisions of the  
39 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
40 seq.) under section 7 of that law (C.43:21-31) or any other provision  
41 of that law.

42 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

43 (B) (Deleted by amendment, P.L.1984, c.24.)

44 (C) (Deleted by amendment, P.L.1994, c.112.)

45 (D) (Deleted by amendment, P.L.1994, c.112.)

46 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

1 (ii) (Deleted by amendment, P.L.1996, c.28.)

2 (iii) (Deleted by amendment, P.L.1994, c.112.)

3 (3) If an employee receives wages from more than one employer  
4 during any calendar year, and either the sum of his contributions  
5 deposited in and credited to the State disability benefits fund plus the  
6 amount of his contributions, if any, required towards the costs of  
7 benefits under one or more approved private plans under the  
8 provisions of section 9 of the "Temporary Disability Benefits Law"  
9 (C.43:21-33) and deducted from his wages, or the sum of such latter  
10 contributions, if the employee is covered during such calendar year  
11 only by two or more private plans, exceeds an amount equal to 1/2 of  
12 1% of the "wages" determined in accordance with the provisions of  
13 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
14 January 1, 1976, the employee shall be entitled to a refund of the  
15 excess if he makes a claim to the controller within two years after the  
16 end of the calendar year in which the wages are received with respect  
17 to which the refund is claimed and establishes his right to such refund.  
18 Such refund shall be made by the controller from the State disability  
19 benefits fund. No interest shall be allowed or paid with respect to any  
20 such refund. The controller shall, in accordance with prescribed  
21 regulations, determine the portion of the aggregate amount of such  
22 refunds made during any calendar year which is applicable to private  
23 plans for which deductions were made under section 9 of the  
24 "Temporary Disability Benefits Law," such determination to be based  
25 upon the ratio of the amount of such wages exempt from contributions  
26 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
27 subsection with respect to coverage under private plans, to the total  
28 wages so exempt plus the amount of such wages subject to  
29 contributions to the disability benefits fund, as provided in  
30 subparagraph (G) of paragraph (1) of this subsection. The controller  
31 shall, in accordance with prescribed regulations, prorate the amount  
32 so determined among the applicable private plans in the proportion  
33 that the wages covered by each plan bear to the total private plan  
34 wages involved in such refunds, and shall assess against and recover  
35 from the employer, or the insurer if the insurer has indemnified the  
36 employer with respect thereto, the amount so prorated. The  
37 provisions of R.S.43:21-14 with respect to collection of employer  
38 contributions shall apply to such assessments. The amount so  
39 recovered by the controller shall be paid into the State disability  
40 benefits fund.

41 (4) If an individual does not receive any wages from the employing  
42 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is  
43 treated as his employer, or receives his wages from some other  
44 employing unit, such employer shall nevertheless be liable for such  
45 individual's contributions in the first instance; and after payment  
46 thereof such employer may deduct the amount of such contributions

1 from any sums payable by him to such employing unit, or may recover  
2 the amount of such contributions from such employing unit, or, in the  
3 absence of such an employing unit, from such individual, in a civil  
4 action; provided proceedings therefor are instituted within three  
5 months after the date on which such contributions are payable. General  
6 rules shall be prescribed whereby such an employing unit may recover  
7 the amount of such contributions from such individuals in the same  
8 manner as if it were the employer.

9 (5) Every employer who has elected to become an employer  
10 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
11 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
12 provisions of R.S.43:21-8, shall post and maintain printed notices of  
13 such election on his premises, of such design, in such numbers, and at  
14 such places as the director may determine to be necessary to give  
15 notice thereof to persons in his service.

16 (6) Contributions by workers, payable to the controller as herein  
17 provided, shall be exempt from garnishment, attachment, execution, or  
18 any other remedy for the collection of debts.

19 (e) Contributions by employers to State disability benefits fund.

20 (1) Except as hereinafter provided, each employer shall, in addition  
21 to the contributions required by subsections (a), (b), and (c) of this  
22 section, contribute 1/2 of 1% of the wages paid by such employer to  
23 workers with respect to employment unless he is not a covered  
24 employer as defined in section 3 of the "Temporary Disability Benefits  
25 Law" (C.43:21-27 (a)), except that the rate for the State of New  
26 Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first  
27 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year  
28 thereafter, the controller shall review the experience accumulated in  
29 the account of the State of New Jersey and establish a rate for the next  
30 following fiscal year which, in combination with worker contributions,  
31 will produce sufficient revenue to keep the account in balance; except  
32 that the rate so established shall not be less than 1/10 of 1%. Such  
33 contributions shall become due and be paid by the employer to the  
34 controller for the State disability benefits fund as established by law,  
35 in accordance with such regulations as may be prescribed, and shall  
36 not be deducted, in whole or in part, from the remuneration of  
37 individuals in his employ. In the payment of any contributions, a  
38 fractional part of a cent shall be disregarded unless it amounts to  
39 \$0.005 or more, in which case it shall be increased to \$0.01.

40 (2) During the continuance of coverage of a worker by an  
41 approved private plan of disability benefits under the "Temporary  
42 Disability Benefits Law," the employer shall be exempt from the  
43 contributions required by subparagraph (1) above with respect to  
44 wages paid to such worker.

45 (3) (A) The rates of contribution as specified in subparagraph (1)  
46 above shall be subject to modification as provided herein with respect

1 to employer contributions due on and after July 1, 1951.

2 (B) A separate disability benefits account shall be maintained for  
3 each employer required to contribute to the State disability benefits  
4 fund and such account shall be credited with contributions deposited  
5 in and credited to such fund with respect to employment occurring on  
6 and after January 1, 1949. Each employer's account shall be credited  
7 with all contributions paid on or before January 31 of any calendar  
8 year on his own behalf and on behalf of individuals in his service with  
9 respect to employment occurring in preceding calendar years;  
10 provided, however, that if January 31 of any calendar year falls on a  
11 Saturday or Sunday an employer's account shall be credited as of  
12 January 31 of such calendar year with all the contributions which he  
13 has paid on or before the next succeeding day which is not a Saturday  
14 or Sunday. But nothing in this act shall be construed to grant any  
15 employer or individuals in his service prior claims or rights to the  
16 amounts paid by him to the fund either on his own behalf or on behalf  
17 of such individuals. Benefits paid to any covered individual in  
18 accordance with Article III of the "Temporary Disability Benefits  
19 Law" on or before December 31 of any calendar year with respect to  
20 disability in such calendar year and in preceding calendar years shall be  
21 charged against the account of the employer by whom such individual  
22 was employed at the commencement of such disability or by whom he  
23 was last employed, if out of employment.

24 (C) The controller may prescribe regulations for the establishment,  
25 maintenance, and dissolution of joint accounts by two or more  
26 employers, and shall, in accordance with such regulations and upon  
27 application by two or more employers to establish such an account, or  
28 to merge their several individual accounts in a joint account, maintain  
29 such joint account as if it constituted a single employer's account.

30 (D) Prior to July 1 of each calendar year, the controller shall make  
31 a preliminary determination of the rate of contribution for the 12  
32 months commencing on such July 1 for each employer subject to the  
33 contribution requirements of this subsection (e).

34 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
35 preceding January 31 of such year such employer shall have been a  
36 covered employer who has paid contributions to the State disability  
37 benefits fund with respect to employment in the three calendar years  
38 immediately preceding such year.

39 (2) If the minimum requirements in (1) above have been fulfilled  
40 and the credited contributions exceed the benefits charged by more  
41 than \$500.00, such preliminary rate shall be as follows:

42 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is less  
43 than 1 1/4% of his average annual payroll (as defined in this chapter  
44 (R.S.43:21-1 et seq.));

45 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds 1  
46 1/4% but is less than 1 1/2% of his average annual payroll;

1 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1  
2 1/2% of his average annual payroll.

3 (3) If the minimum requirements in (1) above have been fulfilled  
4 and the contributions credited exceed the benefits charged but by not  
5 more than \$500.00 plus 1% of his average annual payroll, or if the  
6 benefits charged exceed the contributions credited but by not more  
7 than \$500.00, the preliminary rate shall be 1/4 of 1%.

8 (4) If the minimum requirements in (1) above have been fulfilled  
9 and the benefits charged exceed the contributions credited by more  
10 than \$500.00, such preliminary rate shall be as follows:

11 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of  
12 1% of his average annual payroll;

13 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds  
14 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

15 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds  
16 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

17 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds  
18 3/4 of 1% but is less than 1% of his average annual payroll;

19 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds  
20 1% of his average annual payroll.

21 (5) Determination of the preliminary rate as specified in (2), (3)  
22 and (4) above shall be subject, however, to the condition that it shall  
23 in no event be decreased by more than 1/10 of 1% of wages or  
24 increased by more than 2/10 of 1% of wages from the preliminary rate  
25 determined for the preceding year in accordance with (1), (2), (3) or  
26 (4), whichever shall have been applicable.

27 (E) (1) Prior to July 1 of each calendar year the controller shall  
28 determine the amount of the State disability benefits fund as of  
29 December 31 of the preceding calendar year, increased by the  
30 contributions paid thereto during January of the current calendar year  
31 with respect to employment occurring in the preceding calendar year.  
32 If such amount exceeds the net amount withdrawn from the  
33 unemployment trust fund pursuant to section 23 of the "Temporary  
34 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
35 amount at the end of such preceding calendar year of the  
36 unemployment disability account (as defined in section 22 of said law  
37 (C.43:21-46)), such excess shall be expressed as a percentage of the  
38 wages on which contributions were paid to the State disability benefits  
39 fund on or before January 31 with respect to employment in the  
40 preceding calendar year.

41 (2) The controller shall then make a final determination of the rates  
42 of contribution for the 12 months commencing July 1 of such year for  
43 employers whose preliminary rates are determined as provided in (D)  
44 hereof, as follows:

45 (i) If the percentage determined in accordance with paragraph  
46 (E)(1) of this subsection equals or exceeds 1 1/4%, the final employer



1 rates shall be the preliminary rates determined as provided in (D)  
2 hereof, except that if the employer's preliminary rate is determined as  
3 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
4 the preliminary employer rate decreased by such percentage of excess  
5 taken to the nearest 5/100 of 1%, but in no case shall such final rate  
6 be less than 1/10 of 1%.

7 (ii) If the percentage determined in accordance with paragraph  
8 (E)(1) of this subsection equals or exceeds 3/4 of 1% and is less than  
9 1 1/4 of 1%, the final employer rates shall be the preliminary employer  
10 rates.

11 (iii) If the percentage determined in accordance with paragraph  
12 (E)(1) of this subsection is less than 3/4 of 1%, but in excess of 1/4 of  
13 1%, the final employer rates shall be the preliminary employer rates  
14 determined as provided in (D) hereof increased by the difference  
15 between 3/4 of 1% and such percentage taken to the nearest 5/100 of  
16 1%; provided, however, that no such final rate shall be more than 1/4  
17 of 1% in the case of an employer whose preliminary rate is determined  
18 as provided in (D)(2) hereof, more than 1/2 of 1% in the case of an  
19 employer whose preliminary rate is determined as provided in (D)(1)  
20 and (D)(3) hereof, nor more than 3/4 of 1% in the case of an employer  
21 whose preliminary rate is determined as provided in (D)(4) hereof.

22 (iv) If the amount of the State disability benefits fund determined  
23 as provided in paragraph (E)(1) of this subsection is equal to or less  
24 than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of an  
25 employer whose preliminary rate is determined as provided in (D)(2)  
26 hereof, 7/10 of 1% in the case of an employer whose preliminary rate  
27 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
28 case of an employer whose preliminary rate is determined as provided  
29 in (D)(4) hereof. Notwithstanding any other provision of law or any  
30 determination made by the controller with respect to any 12-month  
31 period commencing on July 1, 1970, the final rates for all employers  
32 for the period beginning January 1, 1971, shall be as set forth herein.  
33 (cf: P.L.1997, c.263, s.12)

34

35 16. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read  
36 as follows:

37 3. Counseling shall be made available by the Department of Labor  
38 to each individual who meets the requirements indicated in subsections  
39 a. and b. of section 4 of this act. The department may provide the  
40 counseling or obtain the counseling from a service provider, if the  
41 service provider is different from and not affiliated with any service  
42 provider offering any employment and training services to the worker  
43 other than the counseling. The purpose of the counseling is to assist  
44 the individual in obtaining the employment and training services most  
45 likely to provide the worker with the greatest opportunity for  
46 long-range career advancement with high levels of productivity and

- 1 earning power. The counseling shall include:
- 2 a. Testing and assessment of the individual's job skills and  
3 aptitudes, including the individual's literacy skills and other basic skills.  
4 Basic skills testing and assessment shall be provided to the individual  
5 unless information is provided regarding the individual's educational  
6 background and occupational or professional experience which clearly  
7 demonstrates that the individual's basic skill level meets the standards  
8 indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the  
9 individual is already participating in a remedial education program  
10 which meets those standards;
- 11 b. An evaluation by a qualified job counselor of:
- 12 (1) Whether the individual is eligible for the additional benefits  
13 indicated in section 5 of this act; and
- 14 (2) What remedial education, if any, is determined to be necessary  
15 for the individual to advance in his current occupation or succeed in  
16 any particular vocational training which the individual would  
17 undertake in connection with additional benefits indicated in section  
18 4 of this act, provided that the remedial education shall be at a level  
19 not lower than that needed to meet the standards indicated in section  
20 14 of P.L.1989, c.293 (C.34:15C-11);
- 21 c. The provision of information to the individual regarding any of  
22 the labor demand occupations for which training meets the  
23 requirements of subsection e. of section 4 of this act in the claimant's  
24 case, including **[the]** information about the wage levels in those  
25 occupations **[which is available to the Department of Labor and any**  
26 **information available to the department regarding]**, the effectiveness  
27 of any particular provider of training for any of those occupations  
28 which the claimant is considering using, and the long-term success of  
29 former trainees of the provider in obtaining permanent employment  
30 and increasing earnings;
- 31 d. The provision of information to the individual regarding the  
32 services and benefits available to the individual under the provisions  
33 of this act and employment and training programs provided or funded  
34 pursuant to **[P.L.1983, c.328 (C.34:15B-11 et seq.),]** the "1992 New  
35 Jersey Employment and Workforce Development Act," P.L.1992, c.43  
36 (C.34:15D-1 et al.) and the **["Job Training Partnership Act," Pub.L.**  
37 **97-300 (29 U.S.C. s.1501 et seq.)]** Workforce Investment Act of  
38 1998, Pub.L.105-220 (29 U.S.C. Sec.2801 et seq.). and regarding the  
39 tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1  
40 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and
- 41 e. Discussion with the counselor of the results of the testing and  
42 evaluation and, based on those results, the development of a written  
43 Employability Development Plan, consistent with the requirements of  
44 subsections e., f. and g. of section 4 of this act, for the individual  
45 describing any remedial education and the vocational training that the  
46 individual will undertake in connection with benefits provided pursuant

1 to the provisions of this act.

2 All information regarding an individual applicant or trainee which  
3 is obtained or compiled in connection with the testing, assessment and  
4 evaluation and which may be identified with the individual shall be  
5 confidential and shall be released to an entity other than the individual,  
6 the counselor or the department only if: the individual provides written  
7 permission to the department for the release of the information; or the  
8 information is used solely for program evaluation.

9 (cf: P.L.1992, c.47, s.3)

10

11 17. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read  
12 as follows:

13 4. Except as provided in section 8 of this act, the additional benefits  
14 indicated in section 5 of this act shall be provided any individual who:

15 a. Has received a notice of a permanent termination of employment  
16 by the individual's employer or has been laid off and is unlikely to  
17 return to his previous employment because work opportunities in the  
18 individual's job classification are impaired by a substantial reduction of  
19 employment at the worksite;

20 b. Is, at the time of the layoff or termination, eligible, pursuant to  
21 the "unemployment compensation law," R.S.43:21-1 et seq., for [not  
22 less than 26 weeks of] unemployment benefits;

23 c. Enters into the counseling made available pursuant to section  
24 3 of this act as soon as possible following notification by the  
25 Department of Labor of its availability;

26 d. (1) Notifies the department of the individual's intention to enter  
27 into the education and training identified in the Employability  
28 Development Plan developed pursuant to section 3 of this act, not  
29 later than 60 days after the date of the individual's termination or  
30 layoff [or], not later than 30 days after the department provides notice  
31 to the individual pursuant to section 6 of this act or not later than 30  
32 days after the Employability Development Plan is developed,  
33 whichever occurs [later] last;

34 (2) Enters into the education and training identified in the  
35 Employability Development Plan as soon as possible after giving the  
36 notice required by paragraph (1) of this subsection d.; and

37 (3) Maintains satisfactory progress in the education and training;

38 e. Enrolls in vocational training which:

39 (1) Is training for a labor demand occupation;

40 (2) Is likely to facilitate a substantial enhancement of the  
41 individual's marketable skills and earning power;

42 (3) Is provided by a service provider approved by the  
43 Commissioner of Labor, which approval shall be made, if the "1992  
44 New Jersey Employment and Workforce Development Act," P.L.1992,  
45 c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of  
46 section 8 of that act; and

1 (4) Does not include on the job training or other training under  
2 which the individual is paid by an employer for work performed by the  
3 individual during the time that the individual receives additional  
4 benefits pursuant to the provisions of section 5 of this act;

5 f. Enrolls in vocational training, remedial education or a  
6 combination of both on a full-time basis; and

7 g. Reasonably can be expected to successfully complete the  
8 vocational training and any needed remedial education, either during  
9 or after the period of additional benefits.

10 If the requirements of this section are met, the division shall not  
11 deny an individual unemployment benefits pursuant to the  
12 "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970,  
13 c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in  
14 section 5 of this act for any of the following reasons: the training  
15 includes remedial education needed by the individual to succeed in the  
16 vocational component of the training; the individual has identifiable  
17 vocational skills but the training services are needed to enable the  
18 individual to attain self-sufficiency as defined in section 3 of P.L.1992,  
19 c.43 (C.34:15D-3); the training is part of a program under which the  
20 individual may obtain any college degree enhancing the individual's  
21 marketable skills and earning power; the individual has previously  
22 received a training grant; the length of the training period under the  
23 program; or the lack of a prior guarantee of employment upon  
24 completion of the training. If the requirements of this section are met,  
25 the division shall regard a training program as approved for the  
26 purposes of paragraph (4) of subsection (c) of R.S.43:21-4.

27 (cf: P.L.1992, c.47, s.4)

28  
29 18. This act shall take effect immediately.

30  
31  
32 STATEMENT

33  
34 This bill amends and updates various State laws regarding  
35 reemployment services and training programs to take into account  
36 recent changes in related federal laws and funding levels and to expand  
37 State efforts to promote adult literacy in the workplace.

38 The bill creates a Supplemental Workforce Activities Fund (SWAF)  
39 which would be used to help defray administrative costs of the  
40 unemployment insurance and employment service programs, including  
41 costs associated with the development of One Stop Career Centers.  
42 The fund would also be used to increase funding for basic skills  
43 training for unemployed and employed workers, including  
44 mathematics, reading comprehension, computer literacy, English  
45 proficiency and work-readiness skills. The fund would be financed by  
46 the redirection of \$21 million of employer and employee payroll taxes

1 from the unemployment compensation fund to the SWAF.

2 The bill also changes the composition of the Employment Security  
3 Council, which is currently made up of nine members appointed by the  
4 Governor, to instead have it comprised of eight members appointed by  
5 the Governor, including four members representing business  
6 nominated by the State Chamber of Commerce and the New Jersey  
7 Business and Industry Association, and four members representing  
8 labor nominated by the State AFL-CIO, together with a ninth member  
9 selected by the appointed members to serve as council chairperson.  
10 The bill expands the responsibilities of that council, which now  
11 oversees the administration of the unemployment and temporary  
12 disability insurance laws, to also oversee the operation of the  
13 workforce development partnership law and finances under all three  
14 laws. Two percent of the total moneys available to the SWAF is  
15 provided to the council to carry out its expanded responsibilities.

16 The bill specifies that, both for each operational area of the existing  
17 Workforce Development Partnership (WDP) Fund and for the SWAF  
18 created by the bill, any funds at the end of the fiscal year in excess of  
19 20% of the amount allocated shall be returned to the unemployment  
20 compensation fund.

21 The bill updates references to federal job training programs, from  
22 the Job Training Partnership Act, which has been replaced by the  
23 Workforce Investment Act of 1998 (WIA), and insures that the  
24 standards regarding labor, program participation and the quality of  
25 counseling and consumer choice for potential trainees which currently  
26 apply to the WDP Program also apply to programs funded by the  
27 SWAF and the WIA and that relevant standards which apply to that  
28 act likewise apply to the State programs.

29 The bill specifies that WDP funds may be used for remedial  
30 education grants even if there is no vocational job training which is  
31 part of the grant. Likewise, the bill clarifies that occupational safety  
32 and health training grants may also be provided without being  
33 connected to any specific occupational training grants.

34 Under the bill, an individual may receive a training grant of up to  
35 \$6,000 if the training includes remedial education, and up to \$3,000 if  
36 it is for remedial education only. Workers with identifiable vocational  
37 skills are permitted to receive WDP or WIA training grants which will  
38 make them better able to attain economic self sufficiency, based on  
39 based on standards set by the U.S. Department of Labor. The bill  
40 increases the emphasis on service for workers who have disabilities or  
41 need vocational rehabilitation and for workers who are already  
42 employed. It extends the time during which a displaced worker may  
43 give notice of an interest to undertake training, to not later than 30  
44 days after an employability development plan is developed with a State  
45 counselor. It also allows a displaced worker to receive extended UI  
46 benefits during job training even if the worker is qualified for less than

1 the maximum number of weeks of regular UI benefits.

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, Nos. 1783 and 1733**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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ADOPTED JUNE 25, 2001

**Sponsored by:**

**Senator LOUIS F. KOSCO**

**District 38 (Bergen)**

**Senator JAMES S. CAFIERO**

**District 1 (Cape May, Atlantic and Cumberland)**

**Senator JACK SINAGRA**

**District 18 (Middlesex)**

**Senator JOHN A. LYNCH**

**District 17 (Middlesex, Somerset and Union)**

**Co-Sponsored by:**

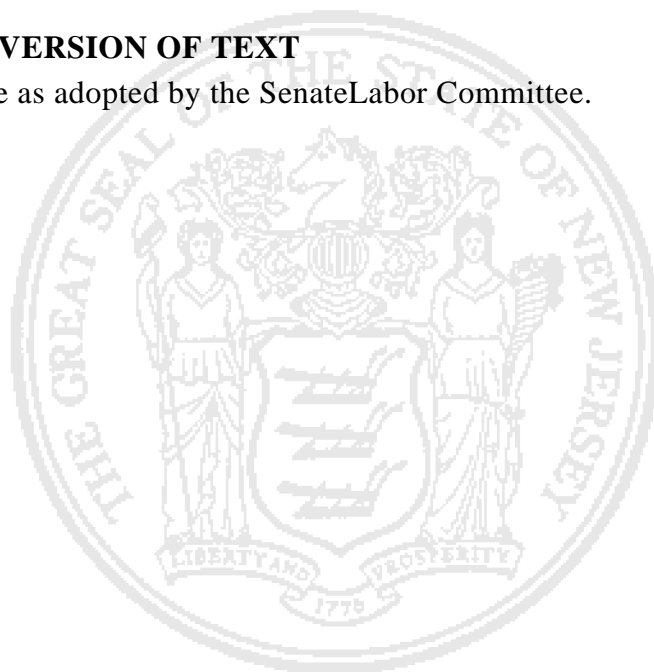
**Senator Codey**

**SYNOPSIS**

Revises law concerning employment and training services.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Labor Committee.



1 AN ACT concerning basic skills training, reemployment services and  
2 training programs and revising various parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. (New section) a. A restricted, nonlapsing, revolving  
8 "Supplemental Workforce Fund for Basic Skills," to be managed and  
9 invested by the State Treasurer, is hereby established in the  
10 Department of Labor to provide basic skills training. All moneys  
11 appropriated to the fund, all interest accumulated on balances in the  
12 fund and all cash received for the fund from any other source shall be  
13 allocated by the Commissioner of Labor as follows:

14 (1) 24% shall be deposited in an account reserved to support basic  
15 skills training delivered by the State's One-Stop Career Centers to  
16 qualified displaced, disadvantaged and employed workers pursuant to  
17 Employability Development Plans developed pursuant to section 7 of  
18 P.L.1992, c.43 (C.34:15D-7);

19 (2) 28% shall be deposited in an account reserved for Workforce  
20 Investment Boards to provide grants for basic skills training for  
21 qualified displaced, disadvantaged and employed workers pursuant to  
22 Employability Development Plans developed pursuant to section 7 of  
23 P.L.1992, c.43 (C.34:15D-7) and for other individuals with learning  
24 disabilities or otherwise in need of vocational rehabilitation services;

25 (3) 38% shall be deposited in an account reserved for grants to  
26 consortia including one or more of any of the following: eligible  
27 individual employers, employer organizations, labor organizations,  
28 community-based organizations or educational institutions to provide  
29 basic skills training to qualified displaced, disadvantaged or employed  
30 workers or to other individuals seeking to enter apprenticeship  
31 training; and

32 (4) 10% shall be deposited in an account to be used, at the  
33 discretion of the commissioner, for any of the purposes indicated in  
34 this subsection a. and any administrative costs incurred by the  
35 Department of Labor in connection with the fund.

36 b. Any grant provided in connection with paragraph (3) of  
37 subsection a. of this section directly to an employer or to an employer  
38 through a consortium shall be regarded as a customized training grant  
39 and shall be administered by the Office of Customized Training and the  
40 employer and consortium shall comply with all requirements of section  
41 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided  
42 directly or indirectly to an employer for use in connection with any  
43 program which includes apprenticeship training or activities or

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**



1 preparation for entry into apprenticeship training shall be exempt from  
2 the requirement of this subsection b. to be administered by the Office  
3 of Customized Training and be subject to the requirements of section  
4 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
5 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
6 c.268 (C.34:15E-3), and the employer complies with the provisions of  
7 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant  
8 provided in connection with paragraph (b) of subsection a. of this  
9 section directly to an individual shall be regarded as an individual  
10 training grant and shall be subject to the requirements of subsections  
11 a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

12 c. Any employment and training services funded by the  
13 Supplemental Workforce Fund for Basic Skills shall be provided in a  
14 manner which complies with the provisions of subsections b., c., f., g.,  
15 h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent  
16 that those subsections pertain to remedial education. Any service  
17 provider receiving moneys from the Supplemental Workforce Fund for  
18 Basic Skills shall be subject to the provisions of section 8 of P.L.1992,  
19 c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

20 d. All staff located at any One Stop Career Center supported by  
21 funds provided from the Supplemental Workforce Fund for Basic  
22 Skills shall be hired and employed by the State pursuant to Title 11A,  
23 Civil Service, of the New Jersey Statutes.

24 e. Beginning July 1, 2002, and for any subsequent fiscal year, if  
25 the unexpended balance in any of the accounts indicated in subsection  
26 a. of this section, less any amount awarded in grants but not yet  
27 disbursed from the account, is determined, in accordance with  
28 generally accepted accounting principles, to exceed 20% of the  
29 amount of contributions collected for deposit in the account pursuant  
30 to this subsection during the fiscal year then ended, the excess shall be  
31 regarded as an unemployment compensation contribution and  
32 deposited into the unemployment compensation fund within seven  
33 business days of the date that the determination is made.

34 f. The Commissioner of Labor shall establish standards of  
35 performance for providers of basic skills training pursuant to this act.  
36 The standards shall include, but not be limited to, standards for the  
37 curriculum or training to be furnished, qualifications for persons who  
38 will provide the training under the act, and standards for establishing  
39 what constitutes successful completion of the training program. The  
40 commissioner shall establish means of determining the ability of  
41 enrollees to gain or maintain employment following the successful  
42 completion of a training program established pursuant to this section.  
43 In the event that the commissioner determines that a provider has not  
44 conducted its training program in accordance with the standards of  
45 performance, he may take that action necessary to correct the  
46 deficiencies of the provider, or terminate the contract with the

1 provider of basic skills services if the provider fails to respond to  
2 remedial action.

3 g. The State Employment and Training Commission shall review  
4 and evaluate the operations of programs supported by the  
5 Supplemental Workforce Fund for Basic Skills established pursuant to  
6 this section, with special consideration to how those programs assist  
7 in the implementation of the goals of the Strategic Five-Year State Plan  
8 for New Jersey's Workforce Investment System, and shall consult with  
9 the Commissioner of Labor regarding its findings.

10 h. For the purpose of this section:

11 "Basic skills training" means basic mathematics, reading  
12 comprehension, basic computer literacy, English proficiency and work-  
13 readiness skills and shall be regarded as a form of "remedial education"  
14 for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

15 "One Stop Career Center" means one of the centers established in  
16 local areas to coordinate a variety of State and local programs  
17 providing employment and training services, including job placement  
18 services, or any other similar State or local government-sponsored  
19 center providing employment and training services as may be  
20 developed at any later time; and

21 "Qualified disadvantaged worker," "qualified displaced worker,"  
22 "qualified employed worker," and "employment and training services"  
23 have the meanings given to them by section 3 of P.L.1992, c.43  
24 (C.34:15D-3).

25

26 2. (New section) Beginning on January 1, 2002, each worker shall  
27 contribute to the Supplemental Workforce Fund for Basic Skills an  
28 amount equal to 0.0175% of the worker's wages as determined in  
29 accordance with paragraph (3) of subsection (b) of R.S.43:21-7  
30 regarding the worker's employment with an employer.

31 Beginning on July 1, 2001, each employer shall contribute to the  
32 Supplemental Workforce Fund for Basic Skills an amount equal to the  
33 amount that the employer's contribution is decreased pursuant to  
34 subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

35

36 3. (New section) If an employee receives wages from more than  
37 one employer during any calendar year, and the sum of the employee's  
38 contributions deposited in the Supplemental Workforce Fund for Basic  
39 Skills exceeds an amount equal to 0.0175% of the wages determined  
40 in accordance with the provisions of paragraph (3) of subsection (b)  
41 of R.S.43:21-7 during the calendar year beginning January 1, 2002 or  
42 any subsequent calendar year, the employee shall be entitled to a  
43 refund of the excess if a claim establishing the employee's right to the  
44 refund is made within two years after the end of the respective  
45 calendar year in which the wages are received and are the subject of  
46 the claim. The commissioner shall refund any overpayment from the

1 fund without interest.

2 Any employee who is a taxpayer and entitled, pursuant to the  
3 provisions of this section, to a refund of contributions deducted during  
4 a tax year from his wages shall, in lieu of the refund, be entitled to a  
5 credit in the full amount thereof against the tax otherwise due on his  
6 New Jersey gross income for that tax year if he submits his claim for  
7 the credit and accompanies that claim with evidence of his right to the  
8 credit in the manner provided by regulation by the Director of the  
9 Division of Taxation. In any case in which the amount, or any portion  
10 thereof, of any credit allowed hereunder results in or increases an  
11 excess of income tax payment over income tax liability, the amount of  
12 the new or increased excess shall be considered an overpayment and  
13 shall be refunded to the taxpayer in the manner provided by subsection  
14 (a) of N.J.S.54A:9-7.

15

16 4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read  
17 as follows:

18 1. As used in this act:

19 "Approved service provider" means a service provider approved  
20 pursuant to section 6 of this act.

21 "Apprenticeship Policy Committee" means the New Jersey  
22 Apprenticeship Policy Committee established by an agreement between  
23 the Bureau of Apprenticeship and Training in the United States  
24 Department of Labor, the State Department of Labor and the State  
25 Department of Education and consisting of a representative of the  
26 Commissioner of the State Department of Education, a representative  
27 of the Commissioner of the State Department of Labor, the Director  
28 of Region II of the Bureau of Apprenticeship and Training in the  
29 United States Department of Labor, and a representative of the New  
30 Jersey State AFL-CIO.

31 "Commissioner" means the Commissioner of Labor.

32 "Department" means the Department of Labor.

33 "Employment and training services" means:

- 34 a. Counseling provided pursuant to section 4 of this act;  
35 b. Vocational training; or  
36 c. Remedial education.

37 "Federal job training funds" means any moneys expended to obtain  
38 employment and training services, pursuant to the ["Job Training  
39 Partnership Act," Pub.L.97-300 (29 U.S.C. s.1501 et seq),]  
40 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s.2801  
41 et seq.), except that, to the extent that the application of any specific  
42 provision of this act would cause the amount of federal job training  
43 funds provided to the State to be reduced, that provision shall not  
44 apply.

45 "Labor demand occupation" means an occupation for which there  
46 is or is likely to be an excess of demand over supply for adequately

1 trained workers, including, but not limited to, an occupation  
2 designated as a labor demand occupation by the New Jersey  
3 Occupational Information Coordinating Committee pursuant to section  
4 7 of this act.

5 "Office of Customized Training" means the Office of Customized  
6 Training established pursuant to section 5 of P.L.1992, c.43  
7 (C.34:15D-5).

8 "Permanent employment" means full-time employment  
9 unsubsidized by government training funds which provides a  
10 significant opportunity for career advancement and long-term job  
11 security and is in the occupation for which a worker receives  
12 vocational training pursuant to this act.

13 "Qualified job counselor" means a job counselor whose  
14 qualifications meet standards established by the commissioner.

15 "Remedial education" means any literacy or other basic skills  
16 training or education which may not be directly related to a particular  
17 occupation but is needed to facilitate success in vocational training or  
18 work performance, including training or education in basic  
19 mathematics, reading comprehension, basic computer literacy, English  
20 proficiency and work-readiness skills.

21 "Service provider" or "provider" means a provider of employment  
22 and training services including but not limited to a private or public  
23 school or institution of higher education, a business, a labor  
24 organization or a community-based organization.

25 "Vocational training" means training or education which is related  
26 to an occupation and is designed to enhance the marketable skills and  
27 earning power of a worker or job seeker.

28 (cf: P.L.1992, c.48, s.1)

29

30 5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read  
31 as follows:

32 2. a. All vocational training funded with federal job training funds  
33 shall be training which is likely to substantially enhance the trainee's  
34 marketable skills and earning power and is for a labor demand  
35 occupation.

36 b. Federal job training funds shall not be used for job training or  
37 any related activities which induce, encourage or assist: any  
38 displacement or partial displacement of currently employed workers by  
39 trainees by means such as reduced hours of currently employed  
40 workers; any replacement of laid off workers by trainees; or any  
41 relocation of operations resulting in a loss of employment at a previous  
42 workplace, except in cases of multi-establishment employers  
43 consolidating establishments. No federal job training funds shall be  
44 used for job training in any case in which an employer relocates within  
45 the State and does not offer each effected employee the equivalent  
46 benefits, pay and working conditions if the employee moves to the new

1 location and into a job or position involving comparable skills,  
2 responsibilities, experience and seniority to the prior job or position.

3 c. Federal job training funds shall not be used for job training or  
4 any related activities which impair existing contracts for services or  
5 collective bargaining agreements, except that job training or any  
6 related activities which are inconsistent with the terms of a collective  
7 bargaining agreement may be undertaken with the written concurrence  
8 of the collective bargaining unit and employer who are parties to the  
9 agreement.

10 d. Any federal job training funds which are provided directly to an  
11 employer or indirectly to an employer through a consortium shall be  
12 regarded as customized training grants and be administered by the  
13 Office of Customized Training and the employer and any consortium  
14 shall comply with all requirements of section 5 of P.L.1992, c.43  
15 (C.34:15D-5), except that federal job training funds provided directly  
16 or indirectly to an employer for use in connection with any program  
17 which includes apprenticeship training or activities shall be exempt  
18 from the requirement of this subsection d. to be administered by the  
19 Office of Customized Training and be subject to the requirements of  
20 section 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
21 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
22 c.268 (C.34:15E-3) and the employer complies with the provisions of  
23 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5).  
24 Employment and training services funded by federal job training funds  
25 shall not replace, supplant, compete with or duplicate any approved  
26 apprenticeship program.

27 (cf: P.L.1992, c.48, s.2)

28  
29 6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read  
30 as follows:

31 3. a. On the job training shall not be paid for with federal job  
32 training funds for any employment found by the commissioner to be of  
33 a level of skill and complexity too low to merit training.

34 b. The duration of on the job training for any individual shall not  
35 exceed the duration indicated by the Specific Vocational Preparation  
36 code developed by the United States Department of Labor for the  
37 occupation for which the training is provided and shall in no case  
38 exceed 26 weeks. The department shall set the duration of on the job  
39 training for an individual for less than the indicated maximum, when  
40 training for the maximum duration is not warranted because of the  
41 level of the individual's previous training, education or work  
42 experience.

43 c. On the job training shall not be paid for with federal job  
44 training funds unless it is accompanied, concurrently or otherwise, by  
45 whatever amount of classroom-based vocational training, remedial  
46 education or both, is deemed appropriate for the worker by the

1 commissioner.

2 d. Each employer receiving federal job training funds for on the  
3 job training shall retain in permanent employment each trainee who  
4 successfully completes the training. The commissioner may, for a time  
5 period he deems appropriate, provide for the withholding of whatever  
6 portion he deems appropriate of the funding as a final payment for  
7 training, contingent upon the retention of a program completer as  
8 required pursuant to this section.

9 e. On the job training shall not be paid for with federal job training  
10 funds unless the trainee is provided benefits, pay and working  
11 conditions at a level and extent not less than the benefits and working  
12 conditions of other trainees or employees of the trainee's employer  
13 with comparable skills, responsibilities, experience and seniority.  
14 (cf: P.L.1992, c.48, s.3).

15

16 7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read  
17 as follows:

18 5. An otherwise qualified individual shall not be denied  
19 employment and training services included in the Employability  
20 Development Plan developed for the individual pursuant to section 4  
21 of this act for any of the following reasons: the employment and  
22 training services include remedial education needed by the individual  
23 to advance in the individual's current employment or occupation or to  
24 succeed in the vocational component of the training; the qualified  
25 displaced worker or other individual has identifiable vocational skills  
26 but the training services are needed to enable the individual to develop  
27 skills necessary to attain at least the level of self-sufficiency; the  
28 training is part of a program under which the individual may obtain a  
29 college degree enhancing the individual's marketable skills and earning  
30 power; the individual has previously received a training grant; the  
31 length of the training period under the program; or the lack of a prior  
32 guarantee of employment upon completion of the training, except for  
33 on the job training. This section shall not be construed as requiring  
34 that federal job training funds be used to pay for employment and  
35 training services for which other assistance, such as State or federal  
36 student financial aid, is provided.

37 (cf: P.L.1992, c.48, s.5)

38

39 8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read  
40 as follows:

41 3. As used in this act:

42 "Administrative costs" means any costs incurred by the department  
43 to administer the program, including any cost required to collect  
44 information and conduct evaluations of service providers pursuant to  
45 section 8 of this act and conduct surveys of occupations pursuant to  
46 section 12 of this act, to the extent that funding is not available from

1 federal or other sources.

2 "Apprenticeship Policy Committee" means the New Jersey  
3 Apprenticeship Policy Committee established by an agreement between  
4 the Bureau of Apprenticeship and Training in the United States  
5 Department of Labor, the State Department of Labor and the State  
6 Department of Education and consisting of a representative of the  
7 Commissioner of the State Department of Education, a representative  
8 of the Commissioner of the State Department of Labor, the Director  
9 of Region II of the Bureau of Apprenticeship and Training in the  
10 United States Department of Labor and a representative of the New  
11 Jersey State AFL-CIO.

12 "Approved service provider" means a service provider approved  
13 pursuant to section 8 of this act.

14 "Commission" means the State Employment and Training  
15 Commission.

16 "Commissioner" means the Commissioner of Labor or the  
17 commissioner's designees.

18 "Customized training services" means employment and training  
19 services which are provided by the Office of Customized Training  
20 pursuant to section 5 of this act.

21 "Department" means the State Department of Labor.

22 "Employer" or "business" means any employer subject to the  
23 provisions of R.S.43:21-1 et seq.

24 "Employment and training services" means:

- 25 a. Counseling provided pursuant to section 7 of this act;
- 26 b. Vocational training;
- 27 c. Remedial education; or
- 28 d. Occupational safety and health training.

29 "Fund" means the Workforce Development Partnership Fund  
30 established pursuant to section 9 of this act.

31 "Labor Demand Occupation" means an occupation for which there  
32 is or is likely to be an excess of demand over supply for adequately  
33 trained workers, including, but not limited to, an occupation  
34 designated as a labor demand occupation by the New Jersey  
35 Occupational Information Coordinating Committee pursuant to section  
36 12 of this act.

37 "Occupational safety and health training" means training or  
38 education which is designed to assist in the recognition and prevention  
39 of potential health and safety hazards related to an occupation [which  
40 is the subject of vocational training].

41 "Office" means the Office of Customized Training established  
42 pursuant to section 5 of this act.

43 "Permanent employment" means full-time employment  
44 unsubsidized by government training funds which provides a  
45 significant opportunity for career advancement and long-term job  
46 security and is in the occupation for which a worker receives

1 vocational training pursuant to this act.

2 "Program" means the Workforce Development Partnership  
3 Program created pursuant to this act.

4 "Qualified disadvantaged worker" means a worker who is not a  
5 qualified displaced worker or a qualified employed worker but who  
6 otherwise meets the following criteria:

7 a. Is unemployed;

8 b. Is working part-time and actively seeking full-time work or is  
9 working full-time but is earning wages substantially below the median  
10 salary for others in the labor force with similar qualifications and  
11 experience; or

12 c. Is certified by the Department of Human Services as:

13 (1) Currently receiving public assistance;

14 (2) Having been recently removed from the public assistance rolls  
15 because of gross income exceeding the grant standard for assistance;  
16 or

17 (3) Being eligible for public assistance but not receiving the  
18 assistance because of a failure to apply for it.

19 "Qualified displaced worker" means a worker who:

20 a. Is unemployed, and:

21 (1) Is currently receiving unemployment benefits pursuant to  
22 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
23 extension; or

24 (2) Has exhausted eligibility for the benefits or extended benefits  
25 during the preceding 52 weeks; or

26 b. Meets the criteria set by [Title III of the "Job Training  
27 Partnership Act," Pub.L. 97-300 (29 U.S.C. s.1651 et seq.)] the  
28 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s. 2801  
29 et seq.), to be regarded as [an "eligible dislocated worker"] a  
30 "dislocated worker" pursuant to that act.

31 "Qualified employed worker" means a worker who is employed by  
32 an employer participating in a customized training program, or other  
33 employed worker who is in need of remedial education.

34 "Qualified job counselor" means a job counselor whose  
35 qualifications meet standards established by the commissioner.

36 "Remedial education" means any literacy or other basic skills  
37 training or education which may not be directly related to a particular  
38 occupation but is needed to facilitate success in vocational training or  
39 work performance, including training or education in mathematics,  
40 reading comprehension, computer literacy, English proficiency and  
41 work-readiness skills.

42 "Service provider" or "provider" means a provider of employment  
43 and training services including but not limited to a private or public  
44 school or institution of higher education, a business, a labor  
45 organization or a community-based organization.

46 "Supplemental Workforce Fund for Basic Skills" means the fund



1 established pursuant to section 1 of P.L.2001, c. (C. ) (now  
2 pending before the Legislature as this bill).

3 "Total revenues dedicated to the program during any one fiscal  
4 year" means all moneys received for the fund during any fiscal year,  
5 including moneys withdrawn from the State disability benefits fund  
6 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
7 repayment made during that fiscal year from the fund to the State  
8 disability benefits fund pursuant to that section.

9 "Training grant" means a grant provided to fund vocational training  
10 and any needed remedial education for a qualified displaced or  
11 disadvantaged worker pursuant to section 6 of this act, or to fund  
12 needed remedial education for a qualified employed worker pursuant  
13 section 1 of P.L.2001, c. (C. ) (now pending before the  
14 Legislature as this bill).

15 "Vocational training" means training or education which is related  
16 to an occupation and is designed to enhance the marketable skills and  
17 earning power of a worker or job seeker.

18 (cf: P.L.1992, c.43, s.3)

19

20 9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read  
21 as follows:

22 4. a. The Workforce Development Partnership Program is hereby  
23 established in the Department of Labor and shall be administered by  
24 the Commissioner of Labor. The purpose of the program is to provide  
25 qualified displaced, disadvantaged and employed workers with the  
26 employment and training services most likely to provide the greatest  
27 opportunity for long-range career advancement with high levels of  
28 productivity and earning power. To implement that purpose, the  
29 program shall provide those services by means of training grants or  
30 customized training services, to the extent that funding for the services  
31 is not available from federal or other sources. The commissioner is  
32 authorized to expend moneys from the Workforce Development  
33 Partnership Fund to provide the training grants or customized training  
34 services and provide for each of the following:

35 (1) The cost of counseling required pursuant to section 7 of  
36 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
37 counseling is not available from federal or other sources;

38 (2) Reasonable administrative costs, which shall not [to] exceed  
39 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44  
40 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
41 2001, except for additional start-up administrative costs approved by  
42 the Director of the Office of Management and Budget during the first  
43 year of the program's operation;

44 (3) Reasonable costs, which shall not [exceeding] exceed 0.5%  
45 of the revenues collected pursuant to section 2 of P.L.1992, c.44  
46 (C.34:15D-13) during any [one] fiscal year ending before July 1,

1 2001, as required by the State Employment and Training Commission  
2 to design criteria and conduct an annual evaluation of the program;  
3 and  
4 (4) The cost of reimbursement to individuals for excess  
5 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).  
6 b. Not more than 10% of the moneys received by any service  
7 provider pursuant to this act shall be expended on anything other than  
8 direct costs to the provider of providing the employment and training  
9 services, which direct costs shall not include any administrative or  
10 overhead expense of the provider.  
11 c. Training and employment services shall be provided to a worker  
12 who receives counseling pursuant to section 7 of P.L.1992, c.43  
13 (C.34:15D-7) only if the counselor who evaluates the worker pursuant  
14 to that section determines that the worker can reasonably be expected  
15 to successfully complete the training and education identified in the  
16 Employability Development Plan developed pursuant to that section  
17 for the worker.  
18 d. All vocational training provided under this act:  
19 (1) Shall be training which is likely to substantially enhance the  
20 individual's marketable skills and earning power; and  
21 (2) Shall be training for a labor demand occupation, except for:  
22 (a) Customized training provided to the present employees of a  
23 business which the commissioner deems to be in need of the training  
24 to prevent job loss caused by obsolete skills, technological change or  
25 national or global competition; or  
26 (b) Customized training provided to employees at a facility which  
27 is being relocated from another state into New Jersey; or  
28 (c) Entrepreneurial training and technical assistance supported by  
29 training grants provided pursuant to subsection b. of section 6 of  
30 P.L.1992, c.43 (C.34:15D-6).  
31 e. ~~During any fiscal year ending before July 1, 2001, not less~~  
32 ~~than 25% of the total revenues dedicated to the program during any~~  
33 ~~one fiscal year shall be reserved to provide employment and training~~  
34 ~~services for qualified displaced workers[. Not]; not less than six~~  
35 ~~percent of the total revenues dedicated to the program during any one~~  
36 ~~fiscal year shall be reserved to provide employment and training~~  
37 ~~services for qualified disadvantaged workers[. Not]; not less than~~  
38 ~~45% of the total revenues dedicated to the program during any one~~  
39 ~~fiscal year shall be reserved for and appropriated to the Office of~~  
40 ~~Customized Training[. Not]; not less than 3% of the total revenues~~  
41 ~~dedicated to the program during any one fiscal year shall be reserved~~  
42 ~~for occupational safety and health training[. Beginning July 1, 1994,];~~  
43 ~~and 5% of the total revenues dedicated to the program during any one~~  
44 ~~fiscal year shall be reserved for and appropriated to the Youth~~  
45 ~~Transitions to Work Partnership created pursuant to P.L.1993, c.268~~  
46 ~~(C.34:15E-1 et seq.).~~

1 f. Funds available under the program shall not be used for  
2 activities which induce, encourage or assist: any displacement of  
3 currently employed workers by trainees, including partial displacement  
4 by means such as reduced hours of currently employed workers; any  
5 replacement of laid off workers by trainees; or any relocation of  
6 operations resulting in a loss of employment at a previous workplace  
7 located in the State.

8 g. On-the-job training shall not be funded by the program for any  
9 employment found by the commissioner to be of a level of skill and  
10 complexity too low to merit training. The duration of on-the-job  
11 training funded by the program for any worker shall not exceed the  
12 duration indicated by the Specific Vocational Preparation Code  
13 developed by the United States Department of Labor for the  
14 occupation for which the training is provided and shall in no case  
15 exceed 26 weeks. The department shall set the duration of on-the-job  
16 training for a worker for less than the indicated maximum, when  
17 training for the maximum duration is not warranted because of the  
18 level of the individual's previous training, education or work  
19 experience. On-the-job training shall not be funded by the program  
20 unless it is accompanied, concurrently or otherwise, by whatever  
21 amount of classroom-based vocational training, remedial education or  
22 both, is deemed appropriate for the worker by the commissioner. On-  
23 the-job training shall not be funded by the program unless the trainee  
24 is provided benefits, pay and working conditions at a level and extent  
25 not less than the benefits and working conditions of other trainees or  
26 employees of the trainee's employer with comparable skills,  
27 responsibilities, experience and seniority.

28 h. Employment and training services funded by the program shall  
29 not replace, supplant, compete with or duplicate in any way approved  
30 apprenticeship programs.

31 i. No activities funded by the program shall impair existing  
32 contracts for services or collective bargaining agreements, except that  
33 activities which would be inconsistent with the terms of a collective  
34 bargaining agreement may be undertaken with the written concurrence  
35 of the collective bargaining unit and employer who are parties to the  
36 agreement.

37 (cf: P.L.1995, c.422, s.2)

38  
39 10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read  
40 as follows:

41 6. a. The Workforce Development Partnership Program shall, to  
42 the extent that resources available in the fund permit, provide, for each  
43 qualified displaced or disadvantaged worker who undergoes  
44 counseling pursuant to section 7 of this act, a training grant to pay for  
45 employment and training services which are identified in the  
46 Employability Development Plan developed pursuant to that section

1 for that worker. No training grant made pursuant to this subsection  
2 during the first 12 months following July 1, 1992 shall exceed the  
3 amount deemed reasonable by the commissioner for the particular  
4 training, which amount shall not exceed \$4,000, except that the  
5 commissioner may permit an additional amount, if he deems it  
6 necessary to provide remedial education identified in the Employability  
7 Development Plan.

8 b. The Workforce Development Partnership Program may  
9 provide, for any individual who is selected to receive a  
10 self-employment assistance allowance pursuant to section 4 of  
11 P.L.1995, c.394 (C.43:21-70), a training grant to pay for  
12 entrepreneurial training and technical assistance deemed necessary and  
13 appropriate by the commissioner to help the individual to become  
14 self-employed. A training grant made pursuant to this subsection shall  
15 be in an amount deemed reasonable by the commissioner for the  
16 particular training, but, during the first 12 months following January  
17 1, 1996, shall not be in an amount which exceeds \$400, or, if the grant  
18 is for training provided by any public institution of higher education  
19 indicated in N.J.S.18A:62-1, shall not be in an amount which exceeds  
20 \$1,500.

21 c. The maximum amounts permitted for training grants made  
22 pursuant to subsection a. or b. of this section may be adjusted annually  
23 thereafter by the commissioner, taking into consideration changes in  
24 the prevailing costs of services and the availability of alternative  
25 sources of funding for the services. Any cost for employment and  
26 training services which exceeds the amount of a training grant shall be  
27 the responsibility of the worker receiving the grant. The cost of  
28 counseling provided pursuant to section 7 of this act shall not be  
29 charged against the training grant. No portion of a training grant may  
30 be expended on wage subsidies.

31 d. If the requirements of this section and sections 4 and 7 of this  
32 act are met, a qualified displaced ~~[or]~~, disadvantaged or employed  
33 worker shall not be denied a training grant for any of the following  
34 reasons: the training includes remedial education needed by the worker  
35 to advance in his current employment or occupation or to succeed in  
36 the vocational component of the training; the qualified displaced  
37 worker or other individual has identifiable vocational skills but the  
38 training services are needed to enable the individual to develop skills  
39 necessary to attain at least the level of self-sufficiency; the training is  
40 part of a program under which the worker may obtain any college  
41 degree enhancing the worker's marketable skills and earning power;  
42 the worker has previously received a training grant; the length of the  
43 training period under the program; or the lack of a prior guarantee of  
44 employment upon completion of the training.

45 (cf: P.L.1995, c.394, s.11)

1        11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read  
2 as follows:

3        7. Counseling shall be made available by the department to each  
4 qualified displaced or disadvantaged worker applying to participate in  
5 the program. Counseling may also be made available to a qualified  
6 employed worker who seeks remedial education or is selected to  
7 participate in a customized training program, if the worker's employer  
8 requests the counseling. The department may itself provide the  
9 counseling or obtain the counseling from a service provider, if the  
10 service provider is different from and not affiliated with any service  
11 provider offering any employment and training services to the worker  
12 other than the counseling, except that the department may obtain  
13 testing and assessment services provided pursuant to subsection a. of  
14 this section from a provider which also offers employment and training  
15 services to the worker other than the counseling. The purpose of any  
16 counseling made available pursuant to this section is to assist each  
17 worker in obtaining the employment and training services most likely  
18 to provide the worker with the greatest opportunity for long-range  
19 career advancement with high levels of productivity and earning  
20 power. Whether provided by the department or a service provider, the  
21 counseling shall include:

22        a. Testing and assessment of the worker's job skills and aptitudes,  
23 including the worker's literacy skills and other basic skills. Basic skills  
24 testing and assessment shall be provided to the worker unless  
25 information is provided regarding the worker's educational background  
26 and occupational or professional experience which clearly  
27 demonstrates that the worker's basic skill level meets the standards  
28 established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11)  
29 or unless the worker is already participating in a remedial education  
30 program which meets those standards;

31        b. An evaluation by a qualified job counselor of what remedial  
32 education, if any, is determined to be necessary for the worker to  
33 advance in his current employment or occupation or to succeed in any  
34 particular vocational training which the worker would undertake under  
35 the program, provided that the remedial education shall be at a level  
36 not lower than that needed to meet the standards established pursuant  
37 to section 14 of P.L.1989, c.293 (C.34:15C-11);

38        c. The provision of information to the worker regarding any of  
39 the labor demand occupations for which training meets the  
40 requirements of section 4 of this act in the worker's case, including  
41 **[the]** information about the wage levels in those occupations **[which**  
42 **is available to the department and any information available to the**  
43 **department regarding]**, the effectiveness of approved service providers  
44 of vocational training in occupations which the worker is considering  
45 and the long-term success of former trainees of each provider in  
46 obtaining permanent employment and increasing earnings;

1 d. The provision of information to the worker regarding the  
2 services and benefits available to the worker under the provisions of  
3 this act and P.L.1992, c.47 (C.43:21-57 et al.); and

4 e. Discussion with the counselor of the results of the testing and  
5 evaluation and, based on those results, the development of a written  
6 Employability Development Plan identifying the training and  
7 employment services, including any needed remedial education, to be  
8 provided to the worker pursuant to this act.

9 Counseling made available at the request of an employer  
10 participating in a customized training program may include only those  
11 components requested by the employer.

12 All information regarding a worker applicant or trainee which is  
13 obtained or compiled in connection with the testing, assessment and  
14 evaluation and which may be identified with the worker shall be  
15 confidential and shall be released to an entity other than the worker,  
16 the counselor or the department only if the worker provides written  
17 permission to the department for the release of the information or the  
18 information is used solely for program evaluation.

19 (cf: P.L.1992, c.43, s.7)

20  
21 12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read  
22 as follows:

23 9. a. A restricted, nonlapsing, revolving Workforce Development  
24 Partnership Fund, to be managed and invested by the State Treasurer,  
25 is hereby established to: provide employment and training services to  
26 qualified displaced, disadvantaged and employed workers by means of  
27 training grants or customized training services; provide for the other  
28 costs indicated in subsection a. of section 4 of this act; and facilitate  
29 the provision of education and training to youth by means of grants  
30 provided by the Youth Transitions to Work Partnership pursuant to  
31 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
32 appropriations to the fund, all interest accumulated on balances in the  
33 fund and all cash received for the fund from any other source shall be  
34 used solely for the purposes specifically delineated by this act.

35 b. During any fiscal year beginning after June 30, 2001, of the  
36 total revenues dedicated to the program during any one fiscal year:  
37 25% shall be deposited in an account of the Workforce Development  
38 Partnership Fund reserved to provide employment and training  
39 services for qualified displaced workers; 6% shall be deposited in an  
40 account of the Workforce Development Partnership Fund reserved to  
41 provide employment and training services for qualified disadvantaged  
42 workers; 45% shall be deposited in an account of the Workforce  
43 Development Partnership Fund reserved for and appropriated to the  
44 Office of Customized Training; 3% shall be deposited in an account of  
45 the Workforce Development Partnership Fund reserved for  
46 occupational safety and health training; 5% shall be deposited in an

1 account of the Workforce Development Partnership Fund reserved for  
2 the Youth Transitions to Work Partnership created pursuant to  
3 P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an  
4 account of the Workforce Development Partnership Fund reserved for  
5 administrative costs as defined in section 3 of P.L.1992, c.43 (C.  
6 34:15D-3); 0.5% shall be deposited in an account of the Workforce  
7 Development Partnership Fund reserved for the State Employment and  
8 Training Commission to design criteria and conduct an annual  
9 evaluation of the program; and 5.5% shall be deposited in an account  
10 of the Workforce Development Partnership Fund to be used, at the  
11 discretion of the commissioner, for any of the purposes indicated in  
12 subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

13 c. Beginning January 1, 1995, [and for all subsequent calendar  
14 years] through June 30, 2002, the balance in the fund as of the  
15 previous December 31, as determined in accordance with generally  
16 accepted accounting principles, shall not exceed 1.5 times the amount  
17 of contributions deposited for the calendar year then ended. If the  
18 balance exceeds this amount, the excess shall be deposited into the  
19 unemployment compensation fund within seven business days of the  
20 date that the determination is made.

21 d. Beginning July 1, 2002, and for any subsequent fiscal year, if  
22 the unexpended balance in any of the accounts indicated in subsection  
23 b. of this section, less any amount awarded in grants but not yet  
24 disbursed from the account, is determined, in accordance with  
25 generally accepted accounting principles, to exceed 20% of the  
26 amount of contributions collected for deposit in the account pursuant  
27 to this subsection during the fiscal year then ended, the excess shall be  
28 regarded as an unemployment compensation contribution and  
29 deposited into the unemployment compensation fund within seven  
30 business days of the date that the determination is made.

31

32 13. R.S.43:21-7 is amended to read as follows:

33 43:21-7. Contributions.

34 Employers other than governmental entities, whose benefit  
35 financing provisions are set forth in section 4 of P.L.1971, c.346  
36 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
37 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
38 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
39 compensation fund, contributions as set forth in subsections (a), (b)  
40 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
41 applicable to all employers, consistent with the provisions of the  
42 "unemployment compensation law" and the "Temporary Disability  
43 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

44 (a) Payment.

45 (1) Contributions shall accrue and become payable by each  
46 employer for each calendar year in which he is subject to this chapter

1 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
2 during that calendar year, at the rates and on the basis hereinafter set  
3 forth. Such contributions shall become due and be paid by each  
4 employer to the controller for the fund, in accordance with such  
5 regulations as may be prescribed, and shall not be deducted, in whole  
6 or in part, from the remuneration of individuals in his employ.

7 (2) In the payment of any contributions, a fractional part of a cent  
8 shall be disregarded unless it amounts to \$0.005 or more, in which  
9 case it shall be increased to \$0.01.

10 (b) Rate of contributions. Each employer shall pay the following  
11 contributions:

12 (1) For the calendar year 1947, and each calendar year thereafter,  
13  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
14 as otherwise prescribed by subsection (c) of this section.

15 (2) The "wages" of any individual, with respect to any one  
16 employer, as the term is used in this subsection (b) and in subsections  
17 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
18 during calendar year 1975, for services performed either within or  
19 without this State; provided that no contribution shall be required by  
20 this State with respect to services performed in another state if such  
21 other state imposes contribution liability with respect thereto. If an  
22 employer (hereinafter referred to as a successor employer) during any  
23 calendar year acquires substantially all the property used in a trade or  
24 business of another employer (hereinafter referred to as a  
25 predecessor), or used in a separate unit of a trade or business of a  
26 predecessor, and immediately after the acquisition employs in his trade  
27 or business an individual who immediately prior to the acquisition was  
28 employed in the trade or business of such predecessors, then, for the  
29 purpose of determining whether the successor employer has paid  
30 wages with respect to employment equal to the first \$4,800.00 paid  
31 during calendar year 1975, any wages paid to such individual by such  
32 predecessor during such calendar year and prior to such acquisition  
33 shall be considered as having been paid by such successor employer.

34 (3) For calendar years beginning on and after January 1, 1976, the  
35 "wages" of any individual, as defined in the preceding paragraph (2)  
36 of this subsection (b), shall be established and promulgated by the  
37 Commissioner of Labor on or before September 1 of the preceding  
38 year and shall be 28 times the Statewide average weekly remuneration  
39 paid to workers by employers, as determined under R.S.43:21-3(c),  
40 raised to the next higher multiple of \$100.00 if not already a multiple  
41 thereof, provided that if the amount of wages so determined for a  
42 calendar year is less than the amount similarly determined for the  
43 preceding year, the greater amount will be used; provided, further, that  
44 if the amount of such wages so determined does not equal or exceed  
45 the amount of wages as defined in subsection (b) of section 3306 of  
46 the Federal Unemployment Tax Act, Chapter 23 of the Internal



1 Revenue Code of 1986 (26 U.S.C. s.3306(b)), the wages as  
2 determined in this paragraph in any calendar year shall be raised to  
3 equal the amount established under the Federal Unemployment Tax  
4 Act for that calendar year.

5 (c) Future rates based on benefit experience.

6 (1) A separate account for each employer shall be maintained and  
7 this shall be credited with all the contributions which he has paid on  
8 his own behalf on or before January 31 of any calendar year with  
9 respect to employment occurring in the preceding calendar year;  
10 provided, however, that if January 31 of any calendar year falls on a  
11 Saturday or Sunday, an employer's account shall be credited as of  
12 January 31 of such calendar year with all the contributions which he  
13 has paid on or before the next succeeding day which is not a Saturday  
14 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
15 construed to grant any employer or individuals in his service prior  
16 claims or rights to the amounts paid by him into the fund either on his  
17 own behalf or on behalf of such individuals. Benefits paid with respect  
18 to benefit years commencing on and after January 1, 1953, to any  
19 individual on or before December 31 of any calendar year with respect  
20 to unemployment in such calendar year and in preceding calendar years  
21 shall be charged against the account or accounts of the employer or  
22 employers in whose employment such individual established base  
23 weeks constituting the basis of such benefits, except that, with respect  
24 to benefit years commencing after January 4, 1998, an employer's  
25 account shall not be charged for benefits paid to a claimant if the  
26 claimant's employment by that employer was ended in any way which,  
27 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
28 would have disqualified the claimant for benefits if the claimant had  
29 applied for benefits at the time when that employment ended. Benefits  
30 paid under a given benefit determination shall be charged against the  
31 account of the employer to whom such determination relates. When  
32 each benefit payment is made, either a copy of the benefit check or  
33 other form of notification shall be promptly sent to the employer  
34 against whose account the benefits are to be charged. Such copy or  
35 notification shall identify the employer against whose account the  
36 amount of such payment is being charged, shall show at least the name  
37 and social security account number of the claimant and shall specify  
38 the period of unemployment to which said check applies. If the total  
39 amount of benefits paid to a claimant and charged to the account of  
40 the appropriate employer exceeds 50% of the total base year, base  
41 week wages paid to the claimant by that employer, then such employer  
42 shall have canceled from his account such excess benefit charges as  
43 specified above.

44 Each employer shall be furnished an annual summary statement of  
45 benefits charged to his account.

46 (2) Regulations may be prescribed for the establishment,

1 maintenance, and dissolution of joint accounts by two or more  
2 employers, and shall, in accordance with such regulations and upon  
3 application by two or more employers to establish such an account, or  
4 to merge their several individual accounts in a joint account, maintain  
5 such joint account as if it constituted a single employer's account.

6 (3) No employer's rate shall be lower than 5.4% unless assignment  
7 of such lower rate is consistent with the conditions applicable to  
8 additional credit allowance for such year under section 3303(a)(1) of  
9 the Internal Revenue Code of 1986 (26 U.S.C. s.3303(a)(1)), any  
10 other provision of this section to the contrary notwithstanding.

11 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
12  $8/10\%$ , except as otherwise provided in the following provisions. No  
13 employer's rate for the 12 months commencing July 1 of any calendar  
14 year shall be other than  $2\ 8/10\%$ , unless as of the preceding January 31  
15 such employer shall have paid contributions with respect to wages paid  
16 in each of the three calendar years immediately preceding such year,  
17 in which case such employer's rate for the 12 months commencing July  
18 1 of any calendar year shall be determined on the basis of his record up  
19 to the beginning of such calendar year. If, at the beginning of such  
20 calendar year, the total of all his contributions, paid on his own behalf,  
21 for all past years exceeds the total benefits charged to his account for  
22 all such years, his contribution rate shall be:

23 (1)  $2\ 5/10\%$ , if such excess equals or exceeds 4%, but less than  
24 5%, of his average annual payroll (as defined in paragraph (2),  
25 subsection (a) of R.S.43:21-19);

26 (2)  $2\ 2/10\%$ , if such excess equals or exceeds 5%, but is less than  
27 6%, of his average annual payroll;

28 (3)  $1\ 9/10\%$ , if such excess equals or exceeds 6%, but is less than  
29 7%, of his average annual payroll;

30 (4)  $1\ 6/10\%$ , if such excess equals or exceeds 7%, but is less than  
31 8%, of his average annual payroll;

32 (5)  $1\ 3/10\%$ , if such excess equals or exceeds 8%, but is less than  
33 9%, of his average annual payroll;

34 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
35 of his average annual payroll;

36 (7)  $7/10$  of 1%, if such excess equals or exceeds 10%, but is less  
37 than 11%, of his average annual payroll;

38 (8)  $4/10$  of 1%, if such excess equals or exceeds 11% of his  
39 average annual payroll.

40 (B) If the total of an employer's contributions, paid on his own  
41 behalf, for all past periods for the purposes of this paragraph (4), is  
42 less than the total benefits charged against his account during the same  
43 period, his rate shall be:

44 (1) 4%, if such excess is less than 10% of his average annual  
45 payroll;

46 (2)  $4\ 3/10\%$ , if such excess equals or exceeds 10%, but is less than

1 20%, of his average annual payroll;

2 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
3 annual payroll.

4 (C) Specially assigned rates. If no contributions were paid on  
5 wages for employment in any calendar year used in determining the  
6 average annual payroll of an employer eligible for an assigned rate  
7 under this paragraph (4), the employer's rate shall be specially assigned  
8 as follows:

9 (i) if the reserve balance in its account is positive, its assigned rate  
10 shall be the highest rate in effect for positive balance accounts for that  
11 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
12 its account is negative, its assigned rate shall be the highest rate in  
13 effect for deficit accounts for that period.

14 (D) The contribution rates prescribed by subparagraphs (A) and  
15 (B) of this paragraph (4) shall be increased or decreased in accordance  
16 with the provisions of paragraph (5) of this subsection (c) for  
17 experience rating periods through June 30, 1986.

18 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31  
19 of any calendar year the balance in the unemployment trust fund equals  
20 or exceeds 4% but is less than 7% of the total taxable wages reported  
21 to the controller as of that date in respect to employment during the  
22 preceding calendar year, the contribution rate, effective July 1  
23 following, of each employer eligible for a contribution rate calculation  
24 based upon benefit experience, shall be increased by  $\frac{3}{10}$  of 1% over  
25 the contribution rate otherwise established under the provisions of  
26 paragraph (3) or (4) of this subsection. If on March 31 of any  
27 calendar year the balance of the unemployment trust fund exceeds  $2\frac{1}{2}\%$   
28 but is less than 4% of the total taxable wages reported to the  
29 controller as of that date in respect to employment during the  
30 preceding calendar year, the contribution rate, effective July 1  
31 following, of each employer eligible for a contribution rate calculation  
32 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
33 the contribution rate otherwise established under the provisions of  
34 paragraph (3) or (4) of this subsection.

35 If on March 31 of any calendar year the balance of the  
36 unemployment trust fund is less than  $2\frac{1}{2}\%$  of the total taxable wages  
37 reported to the controller as of that date in respect to employment  
38 during the preceding calendar year, the contribution rate, effective July  
39 1 following, of each employer (1) eligible for a contribution rate  
40 calculation based upon benefit experience, shall be increased by (i)  
41  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the  
42 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
43 (ii) an additional amount equal to 20% of the total rate established  
44 herein, provided, however, that the final contribution rate for each  
45 employer shall be computed to the nearest multiple of  $\frac{1}{10}\%$  if not  
46 already a multiple thereof; (2) not eligible for a contribution rate

1 calculation based upon benefit experience, shall be increased by 6/10  
2 of 1% over the contribution rate otherwise established under the  
3 provisions of paragraph (4) of this subsection. For the period  
4 commencing July 1, 1984 and ending June 30, 1986, the contribution  
5 rate for each employer liable to pay contributions under R.S.43:21-7  
6 shall be increased by a factor of 10% computed to the nearest multiple  
7 of 1/10% if not already a multiple thereof.

8 (B) If on March 31 of any calendar year the balance in the  
9 unemployment trust fund equals or exceeds 10% but is less than 12  
10 1/2% of the total taxable wages reported to the controller as of that  
11 date in respect to employment during the preceding calendar year, the  
12 contribution rate, effective July 1 following, of each employer eligible  
13 for a contribution rate calculation based upon benefit experience, shall  
14 be reduced by 3/10 of 1% under the contribution rate otherwise  
15 established under the provisions of paragraphs (3) and (4) of this  
16 subsection; provided that in no event shall the contribution rate of any  
17 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
18 calendar year the balance in the unemployment trust fund equals or  
19 exceeds 12 1/2% of the total taxable wages reported to the controller  
20 as of that date in respect to employment during the preceding calendar  
21 year, the contribution rate, effective July 1 following, of each  
22 employer eligible for a contribution rate calculation based upon benefit  
23 experience, shall be reduced by 6/10 of 1% if his account for all past  
24 periods reflects an excess of contributions paid over total benefits  
25 charged of 3% or more of his average annual payroll, otherwise by  
26 3/10 of 1% under the contribution rate otherwise established under the  
27 provisions of paragraphs (3) and (4) of this subsection; provided that  
28 in no event shall the contribution rate of any employer be reduced to  
29 less than 4/10 of 1%.

30 (C) The "balance" in the unemployment trust fund, as the term is  
31 used in subparagraphs (A) and (B) above, shall not include moneys  
32 credited to the State's account under section 903 of the Social Security  
33 Act, as amended (42 U.S.C. s.1103), during any period in which such  
34 moneys are appropriated for the payment of expenses incurred in the  
35 administration of the "unemployment compensation law."

36 (D) Prior to July 1 of each calendar year the controller shall  
37 determine the Unemployment Trust Reserve Ratio, which shall be  
38 calculated by dividing the balance of the unemployment trust fund as  
39 of the prior March 31 by total taxable wages reported to the controller  
40 by all employers as of March 31 with respect to their employment  
41 during the last calendar year.

42 (E) (Deleted by amendment, P.L.1997, c.263).

43 (ii) [With respect to experience rating years beginning on or after  
44 July 1, 1997, the new employer rate or the unemployment experience  
45 rate of an employer under this section shall be the rate which appears  
46 in the column headed by the Unemployment Trust Fund Reserve Ratio

1 as of the applicable calculation date and on the line with the Employer  
 2 Reserve Ratio, as defined in paragraph 4 of this subsection  
 3 (R.S.43:21-7 (c)(4)), as set forth in the following table:

4

5 EXPERIENCE RATING TAX TABLE

6 Fund Reserve Ratio<sup>1</sup>

7

8	6.00%	4.00%	3.00%	2.50%	2.49%
9 Employer	and	to	to	to	and
10 Reserve	Over	5.99%	3.99%	2.99%	Under
11 Ratio <sup>2</sup>	A	B	C	D	E
12 Positive Reserve Ratio:					
13 17% and over	0.3	0.4	0.5	0.6	1.2
14 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
16 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
17 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
18 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
19 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
20 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
21 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
22 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
23 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
24 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
25 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
26 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
27 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
28 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
29 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
30 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
31 Deficit Reserve Ratio:					
32 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
33 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
34 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
35 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
36 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
37 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
38 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
39 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
40 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
41 -35.00% and under	5.4	5.4	5.8	6.4	7.0
42 New Employer Rate	2.8	2.8	2.8	3.1	3.4

43 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
 44 the prior calendar year.

45 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
 46 percentage of employer's taxable wages).] (Deleted by amendment.

1 P.L. , c. .).

2 (iii) With respect to experience rating years beginning on or after  
3 July 1, 1998, the new employer rate or the unemployment experience  
4 rate of an employer under this section shall be the rate which appears  
5 in the column headed by the Unemployment Trust Fund Reserve Ratio  
6 as of the applicable calculation date and on the line with the Employer  
7 Reserve Ratio, as defined in paragraph 4 of this subsection  
8 (R.S.43:21-7 (c)(4)), as set forth in the following table:

9

10 EXPERIENCE RATING TAX TABLE

11 Fund Reserve Ratio<sup>1</sup>

12

	4.50%	3.50%	3.00%	2.50%	2.49%
Employer	and	to	to	to	and
Reserve	Over	4.49%	3.49%	2.99%	Under
Ratio <sup>2</sup>	A	B	C	D	E
17 Positive Reserve Ratio:					
18 17% and over	0.3	0.4	0.5	0.6	1.2
19 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
20 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
21 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
22 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
23 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
24 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
25 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
26 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
27 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
28 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
29 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
30 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
31 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
32 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
33 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
34 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
35 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
36 Deficit Reserve Ratio:					
37 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
38 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
39 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
40 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
41 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
42 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
43 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
44 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
45 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
46 -35.00% and under	5.4	5.4	5.8	6.4	7.0

1 New Employer Rate 2.8 2.8 2.8 3.1 3.4

2 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
3 the prior calendar year.

4 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
5 percentage of employer's taxable wages).

6 (F)(i) (Deleted by amendment, P.L.1997, c.263).

7 (ii) With respect to experience rating years beginning on or after  
8 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
9 the prior March 31, is less than 1.00%, the contribution rate for each  
10 employer liable to pay contributions, as computed under subparagraph  
11 (E) of this paragraph (5), shall be increased by a factor of 10%  
12 computed to the nearest multiple of 1/10% if not already a multiple  
13 thereof.

14 (G) On or after January 1, 1993, notwithstanding any other  
15 provisions of this paragraph (5), the contribution rate for each  
16 employer liable to pay contributions, as computed under subparagraph  
17 (E) of this paragraph (5), shall be decreased by 0.1%, except that,  
18 during any experience rating year starting before January 1, 1998 in  
19 which the fund reserve ratio is equal to or greater than 7.00% or  
20 during any experience rating year starting on or after January 1, 1998,  
21 in which the fund reserve ratio is equal to or greater than 3.5%, there  
22 shall be no decrease pursuant to this subparagraph (G) in the  
23 contribution of any employer who has a deficit reserve ratio of  
24 negative 35.00% or under.

25 (H) On or after January 1, 1993 until December 31, 1993,  
26 notwithstanding any other provisions of this paragraph (5), the  
27 contribution rate for each employer liable to pay contributions, as  
28 computed under subparagraph (E) of this paragraph (5), shall be  
29 decreased by a factor of 52.0% computed to the nearest multiple of  
30 1/10%, except that, if an employer has a deficit reserve ratio of  
31 negative 35.0% or under, the employer's rate of contribution shall not  
32 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
33 amount of the reduction in the employer contributions stipulated by  
34 this subparagraph (H) shall be in addition to the amount of the  
35 reduction in the employer contributions stipulated by subparagraph (G)  
36 of this paragraph (5), except that the rate of contribution of an  
37 employer who has a deficit reserve ratio of negative 35.0% or under  
38 shall not be reduced pursuant to this subparagraph (H) to less than  
39 5.4% and the rate of contribution of any other employer shall not be  
40 reduced to less than 0.0%.

41 On or after January 1, 1994 until December 31, 1995, except as  
42 provided pursuant to subparagraph (I) of this paragraph (5),  
43 notwithstanding any other provisions of this paragraph (5), the  
44 contribution rate for each employer liable to pay contributions, as  
45 computed under subparagraph (E) of this paragraph (5), shall be  
46 decreased by a factor of 36.0% computed to the nearest multiple of

1 1/10%, except that, if an employer has a deficit reserve ratio of  
2 negative 35.0% or under, the employer's rate of contribution shall not  
3 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
4 amount of the reduction in the employer contributions stipulated by  
5 this subparagraph (H) shall be in addition to the amount of the  
6 reduction in the employer contributions stipulated by subparagraph (G)  
7 of this paragraph (5), except that the rate of contribution of an  
8 employer who has a deficit reserve ratio of negative 35.0% or under  
9 shall not be reduced pursuant to this subparagraph (H) to less than  
10 5.4% and the rate of contribution of any other employer shall not be  
11 reduced to less than 0.0%.

12 On or after April 1, 1996 until December 31, 1996, the  
13 contribution rate for each employer liable to pay contributions, as  
14 computed under subparagraph (E) of this paragraph (5), shall be  
15 decreased by a factor of 25.0% computed to the nearest multiple of  
16 1/10%, except that, if an employer has a deficit reserve ratio of  
17 negative 35.0% or under, the employer's rate of contribution shall not  
18 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
19 amount of the reduction in the employer contributions stipulated by  
20 this subparagraph (H) shall be in addition to the amount of the  
21 reduction in the employer contributions stipulated by subparagraph (G)  
22 of this paragraph (5), except that the rate of contribution of an  
23 employer who has a deficit reserve ratio of negative 35.0% or under  
24 shall not be reduced pursuant to this subparagraph (H) to less than  
25 5.4% and the rate of contribution of any other employer shall not be  
26 reduced to less than 0.0%.

27 On or after January 1, 1997 until December 31, 1997, the  
28 contribution rate for each employer liable to pay contributions, as  
29 computed under subparagraph (E) of this paragraph (5), shall be  
30 decreased by a factor of 10.0% computed to the nearest multiple of  
31 1/10%, except that, if an employer has a deficit reserve ratio of  
32 negative 35.0% or under, the employer's rate of contribution shall not  
33 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
34 amount of the reduction in the employer contributions stipulated by  
35 this subparagraph (H) shall be in addition to the amount of the  
36 reduction in the employer contributions stipulated by subparagraph (G)  
37 of this paragraph (5), except that the rate of contribution of an  
38 employer who has a deficit reserve ratio of negative 35.0% or under  
39 shall not be reduced pursuant to this subparagraph (H) to less than  
40 5.4% and the rate of contribution of any other employer shall not be  
41 reduced to less than 0.0%.

42 On and after January 1, 1998 until December 31, 2000, the  
43 contribution rate for each employer liable to pay contributions, as  
44 computed under subparagraph (E) of this paragraph (5), shall be  
45 decreased each calendar year by a factor, as set out below, computed  
46 to the nearest multiple of 1/10%, except that, if an employer has a



1 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
2 contribution shall not be reduced pursuant to this subparagraph (H) to  
3 less than 5.4%:

4 From January 1, 1998 until December 31, 1998, a factor of 12%;

5 From January 1, 1999 until December 31, 1999, a factor of 10%;

6 From January 1, 2000 until December 31, 2000, a factor of 7%.

7 The amount of the reduction in the employer contributions  
8 stipulated by this subparagraph (H) shall be in addition to the amount  
9 of the reduction in the employer contributions stipulated by  
10 subparagraph (G) of this paragraph (5), except that the rate of  
11 contribution of an employer who has a deficit reserve ratio of negative  
12 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
13 to less than 5.4% and the rate of contribution of any other employer  
14 shall not be reduced to less than 0.0%.

15 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
16 on March 31 of calendar year 1994 or calendar year 1995, the  
17 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
18 in effect as of July 1 of that calendar year.

19 If, upon calculating the unemployment compensation fund reserve  
20 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
21 March 31, 1998 or March 31, 1999, the controller finds that the fund  
22 reserve ratio has decreased to a level of less than 3.00%, the  
23 Commissioner of Labor shall notify the State Treasurer of this fact and  
24 of the dollar amount necessary to bring the fund reserve ratio up to a  
25 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
26 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
27 General Fund to the unemployment compensation fund, revenues in  
28 the amount specified by the commissioner and which, upon deposit in  
29 the unemployment compensation fund, shall result, upon recalculation,  
30 in a fund reserve ratio used to determine employer contributions  
31 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
32 at least 3.00%.

33 If, upon calculating the unemployment compensation fund reserve  
34 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
35 controller finds that the fund reserve ratio has decreased to a level of  
36 less than 3.00%, the Commissioner of Labor shall notify the State  
37 Treasurer of this fact and of the dollar amount necessary to bring the  
38 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
39 prior to March 31, 2000, transfer from the General Fund to the  
40 unemployment compensation fund, revenues in the amount specified  
41 by the commissioner and which, upon deposit in the unemployment  
42 compensation fund, shall result, upon recalculation, in a fund reserve  
43 ratio used to determine employer contributions beginning July 1, 2000  
44 of at least 3.00%.

45 (J) On or after July 1, 2001, notwithstanding any other provisions  
46 of this paragraph (5), the contribution rate for each employer liable to

1 pay contributions, as computed under subparagraph (E) of this  
2 paragraph (5), shall be decreased by 0.0175%, except that, during any  
3 experience rating year starting on or after July 1, 2001, in which the  
4 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
5 decrease pursuant to this subparagraph (J) in the contribution of any  
6 employer who has a deficit reserve ratio of negative 35.00% or under.  
7 The amount of the reduction in the employer contributions stipulated  
8 by this subparagraph (J) shall be in addition to the amount of the  
9 reduction in the employer contributions stipulated by subparagraphs  
10 (G) and (H) of this paragraph (5), except that the rate of contribution  
11 of an employer who has a deficit reserve ratio of negative 35.0% or  
12 under shall not be reduced pursuant to this subparagraph (J) to less  
13 than 5.4% and the rate of contribution of any other employer shall not  
14 be reduced to less than 0.0%.

15 (6) Additional contributions.

16 Notwithstanding any other provision of law, any employer who has  
17 been assigned a contribution rate pursuant to subsection (c) of this  
18 section for the year commencing July 1, 1948, and for any year  
19 commencing July 1 thereafter, may voluntarily make payment of  
20 additional contributions, and upon such payment shall receive a  
21 recomputation of the experience rate applicable to such employer,  
22 including in the calculation the additional contribution so made. Any  
23 such additional contribution shall be made during the 30-day period  
24 following the date of the mailing to the employer of the notice of his  
25 contribution rate as prescribed in this section, unless, for good cause,  
26 the time for payment has been extended by the controller for not to  
27 exceed an additional 60 days; provided that in no event may such  
28 payments which are made later than 120 days after the beginning of  
29 the year for which such rates are effective be considered in  
30 determining the experience rate for the year in which the payment is  
31 made. Any employer receiving any extended period of time within  
32 which to make such additional payment and failing to make such  
33 payment timely shall be, in addition to the required amount of  
34 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
35 greater, not to exceed \$50.00. Any adjustment under this subsection  
36 shall be made only in the form of credits against accrued or future  
37 contributions.

38 (7) Transfers.

39 (A) Upon the transfer of the organization, trade or business, or  
40 substantially all the assets of an employer to a successor in interest,  
41 whether by merger, consolidation, sale, transfer, descent or otherwise,  
42 the controller shall transfer the employment experience of the  
43 predecessor employer to the successor in interest, including credit for  
44 past years, contributions paid, annual payrolls, benefit charges, et  
45 cetera, applicable to such predecessor employer, pursuant to  
46 regulation, if it is determined that the employment experience of the

1 predecessor employer with respect to the organization, trade, assets  
2 or business which has been transferred may be considered indicative  
3 of the future employment experience of the successor in interest.  
4 Unless the predecessor employer was owned or controlled (by legally  
5 enforceable means or otherwise), directly or indirectly, by the  
6 successor in interest, or the predecessor employer and the successor  
7 in interest were owned or controlled (by legally enforceable means or  
8 otherwise), directly or indirectly, by the same interest or interests, the  
9 transfer of the employment experience of the predecessor shall not be  
10 effective if such successor in interest, within four months of the date  
11 of such transfer of the organization, trade, assets or business, or  
12 thereafter upon good cause shown, files a written notice protesting the  
13 transfer of the employment experience of the predecessor employer.

14 (B) An employer who transfers part of his or its organization,  
15 trade, assets or business to a successor in interest, whether by merger,  
16 consolidation, sale, transfer, descent or otherwise, may jointly make  
17 application with such successor in interest for transfer of that portion  
18 of the employment experience of the predecessor employer relating to  
19 the portion of the organization, trade, assets or business transferred to  
20 the successor in interest, including credit for past years, contributions  
21 paid, annual payrolls, benefit charges, et cetera, applicable to such  
22 predecessor employer. The transfer of employment experience may be  
23 allowed pursuant to regulation only if it is found that the employment  
24 experience of the predecessor employer with respect to the portion of  
25 the organization, trade, assets or business which has been transferred  
26 may be considered indicative of the future employment experience of  
27 the successor in interest. Credit shall be given to the successor in  
28 interest only for the years during which contributions were paid by the  
29 predecessor employer with respect to that part of the organization,  
30 trade, assets or business transferred.

31 (C) A transfer of the employment experience in whole or in part  
32 having become final, the predecessor employer thereafter shall not be  
33 entitled to consideration for an adjusted rate based upon his or its  
34 experience or the part thereof, as the case may be, which has thus been  
35 transferred. A successor in interest to whom employment experience  
36 or a part thereof is transferred pursuant to this subsection shall, as of  
37 the date of the transfer of the organization, trade, assets or business,  
38 or part thereof, immediately become an employer if not theretofore an  
39 employer subject to this chapter (R.S.43:21-1 et seq.).

40 (d) Contributions of workers to the unemployment compensation  
41 fund and the State disability benefits fund.

42 (1) (A) For periods after January 1, 1975, each worker shall  
43 contribute to the fund 1% of his wages with respect to his employment  
44 with an employer, which occurs on and after January 1, 1975, after  
45 such employer has satisfied the condition set forth in subsection (h) of  
46 R.S.43:21-19 with respect to becoming an employer; provided,

1 however, that such contributions shall be at the rate of 1/2 of 1% of  
2 wages paid with respect to employment while the worker is in the  
3 employ of the State of New Jersey, or any governmental entity or  
4 instrumentality which is an employer as defined under  
5 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
6 the "Temporary Disability Benefits Law" or while the worker is  
7 exempt from the provisions of the "Temporary Disability Benefits  
8 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

9 (B) Effective January 1, 1978 there shall be no contributions by  
10 workers in the employ of any governmental or nongovernmental  
11 employer electing or required to make payments in lieu of  
12 contributions unless the employer is covered by the State plan under  
13 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
14 that case contributions shall be at the rate of 1/2 of 1%, except that  
15 commencing July 1, 1986, workers in the employ of any  
16 nongovernmental employer electing or required to make payments in  
17 lieu of contributions shall be required to make contributions to the  
18 fund at the same rate prescribed for workers of other nongovernmental  
19 employers.

20 (C) (i) Notwithstanding the above provisions of this paragraph  
21 (1), during the period starting July 1, 1986 and ending December 31,  
22 1992, each worker shall contribute to the fund 1.125% of wages paid  
23 with respect to his employment with a governmental employer electing  
24 or required to pay contributions or nongovernmental employer,  
25 including a nonprofit organization which is an employer as defined  
26 under R.S.43:21-19(h)(6), regardless of whether that nonprofit  
27 organization elects or is required to finance its benefit costs with  
28 contributions to the fund or by payments in lieu of contributions, after  
29 that employer has satisfied the conditions set forth in subsection  
30 R.S.43:21-19(h) with respect to becoming an employer.  
31 Contributions, however, shall be at the rate of 0.625% while the  
32 worker is covered by an approved private plan under the "Temporary  
33 Disability Benefits Law" while the worker is exempt under section 7  
34 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
35 that law; provided that such contributions shall be at the rate of  
36 0.625% of wages paid with respect to employment with the State of  
37 New Jersey or any other governmental entity or instrumentality  
38 electing or required to make payments in lieu of contributions and  
39 which is covered by the State plan under the "Temporary Disability  
40 Benefits Law," except that, while the worker is exempt from the  
41 provisions of the "Temporary Disability Benefits Law" under section  
42 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
43 that law, or is covered for disability benefits by an approved private  
44 plan of the employer, the contributions to the fund shall be 0.125%.

45 (ii) (Deleted by amendment, P.L.1995, c.422.)

46 (D) Notwithstanding any other provisions of this paragraph (1),

1 during the period starting January 1, 1993 and ending June 30, 1994,  
2 each worker shall contribute to the unemployment compensation fund  
3 0.5% of wages paid with respect to the worker's employment with a  
4 governmental employer electing or required to pay contributions or  
5 nongovernmental employer, including a nonprofit organization which  
6 is an employer as defined under paragraph (6) of subsection (h) of  
7 R.S.43:21-19, regardless of whether that nonprofit organization elects  
8 or is required to finance its benefit costs with contributions to the fund  
9 or by payments in lieu of contributions, after that employer has  
10 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
11 with respect to becoming an employer. No contributions, however,  
12 shall be made by the worker while the worker is covered by an  
13 approved private plan under the "Temporary Disability Benefits Law,"  
14 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
15 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
16 provision of that law; provided that the contributions shall be at the  
17 rate of 0.50% of wages paid with respect to employment with the  
18 State of New Jersey or any other governmental entity or  
19 instrumentality electing or required to make payments in lieu of  
20 contributions and which is covered by the State plan under the  
21 "Temporary Disability Benefits Law," except that, while the worker is  
22 exempt from the provisions of the "Temporary Disability Benefits  
23 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
24 other provision of that law, or is covered for disability benefits by an  
25 approved private plan of the employer, no contributions shall be made  
26 to the fund.

27 Each worker shall, starting on January 1, 1996 and ending  
28 March 31, 1996, contribute to the unemployment compensation fund  
29 0.60% of wages paid with respect to the worker's employment with a  
30 governmental employer electing or required to pay contributions or  
31 nongovernmental employer, including a nonprofit organization which  
32 is an employer as defined under paragraph (6) of subsection (h) of  
33 R.S.43:21-19, regardless of whether that nonprofit organization elects  
34 or is required to finance its benefit costs with contributions to the fund  
35 or by payments in lieu of contributions, after that employer has  
36 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
37 with respect to becoming an employer, provided that the contributions  
38 shall be at the rate of 0.10% of wages paid with respect to  
39 employment with the State of New Jersey or any other governmental  
40 entity or instrumentality electing or required to make payments in lieu  
41 of contributions.

42 Each worker shall, starting on January 1, 1998 and ending  
43 December 31, 1998, contribute to the unemployment compensation  
44 fund 0.10% of wages paid with respect to the worker's employment  
45 with a governmental employer electing or required to pay  
46 contributions or nongovernmental employer, including a nonprofit

1 organization which is an employer as defined under paragraph (6) of  
2 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
3 organization elects or is required to finance its benefit costs with  
4 contributions to the fund or by payments in lieu of contributions, after  
5 that employer has satisfied the conditions set forth in subsection (h) of  
6 R.S.43:21-19 with respect to becoming an employer, provided that the  
7 contributions shall be at the rate of 0.10% of wages paid with respect  
8 to employment with the State of New Jersey or any other  
9 governmental entity or instrumentality electing or required to make  
10 payments in lieu of contributions.

11 Each worker shall, starting on January 1, 1999 until December 31,  
12 1999, contribute to the unemployment compensation fund 0.15% of  
13 wages paid with respect to the worker's employment with a  
14 governmental employer electing or required to pay contributions or  
15 nongovernmental employer, including a nonprofit organization which  
16 is an employer as defined under paragraph (6) of subsection (h) of  
17 R.S.43:21-19, regardless of whether that nonprofit organization elects  
18 or is required to finance its benefit costs with contributions to the fund  
19 or by payments in lieu of contributions, after that employer has  
20 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
21 with respect to becoming an employer, provided that the contributions  
22 shall be at the rate of 0.10% of wages paid with respect to  
23 employment with the State of New Jersey or any other governmental  
24 entity or instrumentality electing or required to make payments in lieu  
25 of contributions.

26 Each worker shall, starting on January 1, 2000 until December 31,  
27 ~~[2002]~~ 2001, contribute to the unemployment compensation fund  
28 0.20% of wages paid with respect to the worker's employment with a  
29 governmental employer electing or required to pay contributions or  
30 nongovernmental employer, including a nonprofit organization which  
31 is an employer as defined under paragraph (6) of subsection (h) of  
32 R.S.43:21-19, regardless of whether that nonprofit organization elects  
33 or is required to finance its benefit costs with contributions to the fund  
34 or by payments in lieu of contributions, after that employer has  
35 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
36 with respect to becoming an employer, provided that the contributions  
37 shall be at the rate of 0.10% of wages paid with respect to  
38 employment with the State of New Jersey or any other governmental  
39 entity or instrumentality electing or required to make payments in lieu  
40 of contributions.

41 Each worker shall, starting on January 1, 2002 until December 31,  
42 2002, contribute to the unemployment compensation fund 0.1825% of  
43 wages paid with respect to the worker's employment with a  
44 governmental employer electing or required to pay contributions or a  
45 nongovernmental employer, including a nonprofit organization which  
46 is an employer as defined under paragraph (6) of subsection (h) of

1 R.S.43:21-19, regardless of whether that nonprofit organization elects  
2 or is required to finance its benefit costs with contributions to the fund  
3 or by payments in lieu of contributions, after that employer has  
4 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
5 with respect to becoming an employer, provided that the contributions  
6 shall be at the rate of 0.0825% of wages paid with respect to  
7 employment with the State of New Jersey or any other governmental  
8 entity or instrumentality electing or required to make payments in lieu  
9 of contributions.

10 Each worker shall, starting on and after January 1, 2003,  
11 contribute to the unemployment compensation fund [~~0.40%~~] 0.3825%  
12 of wages paid with respect to the worker's employment with a  
13 governmental employer electing or required to pay contributions or  
14 nongovernmental employer, including a nonprofit organization which  
15 is an employer as defined under paragraph (6) of subsection (h) of  
16 R.S.43:21-19, regardless of whether that nonprofit organization elects  
17 or is required to finance its benefit costs with contributions to the fund  
18 or by payments in lieu of contributions, after that employer has  
19 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
20 with respect to becoming an employer, provided that the contributions  
21 shall be at the rate of [~~0.10%~~] 0.0825% of wages paid with respect to  
22 employment with the State of New Jersey or any other governmental  
23 entity or instrumentality electing or required to make payments in lieu  
24 of contributions.

25 (E) Each employer shall, notwithstanding any provision of law in  
26 this State to the contrary, withhold in trust the amount of his workers'  
27 contributions from their wages at the time such wages are paid, shall  
28 show such deduction on his payroll records, shall furnish such  
29 evidence thereof to his workers as the division or controller may  
30 prescribe, and shall transmit all such contributions, in addition to his  
31 own contributions, to the office of the controller in such manner and  
32 at such times as may be prescribed. If any employer fails to deduct the  
33 contributions of any of his workers at the time their wages are paid, or  
34 fails to make a deduction therefor at the time wages are paid for the  
35 next succeeding payroll period, he alone shall thereafter be liable for  
36 such contributions, and for the purpose of R.S.43:21-14, such  
37 contributions shall be treated as employer's contributions required  
38 from him.

39 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
40 context clearly requires otherwise, the term "contributions" shall  
41 include the contributions of workers pursuant to this section.

42 (G) Each worker shall, starting on July 1, 1994, contribute to the  
43 State disability benefits fund an amount equal to 0.50% of wages paid  
44 with respect to the worker's employment with a government employer  
45 electing or required to pay contributions to the State disability benefits  
46 fund or nongovernmental employer, including a nonprofit organization

1 which is an employer as defined under paragraph (6) of subsection (h)  
2 of R.S.43:21-19, unless the employer is covered by an approved  
3 private disability plan or is exempt from the provisions of the  
4 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
5 seq.) under section 7 of that law (C.43:21-31) or any other provision  
6 of that law.

7 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

8 (B) (Deleted by amendment, P.L.1984, c.24.)

9 (C) (Deleted by amendment, P.L.1994, c.112.)

10 (D) (Deleted by amendment, P.L.1994, c.112.)

11 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

12 (ii) (Deleted by amendment, P.L.1996, c.28.)

13 (iii) (Deleted by amendment, P.L.1994, c.112.)

14 (3) If an employee receives wages from more than one employer  
15 during any calendar year, and either the sum of his contributions  
16 deposited in and credited to the State disability benefits fund plus the  
17 amount of his contributions, if any, required towards the costs of  
18 benefits under one or more approved private plans under the  
19 provisions of section 9 of the "Temporary Disability Benefits Law"  
20 (C.43:21-33) and deducted from his wages, or the sum of such latter  
21 contributions, if the employee is covered during such calendar year  
22 only by two or more private plans, exceeds an amount equal to 1/2 of  
23 1% of the "wages" determined in accordance with the provisions of  
24 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
25 January 1, 1976, the employee shall be entitled to a refund of the  
26 excess if he makes a claim to the controller within two years after the  
27 end of the calendar year in which the wages are received with respect  
28 to which the refund is claimed and establishes his right to such refund.  
29 Such refund shall be made by the controller from the State disability  
30 benefits fund. No interest shall be allowed or paid with respect to any  
31 such refund. The controller shall, in accordance with prescribed  
32 regulations, determine the portion of the aggregate amount of such  
33 refunds made during any calendar year which is applicable to private  
34 plans for which deductions were made under section 9 of the  
35 "Temporary Disability Benefits Law," such determination to be based  
36 upon the ratio of the amount of such wages exempt from contributions  
37 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
38 subsection with respect to coverage under private plans, to the total  
39 wages so exempt plus the amount of such wages subject to  
40 contributions to the disability benefits fund, as provided in  
41 subparagraph (G) of paragraph (1) of this subsection. The controller  
42 shall, in accordance with prescribed regulations, prorate the amount  
43 so determined among the applicable private plans in the proportion  
44 that the wages covered by each plan bear to the total private plan  
45 wages involved in such refunds, and shall assess against and recover  
46 from the employer, or the insurer if the insurer has indemnified the



1 employer with respect thereto, the amount so prorated. The  
2 provisions of R.S.43:21-14 with respect to collection of employer  
3 contributions shall apply to such assessments. The amount so  
4 recovered by the controller shall be paid into the State disability  
5 benefits fund.

6 (4) If an individual does not receive any wages from the  
7 employing unit which for the purposes of this chapter (R.S.43:21-1 et  
8 seq.) is treated as his employer, or receives his wages from some other  
9 employing unit, such employer shall nevertheless be liable for such  
10 individual's contributions in the first instance; and after payment  
11 thereof such employer may deduct the amount of such contributions  
12 from any sums payable by him to such employing unit, or may recover  
13 the amount of such contributions from such employing unit, or, in the  
14 absence of such an employing unit, from such individual, in a civil  
15 action; provided proceedings therefor are instituted within three  
16 months after the date on which such contributions are payable. General  
17 rules shall be prescribed whereby such an employing unit may recover  
18 the amount of such contributions from such individuals in the same  
19 manner as if it were the employer.

20 (5) Every employer who has elected to become an employer  
21 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
22 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
23 provisions of R.S.43:21-8, shall post and maintain printed notices of  
24 such election on his premises, of such design, in such numbers, and at  
25 such places as the director may determine to be necessary to give  
26 notice thereof to persons in his service.

27 (6) Contributions by workers, payable to the controller as herein  
28 provided, shall be exempt from garnishment, attachment, execution, or  
29 any other remedy for the collection of debts.

30 (e) Contributions by employers to State disability benefits fund.

31 (1) Except as hereinafter provided, each employer shall, in  
32 addition to the contributions required by subsections (a), (b), and (c)  
33 of this section, contribute 1/2 of 1% of the wages paid by such  
34 employer to workers with respect to employment unless he is not a  
35 covered employer as defined in section 3 of the "Temporary Disability  
36 Benefits Law" (C.43:21-27 (a)), except that the rate for the State of  
37 New Jersey shall be 1/10 of 1% for the calendar year 1980 and for the  
38 first six months of 1981. Prior to July 1, 1981 and prior to July 1 each  
39 year thereafter, the controller shall review the experience accumulated  
40 in the account of the State of New Jersey and establish a rate for the  
41 next following fiscal year which, in combination with worker  
42 contributions, will produce sufficient revenue to keep the account in  
43 balance; except that the rate so established shall not be less than 1/10  
44 of 1%. Such contributions shall become due and be paid by the  
45 employer to the controller for the State disability benefits fund as  
46 established by law, in accordance with such regulations as may be

1 prescribed, and shall not be deducted, in whole or in part, from the  
2 remuneration of individuals in his employ. In the payment of any  
3 contributions, a fractional part of a cent shall be disregarded unless it  
4 amounts to \$0.005 or more, in which case it shall be increased to  
5 \$0.01.

6 (2) During the continuance of coverage of a worker by an  
7 approved private plan of disability benefits under the "Temporary  
8 Disability Benefits Law," the employer shall be exempt from the  
9 contributions required by subparagraph (1) above with respect to  
10 wages paid to such worker.

11 (3) (A) The rates of contribution as specified in subparagraph (1)  
12 above shall be subject to modification as provided herein with respect  
13 to employer contributions due on and after July 1, 1951.

14 (B) A separate disability benefits account shall be maintained for  
15 each employer required to contribute to the State disability benefits  
16 fund and such account shall be credited with contributions deposited  
17 in and credited to such fund with respect to employment occurring on  
18 and after January 1, 1949. Each employer's account shall be credited  
19 with all contributions paid on or before January 31 of any calendar  
20 year on his own behalf and on behalf of individuals in his service with  
21 respect to employment occurring in preceding calendar years;  
22 provided, however, that if January 31 of any calendar year falls on a  
23 Saturday or Sunday an employer's account shall be credited as of  
24 January 31 of such calendar year with all the contributions which he  
25 has paid on or before the next succeeding day which is not a Saturday  
26 or Sunday. But nothing in this act shall be construed to grant any  
27 employer or individuals in his service prior claims or rights to the  
28 amounts paid by him to the fund either on his own behalf or on behalf  
29 of such individuals. Benefits paid to any covered individual in  
30 accordance with Article III of the "Temporary Disability Benefits  
31 Law" on or before December 31 of any calendar year with respect to  
32 disability in such calendar year and in preceding calendar years shall be  
33 charged against the account of the employer by whom such individual  
34 was employed at the commencement of such disability or by whom he  
35 was last employed, if out of employment.

36 (C) The controller may prescribe regulations for the establishment,  
37 maintenance, and dissolution of joint accounts by two or more  
38 employers, and shall, in accordance with such regulations and upon  
39 application by two or more employers to establish such an account, or  
40 to merge their several individual accounts in a joint account, maintain  
41 such joint account as if it constituted a single employer's account.

42 (D) Prior to July 1 of each calendar year, the controller shall make  
43 a preliminary determination of the rate of contribution for the  
44 12 months commencing on such July 1 for each employer subject to  
45 the contribution requirements of this subsection (e).

46 (1) Such preliminary rate shall be 1/2 of 1% unless on the

1 preceding January 31 of such year such employer shall have been a  
2 covered employer who has paid contributions to the State disability  
3 benefits fund with respect to employment in the three calendar years  
4 immediately preceding such year.

5 (2) If the minimum requirements in (1) above have been fulfilled  
6 and the credited contributions exceed the benefits charged by more  
7 than \$500.00, such preliminary rate shall be as follows:

8 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less  
9 than  $1\frac{1}{4}\%$  of his average annual payroll (as defined in this chapter  
10 (R.S.43:21-1 et seq.));

11 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
12  $1\frac{1}{4}\%$  but is less than  $1\frac{1}{2}\%$  of his average annual payroll;

13 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds  $1\frac{1}{2}\%$   
14 of his average annual payroll.

15 (3) If the minimum requirements in (1) above have been fulfilled  
16 and the contributions credited exceed the benefits charged but by not  
17 more than \$500.00 plus 1% of his average annual payroll, or if the  
18 benefits charged exceed the contributions credited but by not more  
19 than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

20 (4) If the minimum requirements in (1) above have been fulfilled  
21 and the benefits charged exceed the contributions credited by more  
22 than \$500.00, such preliminary rate shall be as follows:

23 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of  
24 1% of his average annual payroll;

25 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
26  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

27 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
28  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

29 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
30  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

31 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
32 1% of his average annual payroll.

33 (5) Determination of the preliminary rate as specified in (2), (3)  
34 and (4) above shall be subject, however, to the condition that it shall  
35 in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages or  
36 increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary rate  
37 determined for the preceding year in accordance with (1), (2), (3) or  
38 (4), whichever shall have been applicable.

39 (E) (1) Prior to July 1 of each calendar year the controller shall  
40 determine the amount of the State disability benefits fund as of  
41 December 31 of the preceding calendar year, increased by the  
42 contributions paid thereto during January of the current calendar year  
43 with respect to employment occurring in the preceding calendar year.  
44 If such amount exceeds the net amount withdrawn from the  
45 unemployment trust fund pursuant to section 23 of the "Temporary  
46 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the

1 amount at the end of such preceding calendar year of the  
2 unemployment disability account (as defined in section 22 of said law  
3 (C.43:21-46)), such excess shall be expressed as a percentage of the  
4 wages on which contributions were paid to the State disability benefits  
5 fund on or before January 31 with respect to employment in the  
6 preceding calendar year.

7 (2) The controller shall then make a final determination of the  
8 rates of contribution for the 12 months commencing July 1 of such  
9 year for employers whose preliminary rates are determined as provided  
10 in (D) hereof, as follows:

11 (i) If the percentage determined in accordance with paragraph  
12 (E)(1) of this subsection equals or exceeds  $1\frac{1}{4}\%$ , the final employer  
13 rates shall be the preliminary rates determined as provided in (D)  
14 hereof, except that if the employer's preliminary rate is determined as  
15 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
16 the preliminary employer rate decreased by such percentage of excess  
17 taken to the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate  
18 be less than  $\frac{1}{10}$  of 1%.

19 (ii) If the percentage determined in accordance with paragraph  
20 (E)(1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1% and is less than  
21  $1\frac{1}{4}$  of 1%, the final employer rates shall be the preliminary employer  
22 rates.

23 (iii) If the percentage determined in accordance with paragraph  
24 (E)(1) of this subsection is less than  $\frac{3}{4}$  of 1%, but in excess of  $\frac{1}{4}$  of  
25 1%, the final employer rates shall be the preliminary employer rates  
26 determined as provided in (D) hereof increased by the difference  
27 between  $\frac{3}{4}$  of 1% and such percentage taken to the nearest  $\frac{5}{100}$  of  
28 1%; provided, however, that no such final rate shall be more than  $\frac{1}{4}$   
29 of 1% in the case of an employer whose preliminary rate is determined  
30 as provided in (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
31 employer whose preliminary rate is determined as provided in (D)(1)  
32 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
33 whose preliminary rate is determined as provided in (D)(4) hereof.

34 (iv) If the amount of the State disability benefits fund determined  
35 as provided in paragraph (E)(1) of this subsection is equal to or less  
36 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
37 employer whose preliminary rate is determined as provided in (D)(2)  
38 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
39 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
40 case of an employer whose preliminary rate is determined as provided  
41 in (D)(4) hereof. Notwithstanding any other provision of law or any  
42 determination made by the controller with respect to any 12-month  
43 period commencing on July 1, 1970, the final rates for all employers  
44 for the period beginning January 1, 1971, shall be as set forth herein.  
45 (cf: P.L.1997, c.263, s.12)

46

1       14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read  
2 as follows:

3       3. Counseling shall be made available by the Department of Labor  
4 to each individual who meets the requirements indicated in subsections  
5 a. and b. of section 4 of this act. The department may provide the  
6 counseling or obtain the counseling from a service provider, if the  
7 service provider is different from and not affiliated with any service  
8 provider offering any employment and training services to the worker  
9 other than the counseling. The purpose of the counseling is to assist  
10 the individual in obtaining the employment and training services most  
11 likely to provide the worker with the greatest opportunity for  
12 long-range career advancement with high levels of productivity and  
13 earning power. The counseling shall include:

14       a. Testing and assessment of the individual's job skills and  
15 aptitudes, including the individual's literacy skills and other basic skills.  
16 Basic skills testing and assessment shall be provided to the individual  
17 unless information is provided regarding the individual's educational  
18 background and occupational or professional experience which clearly  
19 demonstrates that the individual's basic skill level meets the standards  
20 indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the  
21 individual is already participating in a remedial education program  
22 which meets those standards;

23       b. An evaluation by a qualified job counselor of:

24       (1) Whether the individual is eligible for the additional benefits  
25 indicated in section 5 of this act; and

26       (2) What remedial education, if any, is determined to be necessary  
27 for the individual to advance in his current occupation or succeed in  
28 any particular vocational training which the individual would  
29 undertake in connection with additional benefits indicated in section  
30 4 of this act, provided that the remedial education shall be at a level  
31 not lower than that needed to meet the standards indicated in section  
32 14 of P.L.1989, c.293 (C.34:15C-11);

33       c. The provision of information to the individual regarding any of  
34 the labor demand occupations for which training meets the  
35 requirements of subsection e. of section 4 of this act in the claimant's  
36 case, including **[the]** information about the wage levels in those  
37 occupations **[which is available to the Department of Labor and any**  
38 **information available to the department regarding]**, the effectiveness  
39 of any particular provider of training for any of those occupations  
40 which the claimant is considering using, and the long-term success of  
41 former trainees of the provider in obtaining permanent employment  
42 and increasing earnings;

43       d. The provision of information to the individual regarding the  
44 services and benefits available to the individual under the provisions  
45 of this act and employment and training programs provided or funded  
46 pursuant to **[P.L.1983, c.328 (C.34:15B-11 et seq.),]** the "1992 New

1 Jersey Employment and Workforce Development Act," P.L.1992, c.43  
2 (C.34:15D-1 et al.) and the ["Job Training Partnership Act," Pub.L.  
3 97-300 (29 U.S.C. s.1501 et seq.)] Workforce Investment Act of  
4 1998, Pub.L.105-220 (29 U.S.C. s.2801 et seq.). and regarding the  
5 tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1  
6 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

7 e. Discussion with the counselor of the results of the testing and  
8 evaluation and, based on those results, the development of a written  
9 Employability Development Plan, consistent with the requirements of  
10 subsections e., f. and g. of section 4 of this act, for the individual  
11 describing any remedial education and the vocational training that the  
12 individual will undertake in connection with benefits provided pursuant  
13 to the provisions of this act.

14 All information regarding an individual applicant or trainee which  
15 is obtained or compiled in connection with the testing, assessment and  
16 evaluation and which may be identified with the individual shall be  
17 confidential and shall be released to an entity other than the individual,  
18 the counselor or the department only if: the individual provides written  
19 permission to the department for the release of the information; or the  
20 information is used solely for program evaluation.

21 (cf: P.L.1992, c.47, s.3)

22

23 15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read  
24 as follows:

25 4. Except as provided in section 8 of this act, the additional  
26 benefits indicated in section 5 of this act shall be provided to any  
27 individual who:

28 a. Has received a notice of a permanent termination of  
29 employment by the individual's employer or has been laid off and is  
30 unlikely to return to his previous employment because work  
31 opportunities in the individual's job classification are impaired by a  
32 substantial reduction of employment at the worksite;

33 b. Is, at the time of the layoff or termination, eligible, pursuant to  
34 the "unemployment compensation law," R.S.43:21-1 et seq., for [not  
35 less than 26 weeks of] unemployment benefits;

36 c. Enters into the counseling made available pursuant to section  
37 3 of this act as soon as possible following notification by the  
38 Department of Labor of its availability;

39 d. (1) Notifies the department of the individual's intention to enter  
40 into the education and training identified in the Employability  
41 Development Plan developed pursuant to section 3 of this act, not  
42 later than 60 days after the date of the individual's termination or  
43 layoff [or], not later than 30 days after the department provides notice  
44 to the individual pursuant to section 6 of this act or not later than 30  
45 days after the Employability Development Plan is developed,  
46 whichever occurs [later] last;

1 (2) Enters into the education and training identified in the  
2 Employability Development Plan as soon as possible after giving the  
3 notice required by paragraph (1) of this subsection d.; and

4 (3) Maintains satisfactory progress in the education and training;

5 e. Enrolls in vocational training which:

6 (1) Is training for a labor demand occupation;

7 (2) Is likely to facilitate a substantial enhancement of the  
8 individual's marketable skills and earning power;

9 (3) Is provided by a service provider approved by the  
10 Commissioner of Labor, which approval shall be made, if the "1992  
11 New Jersey Employment and Workforce Development Act," P.L.1992,  
12 c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of  
13 section 8 of that act; and

14 (4) Does not include on the job training or other training under  
15 which the individual is paid by an employer for work performed by the  
16 individual during the time that the individual receives additional  
17 benefits pursuant to the provisions of section 5 of this act;

18 f. Enrolls in vocational training, remedial education or a  
19 combination of both on a full-time basis; and

20 g. Reasonably can be expected to successfully complete the  
21 vocational training and any needed remedial education, either during  
22 or after the period of additional benefits.

23 If the requirements of this section are met, the division shall not  
24 deny an individual unemployment benefits pursuant to the  
25 "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970,  
26 c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in  
27 section 5 of this act for any of the following reasons: the training  
28 includes remedial education needed by the individual to succeed in the  
29 vocational component of the training; the individual has identifiable  
30 vocational skills but the training services are needed to enable the  
31 individual to develop skills necessary to attain at least the level of self-  
32 sufficiency; the training is part of a program under which the individual  
33 may obtain any college degree enhancing the individual's marketable  
34 skills and earning power; the individual has previously received a  
35 training grant; the length of the training period under the program; or  
36 the lack of a prior guarantee of employment upon completion of the  
37 training. If the requirements of this section are met, the division shall  
38 regard a training program as approved for the purposes of paragraph  
39 (4) of subsection (c) of R.S.43:21-4.

40 (cf: P.L.1992, c.47, s.4)

41

42 16. This act shall take effect immediately.

# SENATE LABOR COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 1783 and 1733**

# **STATE OF NEW JERSEY**

DATED: JUNE 25, 2001

The Senate Labor Committee reports favorably the Senate Committee Substitute for Senate Bill Nos. 1783 and 1733.

This Senate Committee Substitute amends and updates various State laws regarding reemployment services and training programs to take into account recent changes in related federal laws and to expand State efforts to promote adult literacy in the workplace.

The substitute creates, in the Department of Labor, a Supplemental Workforce Fund for Basic Skills (SWFBS) which will be used to increase funding for basic skills training for unemployed and employed workers, including basic math, reading comprehension, computer literacy, English proficiency and work-readiness skills. 24% of the funds from the SWFBS is reserved to support basic skills training delivered by the State's One-Stop Career Centers, 28% is reserved for Workforce Investment Boards to provide grants for basic skills training to displaced, disadvantaged and employed workers and other individuals with learning disabilities or needing vocational rehabilitation services, and 38% is reserved for grants to consortia of individual employers, employer organizations, labor organizations, community-based organizations and educational institutions to provide basic skills training. 10% is made available to the commissioner for any of the indicated purposes and for department administrative costs.

The fund will be financed by the redirection each year of \$23 million of employer and employee payroll taxes from the unemployment compensation fund to the SWFBS.

The substitute requires that, both for each operational area of the existing Workforce Development Partnership (WDP) Fund and for the SWFBS created by the substitute, any funds at the end of the fiscal year in excess of 20% of the amount allocated be immediately returned to the unemployment compensation fund.

The substitute updates references to federal job training programs, from the Job Training Partnership Act to the Workforce Investment Act of 1998 (WIA). The substitute provides that the standards regarding labor, program participation and the quality of counseling and consumer choice for potential trainees which currently apply to the WDP Program also apply to programs funded by the SWFBS and the



WIA and that other relevant standards which apply to that act likewise apply to the State programs.

The substitute specifies that WDP funds may be used for remedial education grants even if no vocational job training is part of the grant. Likewise, the substitute clarifies that occupational safety and health training grants may be provided without being connected to any specific occupational training grants.

Under the substitute, workers with identifiable vocational skills are permitted to receive WDP or WIA training grants which will make them better able to attain economic self sufficiency. The substitute increases the emphasis on service for workers who have disabilities or need vocational rehabilitation and for workers who are already employed. It extends the time during which a displaced worker may give notice of an interest to undertake training, to not later than 30 days after an employability development plan is developed with a State counselor. It also allows a displaced worker to receive extended unemployment insurance (UI) benefits during job training even if the worker is qualified for less than the maximum number of weeks of regular UI benefits.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 1783 and 1733**

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 25, 2001

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill Nos. 1783 and 1733.

This Senate Committee Substitute amends and updates various State laws regarding reemployment services and training programs to take into account recent changes in related federal laws and to expand State efforts to promote adult literacy in the workplace.

As amended, the substitute creates, in the Department of Labor, a Supplemental Workforce Fund for Basic Skills (SWFBS) which would be used to increase funding for basic skills training for unemployed and employed workers, including basic math, reading comprehension, computer literacy, English proficiency and work-readiness skills. Of the moneys in the SWFBS, 24% is reserved to support basic skills training delivered by the State's One-Stop Career Centers, 28% is reserved for Workforce Investment Boards to provide grants for basic skills training to displaced, disadvantaged and employed workers and other individuals with learning disabilities or needing vocational rehabilitation services, and 38% is reserved for grants to consortia of individual employers, employer organizations, labor organizations, community-based organizations and educational institutions to provide basic skills training. Ten percent is made available to the commissioner for any of the indicated purposes and for department administrative costs.

The fund would be financed by the redirection each year of \$23 million of employer and employee payroll taxes from the unemployment compensation fund to the SWFBS.

The substitute requires that, both for each operational area of the existing Workforce Development Partnership (WDP) Fund and for the SWFBS created by the substitute, any funds at the end of the fiscal year in excess of 20% of the amount allocated be immediately returned to the unemployment compensation fund.

The substitute updates references to federal job training programs, from the Job Training Partnership Act to the Workforce Investment

Act of 1998 (WIA). The substitute provides that the standards regarding labor, program participation and the quality of counseling and consumer choice for potential trainees which currently apply to the WDP Program also apply to programs funded by the SWFBS and the WIA and that other relevant standards which apply to that act likewise apply to the State programs.

The substitute specifies that WDP funds may be used for remedial education grants even if no vocational job training is part of the grant. Likewise, the substitute clarifies that occupational safety and health training grants may be provided without being connected to any specific occupational training grants.

Under the substitute, workers with identifiable vocational skills are permitted to receive WDP or WIA training grants which will make them better able to attain economic self sufficiency, based on standards set by the U.S. Department of Labor. The substitute increases the emphasis on service for workers who have disabilities or need vocational rehabilitation and for workers who are already employed. It extends the time during which a displaced worker may give notice of an interest to undertake training, to not later than 30 days after an employability development plan is developed with a State counselor. It also allows a displaced worker to receive extended unemployment insurance (UI) benefits during job training even if the worker is qualified for less than the maximum number of weeks of regular UI benefits.

#### COMMITTEE AMENDMENTS

The committee amendments (1) require that the calculation of excess contributions for deposit into the unemployment compensation fund be based upon the unexpended cash balance in the basic skills fund, and (2) remove the requirement that the determination of those excess contributions be made in accordance with generally accepted accounting principles.

#### FISCAL IMPACT

This bill does not appear to have a fiscal impact on State or local government or on private employer or employee contributors to the unemployment compensation fund.

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, Nos. 1783 and 1733**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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ADOPTED JUNE 25, 2001

**Sponsored by:**

**Senator LOUIS F. KOSCO**

**District 38 (Bergen)**

**Senator JAMES S. CAFIERO**

**District 1 (Cape May, Atlantic and Cumberland)**

**Senator JACK SINAGRA**

**District 18 (Middlesex)**

**Senator JOHN A. LYNCH**

**District 17 (Middlesex, Somerset and Union)**

**Co-Sponsored by:**

**Senator Codey, Assemblyman Geist, Assemblywoman Friscia,  
Assemblymen Thompson, Felice, Assemblywoman Gill, Assemblyman  
Gusciora and Assemblywoman Watson Coleman**

**SYNOPSIS**

Revises law concerning employment and training services.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 25, 2001, with amendments.



(Sponsorship Updated As Of: 6/29/2001)

1 **AN ACT** concerning basic skills training, reemployment services and  
2 training programs and revising various parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. (New section) a. A restricted, nonlapsing, revolving  
8 "Supplemental Workforce Fund for Basic Skills," to be managed and  
9 invested by the State Treasurer, is hereby established in the  
10 Department of Labor to provide basic skills training. All moneys  
11 appropriated to the fund, all interest accumulated on balances in the  
12 fund and all cash received for the fund from any other source shall be  
13 allocated by the Commissioner of Labor as follows:

14 (1) 24% shall be deposited in an account reserved to support basic  
15 skills training delivered by the State's One-Stop Career Centers to  
16 qualified displaced, disadvantaged and employed workers pursuant to  
17 Employability Development Plans developed pursuant to section 7 of  
18 P.L.1992, c.43 (C.34:15D-7);

19 (2) 28% shall be deposited in an account reserved for Workforce  
20 Investment Boards to provide grants for basic skills training for  
21 qualified displaced, disadvantaged and employed workers pursuant to  
22 Employability Development Plans developed pursuant to section 7 of  
23 P.L.1992, c.43 (C.34:15D-7) and for other individuals with learning  
24 disabilities or otherwise in need of vocational rehabilitation services;

25 (3) 38% shall be deposited in an account reserved for grants to  
26 consortia including one or more of any of the following: eligible  
27 individual employers, employer organizations, labor organizations,  
28 community-based organizations or educational institutions to provide  
29 basic skills training to qualified displaced, disadvantaged or employed  
30 workers or to other individuals seeking to enter apprenticeship  
31 training; and

32 (4) 10% shall be deposited in an account to be used, at the  
33 discretion of the commissioner, for any of the purposes indicated in  
34 this subsection a. and any administrative costs incurred by the  
35 Department of Labor in connection with the fund.

36 b. Any grant provided in connection with paragraph (3) of  
37 subsection a. of this section directly to an employer or to an employer  
38 through a consortium shall be regarded as a customized training grant  
39 and shall be administered by the Office of Customized Training and the  
40 employer and consortium shall comply with all requirements of section  
41 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided  
42 directly or indirectly to an employer for use in connection with any

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SBA committee amendments adopted June 25, 2001.

1 program which includes apprenticeship training or activities or  
2 preparation for entry into apprenticeship training shall be exempt from  
3 the requirement of this subsection b. to be administered by the Office  
4 of Customized Training and be subject to the requirements of section  
5 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
6 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
7 c.268 (C.34:15E-3), and the employer complies with the provisions of  
8 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant  
9 provided in connection with paragraph (b) of subsection a. of this  
10 section directly to an individual shall be regarded as an individual  
11 training grant and shall be subject to the requirements of subsections  
12 a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

13 c. Any employment and training services funded by the  
14 Supplemental Workforce Fund for Basic Skills shall be provided in a  
15 manner which complies with the provisions of subsections b., c., f., g.,  
16 h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent  
17 that those subsections pertain to remedial education. Any service  
18 provider receiving moneys from the Supplemental Workforce Fund for  
19 Basic Skills shall be subject to the provisions of section 8 of P.L.1992,  
20 c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

21 d. All staff located at any One Stop Career Center supported by  
22 funds provided from the Supplemental Workforce Fund for Basic  
23 Skills shall be hired and employed by the State pursuant to Title 11A,  
24 Civil Service, of the New Jersey Statutes.

25 e. Beginning July 1, 2002, and for any subsequent fiscal year, if  
26 the unexpended <sup>1</sup>cash<sup>1</sup> balance in any of the accounts indicated in  
27 subsection a. of this section, less any amount awarded in grants but  
28 not yet disbursed from the account, is determined<sup>1</sup>[, in accordance  
29 with generally accepted accounting principles,]<sup>1</sup> to exceed 20% of the  
30 amount of contributions collected for deposit in the account pursuant  
31 to this subsection during the fiscal year then ended, the excess shall be  
32 regarded as an unemployment compensation contribution and  
33 deposited into the unemployment compensation fund within seven  
34 business days of the date that the determination is made.

35 f. The Commissioner of Labor shall establish standards of  
36 performance for providers of basic skills training pursuant to this act.  
37 The standards shall include, but not be limited to, standards for the  
38 curriculum or training to be furnished, qualifications for persons who  
39 will provide the training under the act, and standards for establishing  
40 what constitutes successful completion of the training program. The  
41 commissioner shall establish means of determining the ability of  
42 enrollees to gain or maintain employment following the successful  
43 completion of a training program established pursuant to this section.  
44 In the event that the commissioner determines that a provider has not  
45 conducted its training program in accordance with the standards of  
46 performance, he may take that action necessary to correct the

1 deficiencies of the provider, or terminate the contract with the  
2 provider of basic skills services if the provider fails to respond to  
3 remedial action.

4 g. The State Employment and Training Commission shall review  
5 and evaluate the operations of programs supported by the  
6 Supplemental Workforce Fund for Basic Skills established pursuant to  
7 this section, with special consideration to how those programs assist  
8 in the implementation of the goals of the Strategic Five-Year State Plan  
9 for New Jersey's Workforce Investment System, and shall consult with  
10 the Commissioner of Labor regarding its findings.

11 h. For the purpose of this section:

12 "Basic skills training" means basic mathematics, reading  
13 comprehension, basic computer literacy, English proficiency and work-  
14 readiness skills and shall be regarded as a form of "remedial education"  
15 for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

16 "One Stop Career Center" means one of the centers established in  
17 local areas to coordinate a variety of State and local programs  
18 providing employment and training services, including job placement  
19 services, or any other similar State or local government-sponsored  
20 center providing employment and training services as may be  
21 developed at any later time; and

22 "Qualified disadvantaged worker," "qualified displaced worker,"  
23 "qualified employed worker," and "employment and training services"  
24 have the meanings given to them by section 3 of P.L.1992, c.43  
25 (C.34:15D-3).

26

27 2. (New section) Beginning on January 1, 2002, each worker shall  
28 contribute to the Supplemental Workforce Fund for Basic Skills an  
29 amount equal to 0.0175% of the worker's wages as determined in  
30 accordance with paragraph (3) of subsection (b) of R.S.43:21-7  
31 regarding the worker's employment with an employer.

32 Beginning on July 1, 2001, each employer shall contribute to the  
33 Supplemental Workforce Fund for Basic Skills an amount equal to the  
34 amount that the employer's contribution is decreased pursuant to  
35 subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

36

37 3. (New section) If an employee receives wages from more than  
38 one employer during any calendar year, and the sum of the employee's  
39 contributions deposited in the Supplemental Workforce Fund for Basic  
40 Skills exceeds an amount equal to 0.0175% of the wages determined  
41 in accordance with the provisions of paragraph (3) of subsection (b)  
42 of R.S.43:21-7 during the calendar year beginning January 1, 2002 or  
43 any subsequent calendar year, the employee shall be entitled to a  
44 refund of the excess if a claim establishing the employee's right to the  
45 refund is made within two years after the end of the respective  
46 calendar year in which the wages are received and are the subject of

1 the claim. The commissioner shall refund any overpayment from the  
2 fund without interest.

3 Any employee who is a taxpayer and entitled, pursuant to the  
4 provisions of this section, to a refund of contributions deducted during  
5 a tax year from his wages shall, in lieu of the refund, be entitled to a  
6 credit in the full amount thereof against the tax otherwise due on his  
7 New Jersey gross income for that tax year if he submits his claim for  
8 the credit and accompanies that claim with evidence of his right to the  
9 credit in the manner provided by regulation by the Director of the  
10 Division of Taxation. In any case in which the amount, or any portion  
11 thereof, of any credit allowed hereunder results in or increases an  
12 excess of income tax payment over income tax liability, the amount of  
13 the new or increased excess shall be considered an overpayment and  
14 shall be refunded to the taxpayer in the manner provided by subsection  
15 (a) of N.J.S.54A:9-7.

16

17 4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read  
18 as follows:

19 1. As used in this act:

20 "Approved service provider" means a service provider approved  
21 pursuant to section 6 of this act.

22 "Apprenticeship Policy Committee" means the New Jersey  
23 Apprenticeship Policy Committee established by an agreement between  
24 the Bureau of Apprenticeship and Training in the United States  
25 Department of Labor, the State Department of Labor and the State  
26 Department of Education and consisting of a representative of the  
27 Commissioner of the State Department of Education, a representative  
28 of the Commissioner of the State Department of Labor, the Director  
29 of Region II of the Bureau of Apprenticeship and Training in the  
30 United States Department of Labor, and a representative of the New  
31 Jersey State AFL-CIO.

32 "Commissioner" means the Commissioner of Labor.

33 "Department" means the Department of Labor.

34 "Employment and training services" means:

- 35 a. Counseling provided pursuant to section 4 of this act;  
36 b. Vocational training; or  
37 c. Remedial education.

38 "Federal job training funds" means any moneys expended to obtain  
39 employment and training services, pursuant to the ["Job Training  
40 Partnership Act," Pub.L.97-300 (29 U.S.C.s.1501 et seq),]  
41 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801  
42 et seq.), except that, to the extent that the application of any specific  
43 provision of this act would cause the amount of federal job training  
44 funds provided to the State to be reduced, that provision shall not  
45 apply.

46 "Labor demand occupation" means an occupation for which there



1 is or is likely to be an excess of demand over supply for adequately  
2 trained workers, including, but not limited to, an occupation  
3 designated as a labor demand occupation by the New Jersey  
4 Occupational Information Coordinating Committee pursuant to section  
5 7 of this act.

6 "Office of Customized Training" means the Office of Customized  
7 Training established pursuant to section 5 of P.L.1992, c.43  
8 (C.34:15D-5).

9 "Permanent employment" means full-time employment  
10 unsubsidized by government training funds which provides a  
11 significant opportunity for career advancement and long-term job  
12 security and is in the occupation for which a worker receives  
13 vocational training pursuant to this act.

14 "Qualified job counselor" means a job counselor whose  
15 qualifications meet standards established by the commissioner.

16 "Remedial education" means any literacy or other basic skills  
17 training or education which may not be directly related to a particular  
18 occupation but is needed to facilitate success in vocational training or  
19 work performance, including training or education in basic  
20 mathematics, reading comprehension, basic computer literacy, English  
21 proficiency and work-readiness skills.

22 "Service provider" or "provider" means a provider of employment  
23 and training services including but not limited to a private or public  
24 school or institution of higher education, a business, a labor  
25 organization or a community-based organization.

26 "Vocational training" means training or education which is related  
27 to an occupation and is designed to enhance the marketable skills and  
28 earning power of a worker or job seeker.

29 (cf: P.L.1992, c.48, s.1)

30

31 5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read  
32 as follows:

33 2. a. All vocational training funded with federal job training funds  
34 shall be training which is likely to substantially enhance the trainee's  
35 marketable skills and earning power and is for a labor demand  
36 occupation.

37 b. Federal job training funds shall not be used for job training or  
38 any related activities which induce, encourage or assist: any  
39 displacement or partial displacement of currently employed workers by  
40 trainees by means such as reduced hours of currently employed  
41 workers; any replacement of laid off workers by trainees; or any  
42 relocation of operations resulting in a loss of employment at a previous  
43 workplace, except in cases of multi-establishment employers  
44 consolidating establishments. No federal job training funds shall be  
45 used for job training in any case in which an employer relocates within  
46 the State and does not offer each effected employee the equivalent

1 benefits, pay and working conditions if the employee moves to the new  
2 location and into a job or position involving comparable skills,  
3 responsibilities, experience and seniority to the prior job or position.

4 c. Federal job training funds shall not be used for job training or  
5 any related activities which impair existing contracts for services or  
6 collective bargaining agreements, except that job training or any  
7 related activities which are inconsistent with the terms of a collective  
8 bargaining agreement may be undertaken with the written concurrence  
9 of the collective bargaining unit and employer who are parties to the  
10 agreement.

11 d. Any federal job training funds which are provided directly to an  
12 employer or indirectly to an employer through a consortium shall be  
13 regarded as customized training grants and be administered by the  
14 Office of Customized Training and the employer and any consortium  
15 shall comply with all requirements of section 5 of P.L.1992, c.43  
16 (C.34:15D-5), except that federal job training funds provided directly  
17 or indirectly to an employer for use in connection with any program  
18 which includes apprenticeship training or activities shall be exempt  
19 from the requirement of this subsection d. to be administered by the  
20 Office of Customized Training and be subject to the requirements of  
21 section 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
22 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
23 c.268 (C.34:15E-3) and the employer complies with the provisions of  
24 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5).  
25 Employment and training services funded by federal job training funds  
26 shall not replace, supplant, compete with or duplicate any approved  
27 apprenticeship program.

28 (cf: P.L.1992, c.48, s.2)

29

30 6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read  
31 as follows:

32 3. a. On the job training shall not be paid for with federal job  
33 training funds for any employment found by the commissioner to be of  
34 a level of skill and complexity too low to merit training.

35 b. The duration of on the job training for any individual shall not  
36 exceed the duration indicated by the Specific Vocational Preparation  
37 code developed by the United States Department of Labor for the  
38 occupation for which the training is provided and shall in no case  
39 exceed 26 weeks. The department shall set the duration of on the job  
40 training for an individual for less than the indicated maximum, when  
41 training for the maximum duration is not warranted because of the  
42 level of the individual's previous training, education or work  
43 experience.

44 c. On the job training shall not be paid for with federal job training  
45 funds unless it is accompanied, concurrently or otherwise, by whatever  
46 amount of classroom-based vocational training, remedial education or

1 both, is deemed appropriate for the worker by the commissioner.

2 d. Each employer receiving federal job training funds for on the  
3 job training shall retain in permanent employment each trainee who  
4 successfully completes the training. The commissioner may, for a time  
5 period he deems appropriate, provide for the withholding of whatever  
6 portion he deems appropriate of the funding as a final payment for  
7 training, contingent upon the retention of a program completer as  
8 required pursuant to this section.

9 e. On the job training shall not be paid for with federal job training  
10 funds unless the trainee is provided benefits, pay and working  
11 conditions at a level and extent not less than the benefits and working  
12 conditions of other trainees or employees of the trainee's employer  
13 with comparable skills, responsibilities, experience and seniority.  
14 (cf: P.L.1992, c.48, s.3).

15

16 7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read  
17 as follows:

18 5. An otherwise qualified individual shall not be denied  
19 employment and training services included in the Employability  
20 Development Plan developed for the individual pursuant to section 4  
21 of this act for any of the following reasons: the employment and  
22 training services include remedial education needed by the individual  
23 to advance in the individual's current employment or occupation or to  
24 succeed in the vocational component of the training; the qualified  
25 displaced worker or other individual has identifiable vocational skills  
26 but the training services are needed to enable the individual to develop  
27 skills necessary to attain at least the level of self-sufficiency; the  
28 training is part of a program under which the individual may obtain a  
29 college degree enhancing the individual's marketable skills and earning  
30 power; the individual has previously received a training grant; the  
31 length of the training period under the program; or the lack of a prior  
32 guarantee of employment upon completion of the training, except for  
33 on the job training. This section shall not be construed as requiring  
34 that federal job training funds be used to pay for employment and  
35 training services for which other assistance, such as State or federal  
36 student financial aid, is provided.

37 (cf: P.L.1992, c.48, s.5)

38

39 8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read  
40 as follows:

41 3. As used in this act:

42 "Administrative costs" means any costs incurred by the department  
43 to administer the program, including any cost required to collect  
44 information and conduct evaluations of service providers pursuant to  
45 section 8 of this act and conduct surveys of occupations pursuant to  
46 section 12 of this act, to the extent that funding is not available from

1 federal or other sources.

2 "Apprenticeship Policy Committee" means the New Jersey  
3 Apprenticeship Policy Committee established by an agreement between  
4 the Bureau of Apprenticeship and Training in the United States  
5 Department of Labor, the State Department of Labor and the State  
6 Department of Education and consisting of a representative of the  
7 Commissioner of the State Department of Education, a representative  
8 of the Commissioner of the State Department of Labor, the Director  
9 of Region II of the Bureau of Apprenticeship and Training in the  
10 United States Department of Labor and a representative of the New  
11 Jersey State AFL-CIO.

12 "Approved service provider" means a service provider approved  
13 pursuant to section 8 of this act.

14 "Commission" means the State Employment and Training  
15 Commission.

16 "Commissioner" means the Commissioner of Labor or the  
17 commissioner's designees.

18 "Customized training services" means employment and training  
19 services which are provided by the Office of Customized Training  
20 pursuant to section 5 of this act.

21 "Department" means the State Department of Labor.

22 "Employer" or "business" means any employer subject to the  
23 provisions of R.S.43:21-1 et seq.

24 "Employment and training services" means:

- 25 a. Counseling provided pursuant to section 7 of this act;
- 26 b. Vocational training;
- 27 c. Remedial education; or
- 28 d. Occupational safety and health training.

29 "Fund" means the Workforce Development Partnership Fund  
30 established pursuant to section 9 of this act.

31 "Labor Demand Occupation" means an occupation for which there  
32 is or is likely to be an excess of demand over supply for adequately  
33 trained workers, including, but not limited to, an occupation  
34 designated as a labor demand occupation by the New Jersey  
35 Occupational Information Coordinating Committee pursuant to section  
36 12 of this act.

37 "Occupational safety and health training" means training or  
38 education which is designed to assist in the recognition and prevention  
39 of potential health and safety hazards related to an occupation [which  
40 is the subject of vocational training].

41 "Office" means the Office of Customized Training established  
42 pursuant to section 5 of this act.

43 "Permanent employment" means full-time employment  
44 unsubsidized by government training funds which provides a  
45 significant opportunity for career advancement and long-term job  
46 security and is in the occupation for which a worker receives

1 vocational training pursuant to this act.

2 "Program" means the Workforce Development Partnership  
3 Program created pursuant to this act.

4 "Qualified disadvantaged worker" means a worker who is not a  
5 qualified displaced worker or a qualified employed worker but who  
6 otherwise meets the following criteria:

7 a. Is unemployed;

8 b. Is working part-time and actively seeking full-time work or is  
9 working full-time but is earning wages substantially below the median  
10 salary for others in the labor force with similar qualifications and  
11 experience; or

12 c. Is certified by the Department of Human Services as:

13 (1) Currently receiving public assistance;

14 (2) Having been recently removed from the public assistance rolls  
15 because of gross income exceeding the grant standard for assistance;  
16 or

17 (3) Being eligible for public assistance but not receiving the  
18 assistance because of a failure to apply for it.

19 "Qualified displaced worker" means a worker who:

20 a. Is unemployed, and:

21 (1) Is currently receiving unemployment benefits pursuant to  
22 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
23 extension; or

24 (2) Has exhausted eligibility for the benefits or extended benefits  
25 during the preceding 52 weeks; or

26 b. Meets the criteria set by [Title III of the "Job Training  
27 Partnership Act," Pub.L. 97-300 (29 U.S.C.s.1651 et seq.)] the  
28 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801  
29 et seq.), to be regarded as [an "eligible dislocated worker"] a  
30 "dislocated worker" pursuant to that act.

31 "Qualified employed worker" means a worker who is employed by  
32 an employer participating in a customized training program, or other  
33 employed worker who is in need of remedial education.

34 "Qualified job counselor" means a job counselor whose  
35 qualifications meet standards established by the commissioner.

36 "Remedial education" means any literacy or other basic skills  
37 training or education which may not be directly related to a particular  
38 occupation but is needed to facilitate success in vocational training or  
39 work performance, including training or education in mathematics,  
40 reading comprehension, computer literacy, English proficiency and  
41 work-readiness skills.

42 "Service provider" or "provider" means a provider of employment  
43 and training services including but not limited to a private or public  
44 school or institution of higher education, a business, a labor  
45 organization or a community-based organization.

46 "Supplemental Workforce Fund for Basic Skills" means the fund

1 established pursuant to section 1 of P.L.2001, c. (C. ) (now  
2 pending before the Legislature as this bill).

3 "Total revenues dedicated to the program during any one fiscal  
4 year" means all moneys received for the fund during any fiscal year,  
5 including moneys withdrawn from the State disability benefits fund  
6 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
7 repayment made during that fiscal year from the fund to the State  
8 disability benefits fund pursuant to that section.

9 "Training grant" means a grant provided to fund vocational training  
10 and any needed remedial education for a qualified displaced or  
11 disadvantaged worker pursuant to section 6 of this act, or to fund  
12 needed remedial education for a qualified employed worker pursuant  
13 section 1 of P.L.2001, c. (C. ) (now pending before the  
14 Legislature as this bill).

15 "Vocational training" means training or education which is related  
16 to an occupation and is designed to enhance the marketable skills and  
17 earning power of a worker or job seeker.

18 (cf: P.L.1992, c.43, s.3)

19

20 9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read  
21 as follows:

22 4. a. The Workforce Development Partnership Program is hereby  
23 established in the Department of Labor and shall be administered by  
24 the Commissioner of Labor. The purpose of the program is to provide  
25 qualified displaced, disadvantaged and employed workers with the  
26 employment and training services most likely to provide the greatest  
27 opportunity for long-range career advancement with high levels of  
28 productivity and earning power. To implement that purpose, the  
29 program shall provide those services by means of training grants or  
30 customized training services, to the extent that funding for the services  
31 is not available from federal or other sources. The commissioner is  
32 authorized to expend moneys from the Workforce Development  
33 Partnership Fund to provide the training grants or customized training  
34 services and provide for each of the following:

35 (1) The cost of counseling required pursuant to section 7 of  
36 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
37 counseling is not available from federal or other sources;

38 (2) Reasonable administrative costs, which shall not [to] exceed  
39 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44  
40 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
41 2001, except for additional start-up administrative costs approved by  
42 the Director of the Office of Management and Budget during the first  
43 year of the program's operation;

44 (3) Reasonable costs, which shall not [exceeding] exceed 0.5%  
45 of the revenues collected pursuant to section 2 of P.L.1992, c.44  
46 (C.34:15D-13) during any [one] fiscal year ending before July 1,

1 2001, as required by the State Employment and Training Commission  
2 to design criteria and conduct an annual evaluation of the program;  
3 and  
4 (4) The cost of reimbursement to individuals for excess  
5 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).  
6 b. Not more than 10% of the moneys received by any service  
7 provider pursuant to this act shall be expended on anything other than  
8 direct costs to the provider of providing the employment and training  
9 services, which direct costs shall not include any administrative or  
10 overhead expense of the provider.  
11 c. Training and employment services shall be provided to a worker  
12 who receives counseling pursuant to section 7 of P.L.1992, c.43  
13 (C.34:15D-7) only if the counselor who evaluates the worker pursuant  
14 to that section determines that the worker can reasonably be expected  
15 to successfully complete the training and education identified in the  
16 Employability Development Plan developed pursuant to that section  
17 for the worker.  
18 d. All vocational training provided under this act:  
19 (1) Shall be training which is likely to substantially enhance the  
20 individual's marketable skills and earning power; and  
21 (2) Shall be training for a labor demand occupation, except for:  
22 (a) Customized training provided to the present employees of a  
23 business which the commissioner deems to be in need of the training  
24 to prevent job loss caused by obsolete skills, technological change or  
25 national or global competition; or  
26 (b) Customized training provided to employees at a facility which  
27 is being relocated from another state into New Jersey; or  
28 (c) Entrepreneurial training and technical assistance supported by  
29 training grants provided pursuant to subsection b. of section 6 of  
30 P.L.1992, c.43 (C.34:15D-6).  
31 e. ~~During any fiscal year ending before July 1, 2001, not~~  
32 ~~less than 25% of the total revenues dedicated to the program during~~  
33 ~~any one fiscal year shall be reserved to provide employment and~~  
34 ~~training services for qualified displaced workers[. Not]; not less than~~  
35 ~~six percent of the total revenues dedicated to the program during any~~  
36 ~~one fiscal year shall be reserved to provide employment and training~~  
37 ~~services for qualified disadvantaged workers[. Not]; not less than~~  
38 ~~45% of the total revenues dedicated to the program during any one~~  
39 ~~fiscal year shall be reserved for and appropriated to the Office of~~  
40 ~~Customized Training[. Not]; not less than 3% of the total revenues~~  
41 ~~dedicated to the program during any one fiscal year shall be reserved~~  
42 ~~for occupational safety and health training[. Beginning July 1, 1994,];~~  
43 ~~and 5% of the total revenues dedicated to the program during any one~~  
44 ~~fiscal year shall be reserved for and appropriated to the Youth~~  
45 ~~Transitions to Work Partnership created pursuant to P.L.1993, c.268~~  
46 ~~(C.34:15E-1 et seq.).~~

1 f. Funds available under the program shall not be used for  
2 activities which induce, encourage or assist: any displacement of  
3 currently employed workers by trainees, including partial displacement  
4 by means such as reduced hours of currently employed workers; any  
5 replacement of laid off workers by trainees; or any relocation of  
6 operations resulting in a loss of employment at a previous workplace  
7 located in the State.

8 g. On-the-job training shall not be funded by the program for any  
9 employment found by the commissioner to be of a level of skill and  
10 complexity too low to merit training. The duration of on-the-job  
11 training funded by the program for any worker shall not exceed the  
12 duration indicated by the Specific Vocational Preparation Code  
13 developed by the United States Department of Labor for the  
14 occupation for which the training is provided and shall in no case  
15 exceed 26 weeks. The department shall set the duration of on-the-job  
16 training for a worker for less than the indicated maximum, when  
17 training for the maximum duration is not warranted because of the  
18 level of the individual's previous training, education or work  
19 experience. On-the-job training shall not be funded by the program  
20 unless it is accompanied, concurrently or otherwise, by whatever  
21 amount of classroom-based vocational training, remedial education or  
22 both, is deemed appropriate for the worker by the commissioner. On-  
23 the-job training shall not be funded by the program unless the trainee  
24 is provided benefits, pay and working conditions at a level and extent  
25 not less than the benefits and working conditions of other trainees or  
26 employees of the trainee's employer with comparable skills,  
27 responsibilities, experience and seniority.

28 h. Employment and training services funded by the program shall  
29 not replace, supplant, compete with or duplicate in any way approved  
30 apprenticeship programs.

31 i. No activities funded by the program shall impair existing  
32 contracts for services or collective bargaining agreements, except that  
33 activities which would be inconsistent with the terms of a collective  
34 bargaining agreement may be undertaken with the written concurrence  
35 of the collective bargaining unit and employer who are parties to the  
36 agreement.

37 (cf: P.L.1995, c.422, s.2)

38  
39 10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read  
40 as follows:

41 6. a. The Workforce Development Partnership Program shall, to  
42 the extent that resources available in the fund permit, provide, for each  
43 qualified displaced or disadvantaged worker who undergoes  
44 counseling pursuant to section 7 of this act, a training grant to pay for  
45 employment and training services which are identified in the  
46 Employability Development Plan developed pursuant to that section



1 for that worker. No training grant made pursuant to this subsection  
2 during the first 12 months following July 1, 1992 shall exceed the  
3 amount deemed reasonable by the commissioner for the particular  
4 training, which amount shall not exceed \$4,000, except that the  
5 commissioner may permit an additional amount, if he deems it  
6 necessary to provide remedial education identified in the Employability  
7 Development Plan.

8 b. The Workforce Development Partnership Program may provide,  
9 for any individual who is selected to receive a self-employment  
10 assistance allowance pursuant to section 4 of P.L.1995, c.394  
11 (C.43:21-70), a training grant to pay for entrepreneurial training and  
12 technical assistance deemed necessary and appropriate by the  
13 commissioner to help the individual to become self-employed. A  
14 training grant made pursuant to this subsection shall be in an amount  
15 deemed reasonable by the commissioner for the particular training,  
16 but, during the first 12 months following January 1, 1996, shall not be  
17 in an amount which exceeds \$400, or, if the grant is for training  
18 provided by any public institution of higher education indicated in  
19 N.J.S.18A:62-1, shall not be in an amount which exceeds \$1,500.

20 c. The maximum amounts permitted for training grants made  
21 pursuant to subsection a. or b. of this section may be adjusted annually  
22 thereafter by the commissioner, taking into consideration changes in  
23 the prevailing costs of services and the availability of alternative  
24 sources of funding for the services. Any cost for employment and  
25 training services which exceeds the amount of a training grant shall be  
26 the responsibility of the worker receiving the grant. The cost of  
27 counseling provided pursuant to section 7 of this act shall not be  
28 charged against the training grant. No portion of a training grant may  
29 be expended on wage subsidies.

30 d. If the requirements of this section and sections 4 and 7 of this  
31 act are met, a qualified displaced ~~[or]~~, disadvantaged or employed  
32 worker shall not be denied a training grant for any of the following  
33 reasons: the training includes remedial education needed by the worker  
34 to advance in his current employment or occupation or to succeed in  
35 the vocational component of the training; the qualified displaced  
36 worker or other individual has identifiable vocational skills but the  
37 training services are needed to enable the individual to develop skills  
38 necessary to attain at least the level of self-sufficiency; the training is  
39 part of a program under which the worker may obtain any college  
40 degree enhancing the worker's marketable skills and earning power;  
41 the worker has previously received a training grant; the length of the  
42 training period under the program; or the lack of a prior guarantee of  
43 employment upon completion of the training.

44 (cf: P.L.1995, c.394, s.11)

1        11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read  
2 as follows:

3        7. Counseling shall be made available by the department to each  
4 qualified displaced or disadvantaged worker applying to participate in  
5 the program. Counseling may also be made available to a qualified  
6 employed worker who seeks remedial education or is selected to  
7 participate in a customized training program, if the worker's employer  
8 requests the counseling. The department may itself provide the  
9 counseling or obtain the counseling from a service provider, if the  
10 service provider is different from and not affiliated with any service  
11 provider offering any employment and training services to the worker  
12 other than the counseling, except that the department may obtain  
13 testing and assessment services provided pursuant to subsection a. of  
14 this section from a provider which also offers employment and training  
15 services to the worker other than the counseling. The purpose of any  
16 counseling made available pursuant to this section is to assist each  
17 worker in obtaining the employment and training services most likely  
18 to provide the worker with the greatest opportunity for long-range  
19 career advancement with high levels of productivity and earning  
20 power. Whether provided by the department or a service provider, the  
21 counseling shall include:

22        a. Testing and assessment of the worker's job skills and aptitudes,  
23 including the worker's literacy skills and other basic skills. Basic skills  
24 testing and assessment shall be provided to the worker unless  
25 information is provided regarding the worker's educational background  
26 and occupational or professional experience which clearly  
27 demonstrates that the worker's basic skill level meets the standards  
28 established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11)  
29 or unless the worker is already participating in a remedial education  
30 program which meets those standards;

31        b. An evaluation by a qualified job counselor of what remedial  
32 education, if any, is determined to be necessary for the worker to  
33 advance in his current employment or occupation or to succeed in any  
34 particular vocational training which the worker would undertake under  
35 the program, provided that the remedial education shall be at a level  
36 not lower than that needed to meet the standards established pursuant  
37 to section 14 of P.L.1989, c.293 (C.34:15C-11);

38        c. The provision of information to the worker regarding any of the  
39 labor demand occupations for which training meets the requirements  
40 of section 4 of this act in the worker's case, including [the]  
41 information about the wage levels in those occupations [which is  
42 available to the department and any information available to the  
43 department regarding], the effectiveness of approved service providers  
44 of vocational training in occupations which the worker is considering  
45 and the long-term success of former trainees of each provider in  
46 obtaining permanent employment and increasing earnings;

1 d. The provision of information to the worker regarding the  
2 services and benefits available to the worker under the provisions of  
3 this act and P.L.1992, c.47 (C.43:21-57 et al.); and

4 e. Discussion with the counselor of the results of the testing and  
5 evaluation and, based on those results, the development of a written  
6 Employability Development Plan identifying the training and  
7 employment services, including any needed remedial education, to be  
8 provided to the worker pursuant to this act.

9 Counseling made available at the request of an employer  
10 participating in a customized training program may include only those  
11 components requested by the employer.

12 All information regarding a worker applicant or trainee which is  
13 obtained or compiled in connection with the testing, assessment and  
14 evaluation and which may be identified with the worker shall be  
15 confidential and shall be released to an entity other than the worker,  
16 the counselor or the department only if the worker provides written  
17 permission to the department for the release of the information or the  
18 information is used solely for program evaluation.

19 (cf: P.L.1992, c.43, s.7)

20  
21 12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read  
22 as follows:

23 9. a. A restricted, nonlapsing, revolving Workforce Development  
24 Partnership Fund, to be managed and invested by the State Treasurer,  
25 is hereby established to: provide employment and training services to  
26 qualified displaced, disadvantaged and employed workers by means of  
27 training grants or customized training services; provide for the other  
28 costs indicated in subsection a. of section 4 of this act; and facilitate  
29 the provision of education and training to youth by means of grants  
30 provided by the Youth Transitions to Work Partnership pursuant to  
31 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
32 appropriations to the fund, all interest accumulated on balances in the  
33 fund and all cash received for the fund from any other source shall be  
34 used solely for the purposes specifically delineated by this act.

35 b. During any fiscal year beginning after June 30, 2001, of the  
36 total revenues dedicated to the program during any one fiscal year:  
37 25% shall be deposited in an account of the Workforce Development  
38 Partnership Fund reserved to provide employment and training  
39 services for qualified displaced workers; 6% shall be deposited in an  
40 account of the Workforce Development Partnership Fund reserved to  
41 provide employment and training services for qualified disadvantaged  
42 workers; 45% shall be deposited in an account of the Workforce  
43 Development Partnership Fund reserved for and appropriated to the  
44 Office of Customized Training; 3% shall be deposited in an account of  
45 the Workforce Development Partnership Fund reserved for  
46 occupational safety and health training; 5% shall be deposited in an

1 account of the Workforce Development Partnership Fund reserved for  
2 the Youth Transitions to Work Partnership created pursuant to  
3 P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an  
4 account of the Workforce Development Partnership Fund reserved for  
5 administrative costs as defined in section 3 of P.L.1992, c.43  
6 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce  
7 Development Partnership Fund reserved for the State Employment and  
8 Training Commission to design criteria and conduct an annual  
9 evaluation of the program; and 5.5% shall be deposited in an account  
10 of the Workforce Development Partnership Fund to be used, at the  
11 discretion of the commissioner, for any of the purposes indicated in  
12 subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

13 c. Beginning January 1, 1995, [and for all subsequent calendar  
14 years] through June 30, 2002, the balance in the fund as of the  
15 previous December 31, as determined in accordance with generally  
16 accepted accounting principles, shall not exceed 1.5 times the amount  
17 of contributions deposited for the calendar year then ended. If the  
18 balance exceeds this amount, the excess shall be deposited into the  
19 unemployment compensation fund within seven business days of the  
20 date that the determination is made.

21 d. Beginning July 1, 2002, and for any subsequent fiscal year, if  
22 the unexpended <sup>1</sup>cash<sup>1</sup> balance in any of the accounts indicated in  
23 subsection b. of this section, less any amount awarded in grants but  
24 not yet disbursed from the account, is determined <sup>1</sup>[, in accordance  
25 with generally accepted accounting principles,]<sup>1</sup> to exceed 20% of the  
26 amount of contributions collected for deposit in the account pursuant  
27 to this subsection during the fiscal year then ended, the excess shall be  
28 regarded as an unemployment compensation contribution and  
29 deposited into the unemployment compensation fund within seven  
30 business days of the date that the determination is made.

31 (cf: P.L.1993, c.268, s.10)

32

33 13. R.S.43:21-7 is amended to read as follows:

34 43:21-7. Contributions.

35 Employers other than governmental entities, whose benefit  
36 financing provisions are set forth in section 4 of P.L.1971, c.346  
37 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
38 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
39 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
40 compensation fund, contributions as set forth in subsections (a), (b)  
41 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
42 applicable to all employers, consistent with the provisions of the  
43 "unemployment compensation law" and the "Temporary Disability  
44 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

45 (a) Payment.

46 (1) Contributions shall accrue and become payable by each

1 employer for each calendar year in which he is subject to this chapter  
2 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
3 during that calendar year, at the rates and on the basis hereinafter set  
4 forth. Such contributions shall become due and be paid by each  
5 employer to the controller for the fund, in accordance with such  
6 regulations as may be prescribed, and shall not be deducted, in whole  
7 or in part, from the remuneration of individuals in his employ.

8 (2) In the payment of any contributions, a fractional part of a cent  
9 shall be disregarded unless it amounts to \$0.005 or more, in which  
10 case it shall be increased to \$0.01.

11 (b) Rate of contributions. Each employer shall pay the following  
12 contributions:

13 (1) For the calendar year 1947, and each calendar year thereafter,  
14 2 7/10% of wages paid by him during each such calendar year, except  
15 as otherwise prescribed by subsection (c) of this section.

16 (2) The "wages" of any individual, with respect to any one  
17 employer, as the term is used in this subsection (b) and in subsections  
18 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
19 during calendar year 1975, for services performed either within or  
20 without this State; provided that no contribution shall be required by  
21 this State with respect to services performed in another state if such  
22 other state imposes contribution liability with respect thereto. If an  
23 employer (hereinafter referred to as a successor employer) during any  
24 calendar year acquires substantially all the property used in a trade or  
25 business of another employer (hereinafter referred to as a  
26 predecessor), or used in a separate unit of a trade or business of a  
27 predecessor, and immediately after the acquisition employs in his trade  
28 or business an individual who immediately prior to the acquisition was  
29 employed in the trade or business of such predecessors, then, for the  
30 purpose of determining whether the successor employer has paid  
31 wages with respect to employment equal to the first \$4,800.00 paid  
32 during calendar year 1975, any wages paid to such individual by such  
33 predecessor during such calendar year and prior to such acquisition  
34 shall be considered as having been paid by such successor employer.

35 (3) For calendar years beginning on and after January 1, 1976, the  
36 "wages" of any individual, as defined in the preceding paragraph (2)  
37 of this subsection (b), shall be established and promulgated by the  
38 Commissioner of Labor on or before September 1 of the preceding  
39 year and shall be 28 times the Statewide average weekly remuneration  
40 paid to workers by employers, as determined under R.S.43:21-3(c),  
41 raised to the next higher multiple of \$100.00 if not already a multiple  
42 thereof, provided that if the amount of wages so determined for a  
43 calendar year is less than the amount similarly determined for the  
44 preceding year, the greater amount will be used; provided, further, that  
45 if the amount of such wages so determined does not equal or exceed  
46 the amount of wages as defined in subsection (b) of section 3306 of

1 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
2 Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined  
3 in this paragraph in any calendar year shall be raised to equal the  
4 amount established under the Federal Unemployment Tax Act for that  
5 calendar year.

6 (c) Future rates based on benefit experience.

7 (1) A separate account for each employer shall be maintained and  
8 this shall be credited with all the contributions which he has paid on  
9 his own behalf on or before January 31 of any calendar year with  
10 respect to employment occurring in the preceding calendar year;  
11 provided, however, that if January 31 of any calendar year falls on a  
12 Saturday or Sunday, an employer's account shall be credited as of  
13 January 31 of such calendar year with all the contributions which he  
14 has paid on or before the next succeeding day which is not a Saturday  
15 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
16 construed to grant any employer or individuals in his service prior  
17 claims or rights to the amounts paid by him into the fund either on his  
18 own behalf or on behalf of such individuals. Benefits paid with respect  
19 to benefit years commencing on and after January 1, 1953, to any  
20 individual on or before December 31 of any calendar year with respect  
21 to unemployment in such calendar year and in preceding calendar years  
22 shall be charged against the account or accounts of the employer or  
23 employers in whose employment such individual established base  
24 weeks constituting the basis of such benefits, except that, with respect  
25 to benefit years commencing after January 4, 1998, an employer's  
26 account shall not be charged for benefits paid to a claimant if the  
27 claimant's employment by that employer was ended in any way which,  
28 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
29 would have disqualified the claimant for benefits if the claimant had  
30 applied for benefits at the time when that employment ended. Benefits  
31 paid under a given benefit determination shall be charged against the  
32 account of the employer to whom such determination relates. When  
33 each benefit payment is made, either a copy of the benefit check or  
34 other form of notification shall be promptly sent to the employer  
35 against whose account the benefits are to be charged. Such copy or  
36 notification shall identify the employer against whose account the  
37 amount of such payment is being charged, shall show at least the name  
38 and social security account number of the claimant and shall specify  
39 the period of unemployment to which said check applies. If the total  
40 amount of benefits paid to a claimant and charged to the account of  
41 the appropriate employer exceeds 50% of the total base year, base  
42 week wages paid to the claimant by that employer, then such employer  
43 shall have canceled from his account such excess benefit charges as  
44 specified above.

45 Each employer shall be furnished an annual summary statement of  
46 benefits charged to his account.

1 (2) Regulations may be prescribed for the establishment,  
2 maintenance, and dissolution of joint accounts by two or more  
3 employers, and shall, in accordance with such regulations and upon  
4 application by two or more employers to establish such an account, or  
5 to merge their several individual accounts in a joint account, maintain  
6 such joint account as if it constituted a single employer's account.

7 (3) No employer's rate shall be lower than 5.4% unless assignment  
8 of such lower rate is consistent with the conditions applicable to  
9 additional credit allowance for such year under section 3303(a)(1) of  
10 the Internal Revenue Code of 1986 (26 U.S.C.s.3303(a)(1)), any other  
11 provision of this section to the contrary notwithstanding.

12 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
13  $8/10\%$ , except as otherwise provided in the following provisions. No  
14 employer's rate for the 12 months commencing July 1 of any calendar  
15 year shall be other than  $2\ 8/10\%$ , unless as of the preceding January 31  
16 such employer shall have paid contributions with respect to wages paid  
17 in each of the three calendar years immediately preceding such year,  
18 in which case such employer's rate for the 12 months commencing July  
19 1 of any calendar year shall be determined on the basis of his record up  
20 to the beginning of such calendar year. If, at the beginning of such  
21 calendar year, the total of all his contributions, paid on his own behalf,  
22 for all past years exceeds the total benefits charged to his account for  
23 all such years, his contribution rate shall be:

24 (1)  $2\ 5/10\%$ , if such excess equals or exceeds 4%, but less than  
25 5%, of his average annual payroll (as defined in paragraph (2),  
26 subsection (a) of R.S.43:21-19);

27 (2)  $2\ 2/10\%$ , if such excess equals or exceeds 5%, but is less than  
28 6%, of his average annual payroll;

29 (3)  $1\ 9/10\%$ , if such excess equals or exceeds 6%, but is less than  
30 7%, of his average annual payroll;

31 (4)  $1\ 6/10\%$ , if such excess equals or exceeds 7%, but is less than  
32 8%, of his average annual payroll;

33 (5)  $1\ 3/10\%$ , if such excess equals or exceeds 8%, but is less than  
34 9%, of his average annual payroll;

35 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
36 of his average annual payroll;

37 (7)  $7/10$  of 1%, if such excess equals or exceeds 10%, but is less  
38 than 11%, of his average annual payroll;

39 (8)  $4/10$  of 1%, if such excess equals or exceeds 11% of his  
40 average annual payroll.

41 (B) If the total of an employer's contributions, paid on his own  
42 behalf, for all past periods for the purposes of this paragraph (4), is  
43 less than the total benefits charged against his account during the same  
44 period, his rate shall be:

45 (1) 4%, if such excess is less than 10% of his average annual  
46 payroll;

1 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less than  
2 20%, of his average annual payroll;

3 (3) 4 6/10%, if such excess equals or exceeds 20% of his average  
4 annual payroll.

5 (C) Specially assigned rates. If no contributions were paid on  
6 wages for employment in any calendar year used in determining the  
7 average annual payroll of an employer eligible for an assigned rate  
8 under this paragraph (4), the employer's rate shall be specially assigned  
9 as follows:

10 (i) if the reserve balance in its account is positive, its assigned rate  
11 shall be the highest rate in effect for positive balance accounts for that  
12 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
13 its account is negative, its assigned rate shall be the highest rate in  
14 effect for deficit accounts for that period.

15 (D) The contribution rates prescribed by subparagraphs (A) and  
16 (B) of this paragraph (4) shall be increased or decreased in accordance  
17 with the provisions of paragraph (5) of this subsection (c) for  
18 experience rating periods through June 30, 1986.

19 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March  
20 31 of any calendar year the balance in the unemployment trust fund  
21 equals or exceeds 4% but is less than 7% of the total taxable wages  
22 reported to the controller as of that date in respect to employment  
23 during the preceding calendar year, the contribution rate, effective July  
24 1 following, of each employer eligible for a contribution rate  
25 calculation based upon benefit experience, shall be increased by 3/10  
26 of 1% over the contribution rate otherwise established under the  
27 provisions of paragraph (3) or (4) of this subsection. If on March 31  
28 of any calendar year the balance of the unemployment trust fund  
29 exceeds 2 1/2% but is less than 4% of the total taxable wages reported  
30 to the controller as of that date in respect to employment during the  
31 preceding calendar year, the contribution rate, effective July 1  
32 following, of each employer eligible for a contribution rate calculation  
33 based upon benefit experience, shall be increased by 6/10 of 1% over  
34 the contribution rate otherwise established under the provisions of  
35 paragraph (3) or (4) of this subsection.

36 If on March 31 of any calendar year the balance of the  
37 unemployment trust fund is less than 2 1/2% of the total taxable wages  
38 reported to the controller as of that date in respect to employment  
39 during the preceding calendar year, the contribution rate, effective July  
40 1 following, of each employer (1) eligible for a contribution rate  
41 calculation based upon benefit experience, shall be increased by (i)  
42 6/10 of 1% over the contribution rate otherwise established under the  
43 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
44 (ii) an additional amount equal to 20% of the total rate established  
45 herein, provided, however, that the final contribution rate for each  
46 employer shall be computed to the nearest multiple of 1/10% if not



1 already a multiple thereof; (2) not eligible for a contribution rate  
2 calculation based upon benefit experience, shall be increased by 6/10  
3 of 1% over the contribution rate otherwise established under the  
4 provisions of paragraph (4) of this subsection. For the period  
5 commencing July 1, 1984 and ending June 30, 1986, the contribution  
6 rate for each employer liable to pay contributions under R.S.43:21-7  
7 shall be increased by a factor of 10% computed to the nearest multiple  
8 of 1/10% if not already a multiple thereof.

9 (B) If on March 31 of any calendar year the balance in the  
10 unemployment trust fund equals or exceeds 10% but is less than 12  
11 1/2% of the total taxable wages reported to the controller as of that  
12 date in respect to employment during the preceding calendar year, the  
13 contribution rate, effective July 1 following, of each employer eligible  
14 for a contribution rate calculation based upon benefit experience, shall  
15 be reduced by 3/10 of 1% under the contribution rate otherwise  
16 established under the provisions of paragraphs (3) and (4) of this  
17 subsection; provided that in no event shall the contribution rate of any  
18 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
19 calendar year the balance in the unemployment trust fund equals or  
20 exceeds 12 1/2% of the total taxable wages reported to the controller  
21 as of that date in respect to employment during the preceding calendar  
22 year, the contribution rate, effective July 1 following, of each  
23 employer eligible for a contribution rate calculation based upon benefit  
24 experience, shall be reduced by 6/10 of 1% if his account for all past  
25 periods reflects an excess of contributions paid over total benefits  
26 charged of 3% or more of his average annual payroll, otherwise by  
27 3/10 of 1% under the contribution rate otherwise established under the  
28 provisions of paragraphs (3) and (4) of this subsection; provided that  
29 in no event shall the contribution rate of any employer be reduced to  
30 less than 4/10 of 1%.

31 (C) The "balance" in the unemployment trust fund, as the term is  
32 used in subparagraphs (A) and (B) above, shall not include moneys  
33 credited to the State's account under section 903 of the Social Security  
34 Act, as amended (42 U.S.C.s.1103), during any period in which such  
35 moneys are appropriated for the payment of expenses incurred in the  
36 administration of the "unemployment compensation law."

37 (D) Prior to July 1 of each calendar year the controller shall  
38 determine the Unemployment Trust Reserve Ratio, which shall be  
39 calculated by dividing the balance of the unemployment trust fund as  
40 of the prior March 31 by total taxable wages reported to the controller  
41 by all employers as of March 31 with respect to their employment  
42 during the last calendar year.

43 (E) (Deleted by amendment, P.L.1997, c.263).

44 (ii) [With respect to experience rating years beginning on or after  
45 July 1, 1997, the new employer rate or the unemployment experience  
46 rate of an employer under this section shall be the rate which appears

1 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 2 as of the applicable calculation date and on the line with the Employer  
 3 Reserve Ratio, as defined in paragraph 4 of this subsection  
 4 (R.S.43:21-7 (c)(4)), as set forth in the following table:

5

6 EXPERIENCE RATING TAX TABLE

7 Fund Reserve Ratio<sup>1</sup>

8

9	6.00%	4.00%	3.00%	2.50%	2.49%
10 Employer	and	to	to	to	and
11 Reserve	Over	5.99%	3.99%	2.99%	Under
12 Ratio <sup>2</sup>	A	B	C	D	E
13 Positive Reserve Ratio:					
14 17% and over	0.3	0.4	0.5	0.6	1.2
15 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
16 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
17 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
18 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
19 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
20 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
21 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
22 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
23 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
24 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
25 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
26 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
27 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
28 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
29 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
30 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
31 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
32 Deficit Reserve Ratio:					
33 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
34 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
35 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
36 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
37 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
38 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
39 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
40 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
41 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
42 -35.00% and under	5.4	5.4	5.8	6.4	7.0
43 New Employer Rate	2.8	2.8	2.8	3.1	3.4

44 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
 45 the prior calendar year.

46 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a

1 percentage of employer's taxable wages).] (Deleted by amendment,  
 2 P.L. , c. .).

3 (iii) With respect to experience rating years beginning on or after  
 4 July 1, 1998, the new employer rate or the unemployment experience  
 5 rate of an employer under this section shall be the rate which appears  
 6 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 7 as of the applicable calculation date and on the line with the Employer  
 8 Reserve Ratio, as defined in paragraph 4 of this subsection  
 9 (R.S.43:21-7 (c)(4)), as set forth in the following table:

10

11 EXPERIENCE RATING TAX TABLE

12 Fund Reserve Ratio<sup>1</sup>

13

	4.50%	3.50%	3.00%	2.50%	2.49%
14					
15 Employer	and	to	to	to	and
16 Reserve	Over	4.49%	3.49%	2.99%	Under
17 Ratio <sup>2</sup>	A	B	C	D	E

18 Positive Reserve Ratio:

19 17% and over	0.3	0.4	0.5	0.6	1.2
20 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
21 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
22 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
23 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
24 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
25 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
26 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
27 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
28 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
29 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
30 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
31 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
32 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
33 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
34 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
35 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
36 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3

37 Deficit Reserve Ratio:

38 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
39 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
40 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
41 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
42 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
43 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
44 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
45 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
46 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9

1	-35.00% and under	5.4	5.4	5.8	6.4	7.0
2	New Employer Rate	2.8	2.8	2.8	3.1	3.4

3 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
4 the prior calendar year.

5 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
6 percentage of employer's taxable wages).

7 (F)(i) (Deleted by amendment, P.L.1997, c.263).

8 (ii) With respect to experience rating years beginning on or after  
9 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
10 the prior March 31, is less than 1.00%, the contribution rate for each  
11 employer liable to pay contributions, as computed under subparagraph  
12 (E) of this paragraph (5), shall be increased by a factor of 10%  
13 computed to the nearest multiple of 1/10% if not already a multiple  
14 thereof.

15 (G) On or after January 1, 1993, notwithstanding any other  
16 provisions of this paragraph (5), the contribution rate for each  
17 employer liable to pay contributions, as computed under subparagraph  
18 (E) of this paragraph (5), shall be decreased by 0.1%, except that,  
19 during any experience rating year starting before January 1, 1998 in  
20 which the fund reserve ratio is equal to or greater than 7.00% or  
21 during any experience rating year starting on or after January 1, 1998,  
22 in which the fund reserve ratio is equal to or greater than 3.5%, there  
23 shall be no decrease pursuant to this subparagraph (G) in the  
24 contribution of any employer who has a deficit reserve ratio of  
25 negative 35.00% or under.

26 (H) On or after January 1, 1993 until December 31, 1993,  
27 notwithstanding any other provisions of this paragraph (5), the  
28 contribution rate for each employer liable to pay contributions, as  
29 computed under subparagraph (E) of this paragraph (5), shall be  
30 decreased by a factor of 52.0% computed to the nearest multiple of  
31 1/10%, except that, if an employer has a deficit reserve ratio of  
32 negative 35.0% or under, the employer's rate of contribution shall not  
33 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
34 amount of the reduction in the employer contributions stipulated by  
35 this subparagraph (H) shall be in addition to the amount of the  
36 reduction in the employer contributions stipulated by subparagraph (G)  
37 of this paragraph (5), except that the rate of contribution of an  
38 employer who has a deficit reserve ratio of negative 35.0% or under  
39 shall not be reduced pursuant to this subparagraph (H) to less than  
40 5.4% and the rate of contribution of any other employer shall not be  
41 reduced to less than 0.0%.

42 On or after January 1, 1994 until December 31, 1995, except as  
43 provided pursuant to subparagraph (I) of this paragraph (5),  
44 notwithstanding any other provisions of this paragraph (5), the  
45 contribution rate for each employer liable to pay contributions, as  
46 computed under subparagraph (E) of this paragraph (5), shall be

1 decreased by a factor of 36.0% computed to the nearest multiple of  
2 1/10%, except that, if an employer has a deficit reserve ratio of  
3 negative 35.0% or under, the employer's rate of contribution shall not  
4 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
5 amount of the reduction in the employer contributions stipulated by  
6 this subparagraph (H) shall be in addition to the amount of the  
7 reduction in the employer contributions stipulated by subparagraph (G)  
8 of this paragraph (5), except that the rate of contribution of an  
9 employer who has a deficit reserve ratio of negative 35.0% or under  
10 shall not be reduced pursuant to this subparagraph (H) to less than  
11 5.4% and the rate of contribution of any other employer shall not be  
12 reduced to less than 0.0%.

13 On or after April 1, 1996 until December 31, 1996, the  
14 contribution rate for each employer liable to pay contributions, as  
15 computed under subparagraph (E) of this paragraph (5), shall be  
16 decreased by a factor of 25.0% computed to the nearest multiple of  
17 1/10%, except that, if an employer has a deficit reserve ratio of  
18 negative 35.0% or under, the employer's rate of contribution shall not  
19 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
20 amount of the reduction in the employer contributions stipulated by  
21 this subparagraph (H) shall be in addition to the amount of the  
22 reduction in the employer contributions stipulated by subparagraph (G)  
23 of this paragraph (5), except that the rate of contribution of an  
24 employer who has a deficit reserve ratio of negative 35.0% or under  
25 shall not be reduced pursuant to this subparagraph (H) to less than  
26 5.4% and the rate of contribution of any other employer shall not be  
27 reduced to less than 0.0%.

28 On or after January 1, 1997 until December 31, 1997, the  
29 contribution rate for each employer liable to pay contributions, as  
30 computed under subparagraph (E) of this paragraph (5), shall be  
31 decreased by a factor of 10.0% computed to the nearest multiple of  
32 1/10%, except that, if an employer has a deficit reserve ratio of  
33 negative 35.0% or under, the employer's rate of contribution shall not  
34 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
35 amount of the reduction in the employer contributions stipulated by  
36 this subparagraph (H) shall be in addition to the amount of the  
37 reduction in the employer contributions stipulated by subparagraph (G)  
38 of this paragraph (5), except that the rate of contribution of an  
39 employer who has a deficit reserve ratio of negative 35.0% or under  
40 shall not be reduced pursuant to this subparagraph (H) to less than  
41 5.4% and the rate of contribution of any other employer shall not be  
42 reduced to less than 0.0%.

43 On and after January 1, 1998 until December 31, 2000, the  
44 contribution rate for each employer liable to pay contributions, as  
45 computed under subparagraph (E) of this paragraph (5), shall be  
46 decreased each calendar year by a factor, as set out below, computed

1 to the nearest multiple of 1/10%, except that, if an employer has a  
2 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
3 contribution shall not be reduced pursuant to this subparagraph (H) to  
4 less than 5.4%:

5 From January 1, 1998 until December 31, 1998, a factor of 12%;

6 From January 1, 1999 until December 31, 1999, a factor of 10%;

7 From January 1, 2000 until December 31, 2000, a factor of 7%.

8 The amount of the reduction in the employer contributions  
9 stipulated by this subparagraph (H) shall be in addition to the amount  
10 of the reduction in the employer contributions stipulated by  
11 subparagraph (G) of this paragraph (5), except that the rate of  
12 contribution of an employer who has a deficit reserve ratio of negative  
13 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
14 to less than 5.4% and the rate of contribution of any other employer  
15 shall not be reduced to less than 0.0%.

16 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
17 on March 31 of calendar year 1994 or calendar year 1995, the  
18 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
19 in effect as of July 1 of that calendar year.

20 If, upon calculating the unemployment compensation fund reserve  
21 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
22 March 31, 1998 or March 31, 1999, the controller finds that the fund  
23 reserve ratio has decreased to a level of less than 3.00%, the  
24 Commissioner of Labor shall notify the State Treasurer of this fact and  
25 of the dollar amount necessary to bring the fund reserve ratio up to a  
26 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
27 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
28 General Fund to the unemployment compensation fund, revenues in  
29 the amount specified by the commissioner and which, upon deposit in  
30 the unemployment compensation fund, shall result, upon recalculation,  
31 in a fund reserve ratio used to determine employer contributions  
32 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
33 at least 3.00%.

34 If, upon calculating the unemployment compensation fund reserve  
35 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
36 controller finds that the fund reserve ratio has decreased to a level of  
37 less than 3.00%, the Commissioner of Labor shall notify the State  
38 Treasurer of this fact and of the dollar amount necessary to bring the  
39 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
40 prior to March 31, 2000, transfer from the General Fund to the  
41 unemployment compensation fund, revenues in the amount specified  
42 by the commissioner and which, upon deposit in the unemployment  
43 compensation fund, shall result, upon recalculation, in a fund reserve  
44 ratio used to determine employer contributions beginning July 1, 2000  
45 of at least 3.00%.

46 (J) On or after July 1, 2001, notwithstanding any other provisions

1 of this paragraph (5), the contribution rate for each employer liable to  
2 pay contributions, as computed under subparagraph (E) of this  
3 paragraph (5), shall be decreased by 0.0175%, except that, during any  
4 experience rating year starting on or after July 1, 2001, in which the  
5 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
6 decrease pursuant to this subparagraph (J) in the contribution of any  
7 employer who has a deficit reserve ratio of negative 35.00% or under.  
8 The amount of the reduction in the employer contributions stipulated  
9 by this subparagraph (J) shall be in addition to the amount of the  
10 reduction in the employer contributions stipulated by subparagraphs  
11 (G) and (H) of this paragraph (5), except that the rate of contribution  
12 of an employer who has a deficit reserve ratio of negative 35.0% or  
13 under shall not be reduced pursuant to this subparagraph (J) to less  
14 than 5.4% and the rate of contribution of any other employer shall not  
15 be reduced to less than 0.0%.

16 (6) Additional contributions.

17 Notwithstanding any other provision of law, any employer who has  
18 been assigned a contribution rate pursuant to subsection (c) of this  
19 section for the year commencing July 1, 1948, and for any year  
20 commencing July 1 thereafter, may voluntarily make payment of  
21 additional contributions, and upon such payment shall receive a  
22 recomputation of the experience rate applicable to such employer,  
23 including in the calculation the additional contribution so made. Any  
24 such additional contribution shall be made during the 30-day period  
25 following the date of the mailing to the employer of the notice of his  
26 contribution rate as prescribed in this section, unless, for good cause,  
27 the time for payment has been extended by the controller for not to  
28 exceed an additional 60 days; provided that in no event may such  
29 payments which are made later than 120 days after the beginning of  
30 the year for which such rates are effective be considered in  
31 determining the experience rate for the year in which the payment is  
32 made. Any employer receiving any extended period of time within  
33 which to make such additional payment and failing to make such  
34 payment timely shall be, in addition to the required amount of  
35 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
36 greater, not to exceed \$50.00. Any adjustment under this subsection  
37 shall be made only in the form of credits against accrued or future  
38 contributions.

39 (7) Transfers.

40 (A) Upon the transfer of the organization, trade or business, or  
41 substantially all the assets of an employer to a successor in interest,  
42 whether by merger, consolidation, sale, transfer, descent or otherwise,  
43 the controller shall transfer the employment experience of the  
44 predecessor employer to the successor in interest, including credit for  
45 past years, contributions paid, annual payrolls, benefit charges, et  
46 cetera, applicable to such predecessor employer, pursuant to

1 regulation, if it is determined that the employment experience of the  
2 predecessor employer with respect to the organization, trade, assets  
3 or business which has been transferred may be considered indicative  
4 of the future employment experience of the successor in interest.  
5 Unless the predecessor employer was owned or controlled (by legally  
6 enforceable means or otherwise), directly or indirectly, by the  
7 successor in interest, or the predecessor employer and the successor  
8 in interest were owned or controlled (by legally enforceable means or  
9 otherwise), directly or indirectly, by the same interest or interests, the  
10 transfer of the employment experience of the predecessor shall not be  
11 effective if such successor in interest, within four months of the date  
12 of such transfer of the organization, trade, assets or business, or  
13 thereafter upon good cause shown, files a written notice protesting the  
14 transfer of the employment experience of the predecessor employer.

15 (B) An employer who transfers part of his or its organization,  
16 trade, assets or business to a successor in interest, whether by merger,  
17 consolidation, sale, transfer, descent or otherwise, may jointly make  
18 application with such successor in interest for transfer of that portion  
19 of the employment experience of the predecessor employer relating to  
20 the portion of the organization, trade, assets or business transferred to  
21 the successor in interest, including credit for past years, contributions  
22 paid, annual payrolls, benefit charges, et cetera, applicable to such  
23 predecessor employer. The transfer of employment experience may be  
24 allowed pursuant to regulation only if it is found that the employment  
25 experience of the predecessor employer with respect to the portion of  
26 the organization, trade, assets or business which has been transferred  
27 may be considered indicative of the future employment experience of  
28 the successor in interest. Credit shall be given to the successor in  
29 interest only for the years during which contributions were paid by the  
30 predecessor employer with respect to that part of the organization,  
31 trade, assets or business transferred.

32 (C) A transfer of the employment experience in whole or in part  
33 having become final, the predecessor employer thereafter shall not be  
34 entitled to consideration for an adjusted rate based upon his or its  
35 experience or the part thereof, as the case may be, which has thus been  
36 transferred. A successor in interest to whom employment experience  
37 or a part thereof is transferred pursuant to this subsection shall, as of  
38 the date of the transfer of the organization, trade, assets or business,  
39 or part thereof, immediately become an employer if not theretofore an  
40 employer subject to this chapter (R.S.43:21-1 et seq.).

41 (d) Contributions of workers to the unemployment compensation  
42 fund and the State disability benefits fund.

43 (1) (A) For periods after January 1, 1975, each worker shall  
44 contribute to the fund 1% of his wages with respect to his employment  
45 with an employer, which occurs on and after January 1, 1975, after  
46 such employer has satisfied the condition set forth in subsection (h) of



1 R.S.43:21-19 with respect to becoming an employer; provided,  
2 however, that such contributions shall be at the rate of 1/2 of 1% of  
3 wages paid with respect to employment while the worker is in the  
4 employ of the State of New Jersey, or any governmental entity or  
5 instrumentality which is an employer as defined under  
6 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
7 the "Temporary Disability Benefits Law" or while the worker is  
8 exempt from the provisions of the "Temporary Disability Benefits  
9 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

10 (B) Effective January 1, 1978 there shall be no contributions by  
11 workers in the employ of any governmental or nongovernmental  
12 employer electing or required to make payments in lieu of  
13 contributions unless the employer is covered by the State plan under  
14 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
15 that case contributions shall be at the rate of 1/2 of 1%, except that  
16 commencing July 1, 1986, workers in the employ of any  
17 nongovernmental employer electing or required to make payments in  
18 lieu of contributions shall be required to make contributions to the  
19 fund at the same rate prescribed for workers of other nongovernmental  
20 employers.

21 (C) (i) Notwithstanding the above provisions of this paragraph  
22 (1), during the period starting July 1, 1986 and ending December 31,  
23 1992, each worker shall contribute to the fund 1.125% of wages paid  
24 with respect to his employment with a governmental employer electing  
25 or required to pay contributions or nongovernmental employer,  
26 including a nonprofit organization which is an employer as defined  
27 under R.S.43:21-19(h)(6), regardless of whether that nonprofit  
28 organization elects or is required to finance its benefit costs with  
29 contributions to the fund or by payments in lieu of contributions, after  
30 that employer has satisfied the conditions set forth in subsection  
31 R.S.43:21-19(h) with respect to becoming an employer.  
32 Contributions, however, shall be at the rate of 0.625% while the  
33 worker is covered by an approved private plan under the "Temporary  
34 Disability Benefits Law" while the worker is exempt under section 7  
35 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
36 that law; provided that such contributions shall be at the rate of  
37 0.625% of wages paid with respect to employment with the State of  
38 New Jersey or any other governmental entity or instrumentality  
39 electing or required to make payments in lieu of contributions and  
40 which is covered by the State plan under the "Temporary Disability  
41 Benefits Law," except that, while the worker is exempt from the  
42 provisions of the "Temporary Disability Benefits Law" under section  
43 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
44 that law, or is covered for disability benefits by an approved private  
45 plan of the employer, the contributions to the fund shall be 0.125%.

46 (ii) (Deleted by amendment, P.L.1995, c.422.)

1 (D) Notwithstanding any other provisions of this paragraph (1),  
2 during the period starting January 1, 1993 and ending June 30, 1994,  
3 each worker shall contribute to the unemployment compensation fund  
4 0.5% of wages paid with respect to the worker's employment with a  
5 governmental employer electing or required to pay contributions or  
6 nongovernmental employer, including a nonprofit organization which  
7 is an employer as defined under paragraph (6) of subsection (h) of  
8 R.S.43:21-19, regardless of whether that nonprofit organization elects  
9 or is required to finance its benefit costs with contributions to the fund  
10 or by payments in lieu of contributions, after that employer has  
11 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
12 with respect to becoming an employer. No contributions, however,  
13 shall be made by the worker while the worker is covered by an  
14 approved private plan under the "Temporary Disability Benefits Law,"  
15 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
16 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
17 provision of that law; provided that the contributions shall be at the  
18 rate of 0.50% of wages paid with respect to employment with the  
19 State of New Jersey or any other governmental entity or  
20 instrumentality electing or required to make payments in lieu of  
21 contributions and which is covered by the State plan under the  
22 "Temporary Disability Benefits Law," except that, while the worker is  
23 exempt from the provisions of the "Temporary Disability Benefits  
24 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
25 other provision of that law, or is covered for disability benefits by an  
26 approved private plan of the employer, no contributions shall be made  
27 to the fund.

28 Each worker shall, starting on January 1, 1996 and ending  
29 March 31, 1996, contribute to the unemployment compensation fund  
30 0.60% of wages paid with respect to the worker's employment with a  
31 governmental employer electing or required to pay contributions or  
32 nongovernmental employer, including a nonprofit organization which  
33 is an employer as defined under paragraph (6) of subsection (h) of  
34 R.S.43:21-19, regardless of whether that nonprofit organization elects  
35 or is required to finance its benefit costs with contributions to the fund  
36 or by payments in lieu of contributions, after that employer has  
37 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
38 with respect to becoming an employer, provided that the contributions  
39 shall be at the rate of 0.10% of wages paid with respect to  
40 employment with the State of New Jersey or any other governmental  
41 entity or instrumentality electing or required to make payments in lieu  
42 of contributions.

43 Each worker shall, starting on January 1, 1998 and ending  
44 December 31, 1998, contribute to the unemployment compensation  
45 fund 0.10% of wages paid with respect to the worker's employment  
46 with a governmental employer electing or required to pay

1 contributions or nongovernmental employer, including a nonprofit  
2 organization which is an employer as defined under paragraph (6) of  
3 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
4 organization elects or is required to finance its benefit costs with  
5 contributions to the fund or by payments in lieu of contributions, after  
6 that employer has satisfied the conditions set forth in subsection (h) of  
7 R.S.43:21-19 with respect to becoming an employer, provided that the  
8 contributions shall be at the rate of 0.10% of wages paid with respect  
9 to employment with the State of New Jersey or any other  
10 governmental entity or instrumentality electing or required to make  
11 payments in lieu of contributions.

12 Each worker shall, starting on January 1, 1999 until December 31,  
13 1999, contribute to the unemployment compensation fund 0.15% of  
14 wages paid with respect to the worker's employment with a  
15 governmental employer electing or required to pay contributions or  
16 nongovernmental employer, including a nonprofit organization which  
17 is an employer as defined under paragraph (6) of subsection (h) of  
18 R.S.43:21-19, regardless of whether that nonprofit organization elects  
19 or is required to finance its benefit costs with contributions to the fund  
20 or by payments in lieu of contributions, after that employer has  
21 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
22 with respect to becoming an employer, provided that the contributions  
23 shall be at the rate of 0.10% of wages paid with respect to  
24 employment with the State of New Jersey or any other governmental  
25 entity or instrumentality electing or required to make payments in lieu  
26 of contributions.

27 Each worker shall, starting on January 1, 2000 until December 31,  
28 [2002] 2001, contribute to the unemployment compensation fund  
29 0.20% of wages paid with respect to the worker's employment with a  
30 governmental employer electing or required to pay contributions or  
31 nongovernmental employer, including a nonprofit organization which  
32 is an employer as defined under paragraph (6) of subsection (h) of  
33 R.S.43:21-19, regardless of whether that nonprofit organization elects  
34 or is required to finance its benefit costs with contributions to the fund  
35 or by payments in lieu of contributions, after that employer has  
36 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
37 with respect to becoming an employer, provided that the contributions  
38 shall be at the rate of 0.10% of wages paid with respect to  
39 employment with the State of New Jersey or any other governmental  
40 entity or instrumentality electing or required to make payments in lieu  
41 of contributions.

42 Each worker shall, starting on January 1, 2002 until December 31,  
43 2002, contribute to the unemployment compensation fund 0.1825% of  
44 wages paid with respect to the worker's employment with a  
45 governmental employer electing or required to pay contributions or a  
46 nongovernmental employer, including a nonprofit organization which

1 is an employer as defined under paragraph (6) of subsection (h) of  
2 R.S.43:21-19, regardless of whether that nonprofit organization elects  
3 or is required to finance its benefit costs with contributions to the fund  
4 or by payments in lieu of contributions, after that employer has  
5 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
6 with respect to becoming an employer, provided that the contributions  
7 shall be at the rate of 0.0825% of wages paid with respect to  
8 employment with the State of New Jersey or any other governmental  
9 entity or instrumentality electing or required to make payments in lieu  
10 of contributions.

11 Each worker shall, starting on and after January 1, 2003,  
12 contribute to the unemployment compensation fund [~~0.40%~~] 0.3825%  
13 of wages paid with respect to the worker's employment with a  
14 governmental employer electing or required to pay contributions or  
15 nongovernmental employer, including a nonprofit organization which  
16 is an employer as defined under paragraph (6) of subsection (h) of  
17 R.S.43:21-19, regardless of whether that nonprofit organization elects  
18 or is required to finance its benefit costs with contributions to the fund  
19 or by payments in lieu of contributions, after that employer has  
20 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
21 with respect to becoming an employer, provided that the contributions  
22 shall be at the rate of [~~0.10%~~] 0.0825% of wages paid with respect to  
23 employment with the State of New Jersey or any other governmental  
24 entity or instrumentality electing or required to make payments in lieu  
25 of contributions.

26 (E) Each employer shall, notwithstanding any provision of law in  
27 this State to the contrary, withhold in trust the amount of his workers'  
28 contributions from their wages at the time such wages are paid, shall  
29 show such deduction on his payroll records, shall furnish such  
30 evidence thereof to his workers as the division or controller may  
31 prescribe, and shall transmit all such contributions, in addition to his  
32 own contributions, to the office of the controller in such manner and  
33 at such times as may be prescribed. If any employer fails to deduct the  
34 contributions of any of his workers at the time their wages are paid, or  
35 fails to make a deduction therefor at the time wages are paid for the  
36 next succeeding payroll period, he alone shall thereafter be liable for  
37 such contributions, and for the purpose of R.S.43:21-14, such  
38 contributions shall be treated as employer's contributions required  
39 from him.

40 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
41 context clearly requires otherwise, the term "contributions" shall  
42 include the contributions of workers pursuant to this section.

43 (G) Each worker shall, starting on July 1, 1994, contribute to the  
44 State disability benefits fund an amount equal to 0.50% of wages paid  
45 with respect to the worker's employment with a government employer  
46 electing or required to pay contributions to the State disability benefits

1 fund or nongovernmental employer, including a nonprofit organization  
2 which is an employer as defined under paragraph (6) of subsection (h)  
3 of R.S.43:21-19, unless the employer is covered by an approved  
4 private disability plan or is exempt from the provisions of the  
5 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
6 seq.) under section 7 of that law (C.43:21-31) or any other provision  
7 of that law.

8 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

9 (B) (Deleted by amendment, P.L.1984, c.24.)

10 (C) (Deleted by amendment, P.L.1994, c.112.)

11 (D) (Deleted by amendment, P.L.1994, c.112.)

12 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

13 (ii) (Deleted by amendment, P.L.1996, c.28.)

14 (iii) (Deleted by amendment, P.L.1994, c.112.)

15 (3) If an employee receives wages from more than one employer  
16 during any calendar year, and either the sum of his contributions  
17 deposited in and credited to the State disability benefits fund plus the  
18 amount of his contributions, if any, required towards the costs of  
19 benefits under one or more approved private plans under the  
20 provisions of section 9 of the "Temporary Disability Benefits Law"  
21 (C.43:21-33) and deducted from his wages, or the sum of such latter  
22 contributions, if the employee is covered during such calendar year  
23 only by two or more private plans, exceeds an amount equal to 1/2 of  
24 1% of the "wages" determined in accordance with the provisions of  
25 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
26 January 1, 1976, the employee shall be entitled to a refund of the  
27 excess if he makes a claim to the controller within two years after the  
28 end of the calendar year in which the wages are received with respect  
29 to which the refund is claimed and establishes his right to such refund.  
30 Such refund shall be made by the controller from the State disability  
31 benefits fund. No interest shall be allowed or paid with respect to any  
32 such refund. The controller shall, in accordance with prescribed  
33 regulations, determine the portion of the aggregate amount of such  
34 refunds made during any calendar year which is applicable to private  
35 plans for which deductions were made under section 9 of the  
36 "Temporary Disability Benefits Law," such determination to be based  
37 upon the ratio of the amount of such wages exempt from contributions  
38 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
39 subsection with respect to coverage under private plans, to the total  
40 wages so exempt plus the amount of such wages subject to  
41 contributions to the disability benefits fund, as provided in  
42 subparagraph (G) of paragraph (1) of this subsection. The controller  
43 shall, in accordance with prescribed regulations, prorate the amount  
44 so determined among the applicable private plans in the proportion  
45 that the wages covered by each plan bear to the total private plan  
46 wages involved in such refunds, and shall assess against and recover

1 from the employer, or the insurer if the insurer has indemnified the  
2 employer with respect thereto, the amount so prorated. The  
3 provisions of R.S.43:21-14 with respect to collection of employer  
4 contributions shall apply to such assessments. The amount so  
5 recovered by the controller shall be paid into the State disability  
6 benefits fund.

7 (4) If an individual does not receive any wages from the  
8 employing unit which for the purposes of this chapter (R.S.43:21-1 et  
9 seq.) is treated as his employer, or receives his wages from some other  
10 employing unit, such employer shall nevertheless be liable for such  
11 individual's contributions in the first instance; and after payment  
12 thereof such employer may deduct the amount of such contributions  
13 from any sums payable by him to such employing unit, or may recover  
14 the amount of such contributions from such employing unit, or, in the  
15 absence of such an employing unit, from such individual, in a civil  
16 action; provided proceedings therefor are instituted within three  
17 months after the date on which such contributions are payable. General  
18 rules shall be prescribed whereby such an employing unit may recover  
19 the amount of such contributions from such individuals in the same  
20 manner as if it were the employer.

21 (5) Every employer who has elected to become an employer  
22 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
23 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
24 provisions of R.S.43:21-8, shall post and maintain printed notices of  
25 such election on his premises, of such design, in such numbers, and at  
26 such places as the director may determine to be necessary to give  
27 notice thereof to persons in his service.

28 (6) Contributions by workers, payable to the controller as herein  
29 provided, shall be exempt from garnishment, attachment, execution, or  
30 any other remedy for the collection of debts.

31 (e) Contributions by employers to State disability benefits fund.

32 (1) Except as hereinafter provided, each employer shall, in  
33 addition to the contributions required by subsections (a), (b), and (c)  
34 of this section, contribute 1/2 of 1% of the wages paid by such  
35 employer to workers with respect to employment unless he is not a  
36 covered employer as defined in section 3 of the "Temporary Disability  
37 Benefits Law" (C.43:21-27 (a)), except that the rate for the State of  
38 New Jersey shall be 1/10 of 1% for the calendar year 1980 and for the  
39 first six months of 1981. Prior to July 1, 1981 and prior to July 1 each  
40 year thereafter, the controller shall review the experience accumulated  
41 in the account of the State of New Jersey and establish a rate for the  
42 next following fiscal year which, in combination with worker  
43 contributions, will produce sufficient revenue to keep the account in  
44 balance; except that the rate so established shall not be less than 1/10  
45 of 1%. Such contributions shall become due and be paid by the  
46 employer to the controller for the State disability benefits fund as

1 established by law, in accordance with such regulations as may be  
2 prescribed, and shall not be deducted, in whole or in part, from the  
3 remuneration of individuals in his employ. In the payment of any  
4 contributions, a fractional part of a cent shall be disregarded unless it  
5 amounts to \$0.005 or more, in which case it shall be increased to  
6 \$0.01.

7 (2) During the continuance of coverage of a worker by an  
8 approved private plan of disability benefits under the "Temporary  
9 Disability Benefits Law," the employer shall be exempt from the  
10 contributions required by subparagraph (1) above with respect to  
11 wages paid to such worker.

12 (3) (A) The rates of contribution as specified in subparagraph (1)  
13 above shall be subject to modification as provided herein with respect  
14 to employer contributions due on and after July 1, 1951.

15 (B) A separate disability benefits account shall be maintained for  
16 each employer required to contribute to the State disability benefits  
17 fund and such account shall be credited with contributions deposited  
18 in and credited to such fund with respect to employment occurring on  
19 and after January 1, 1949. Each employer's account shall be credited  
20 with all contributions paid on or before January 31 of any calendar  
21 year on his own behalf and on behalf of individuals in his service with  
22 respect to employment occurring in preceding calendar years;  
23 provided, however, that if January 31 of any calendar year falls on a  
24 Saturday or Sunday an employer's account shall be credited as of  
25 January 31 of such calendar year with all the contributions which he  
26 has paid on or before the next succeeding day which is not a Saturday  
27 or Sunday. But nothing in this act shall be construed to grant any  
28 employer or individuals in his service prior claims or rights to the  
29 amounts paid by him to the fund either on his own behalf or on behalf  
30 of such individuals. Benefits paid to any covered individual in  
31 accordance with Article III of the "Temporary Disability Benefits  
32 Law" on or before December 31 of any calendar year with respect to  
33 disability in such calendar year and in preceding calendar years shall be  
34 charged against the account of the employer by whom such individual  
35 was employed at the commencement of such disability or by whom he  
36 was last employed, if out of employment.

37 (C) The controller may prescribe regulations for the establishment,  
38 maintenance, and dissolution of joint accounts by two or more  
39 employers, and shall, in accordance with such regulations and upon  
40 application by two or more employers to establish such an account, or  
41 to merge their several individual accounts in a joint account, maintain  
42 such joint account as if it constituted a single employer's account.

43 (D) Prior to July 1 of each calendar year, the controller shall make  
44 a preliminary determination of the rate of contribution for the  
45 12 months commencing on such July 1 for each employer subject to  
46 the contribution requirements of this subsection (e).

1 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
2 preceding January 31 of such year such employer shall have been a  
3 covered employer who has paid contributions to the State disability  
4 benefits fund with respect to employment in the three calendar years  
5 immediately preceding such year.

6 (2) If the minimum requirements in (1) above have been fulfilled  
7 and the credited contributions exceed the benefits charged by more  
8 than \$500.00, such preliminary rate shall be as follows:

9 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is less  
10 than 1 1/4% of his average annual payroll (as defined in this chapter  
11 (R.S.43:21-1 et seq.));

12 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds  
13 1 1/4% but is less than 1 1/2% of his average annual payroll;

14 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1  
15 1/2% of his average annual payroll.

16 (3) If the minimum requirements in (1) above have been fulfilled  
17 and the contributions credited exceed the benefits charged but by not  
18 more than \$500.00 plus 1% of his average annual payroll, or if the  
19 benefits charged exceed the contributions credited but by not more  
20 than \$500.00, the preliminary rate shall be 1/4 of 1%.

21 (4) If the minimum requirements in (1) above have been fulfilled  
22 and the benefits charged exceed the contributions credited by more  
23 than \$500.00, such preliminary rate shall be as follows:

24 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of  
25 1% of his average annual payroll;

26 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds  
27 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

28 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds  
29 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

30 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds  
31 3/4 of 1% but is less than 1% of his average annual payroll;

32 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds  
33 1% of his average annual payroll.

34 (5) Determination of the preliminary rate as specified in (2), (3)  
35 and (4) above shall be subject, however, to the condition that it shall  
36 in no event be decreased by more than 1/10 of 1% of wages or  
37 increased by more than 2/10 of 1% of wages from the preliminary rate  
38 determined for the preceding year in accordance with (1), (2), (3) or  
39 (4), whichever shall have been applicable.

40 (E) (1) Prior to July 1 of each calendar year the controller shall  
41 determine the amount of the State disability benefits fund as of  
42 December 31 of the preceding calendar year, increased by the  
43 contributions paid thereto during January of the current calendar year  
44 with respect to employment occurring in the preceding calendar year.  
45 If such amount exceeds the net amount withdrawn from the  
46 unemployment trust fund pursuant to section 23 of the "Temporary



1 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
2 amount at the end of such preceding calendar year of the  
3 unemployment disability account (as defined in section 22 of said law  
4 (C.43:21-46)), such excess shall be expressed as a percentage of the  
5 wages on which contributions were paid to the State disability benefits  
6 fund on or before January 31 with respect to employment in the  
7 preceding calendar year.

8 (2) The controller shall then make a final determination of the  
9 rates of contribution for the 12 months commencing July 1 of such  
10 year for employers whose preliminary rates are determined as provided  
11 in (D) hereof, as follows:

12 (i) If the percentage determined in accordance with paragraph  
13 (E)(1) of this subsection equals or exceeds  $1\frac{1}{4}\%$ , the final employer  
14 rates shall be the preliminary rates determined as provided in (D)  
15 hereof, except that if the employer's preliminary rate is determined as  
16 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
17 the preliminary employer rate decreased by such percentage of excess  
18 taken to the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate  
19 be less than  $\frac{1}{10}$  of 1%.

20 (ii) If the percentage determined in accordance with paragraph  
21 (E)(1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1% and is less than  
22  $1\frac{1}{4}$  of 1%, the final employer rates shall be the preliminary employer  
23 rates.

24 (iii) If the percentage determined in accordance with paragraph  
25 (E)(1) of this subsection is less than  $\frac{3}{4}$  of 1%, but in excess of  $\frac{1}{4}$  of  
26 1%, the final employer rates shall be the preliminary employer rates  
27 determined as provided in (D) hereof increased by the difference  
28 between  $\frac{3}{4}$  of 1% and such percentage taken to the nearest  $\frac{5}{100}$  of  
29 1%; provided, however, that no such final rate shall be more than  $\frac{1}{4}$   
30 of 1% in the case of an employer whose preliminary rate is determined  
31 as provided in (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
32 employer whose preliminary rate is determined as provided in (D)(1)  
33 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
34 whose preliminary rate is determined as provided in (D)(4) hereof.

35 (iv) If the amount of the State disability benefits fund determined  
36 as provided in paragraph (E)(1) of this subsection is equal to or less  
37 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
38 employer whose preliminary rate is determined as provided in (D)(2)  
39 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
40 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
41 case of an employer whose preliminary rate is determined as provided  
42 in (D)(4) hereof. Notwithstanding any other provision of law or any  
43 determination made by the controller with respect to any 12-month  
44 period commencing on July 1, 1970, the final rates for all employers  
45 for the period beginning January 1, 1971, shall be as set forth herein.  
46 (cf: P.L.1997, c.263, s.12)

1       14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read  
2 as follows:

3       3. Counseling shall be made available by the Department of Labor  
4 to each individual who meets the requirements indicated in subsections  
5 a. and b. of section 4 of this act. The department may provide the  
6 counseling or obtain the counseling from a service provider, if the  
7 service provider is different from and not affiliated with any service  
8 provider offering any employment and training services to the worker  
9 other than the counseling. The purpose of the counseling is to assist  
10 the individual in obtaining the employment and training services most  
11 likely to provide the worker with the greatest opportunity for  
12 long-range career advancement with high levels of productivity and  
13 earning power. The counseling shall include:

14       a. Testing and assessment of the individual's job skills and  
15 aptitudes, including the individual's literacy skills and other basic skills.  
16 Basic skills testing and assessment shall be provided to the individual  
17 unless information is provided regarding the individual's educational  
18 background and occupational or professional experience which clearly  
19 demonstrates that the individual's basic skill level meets the standards  
20 indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the  
21 individual is already participating in a remedial education program  
22 which meets those standards;

23       b. An evaluation by a qualified job counselor of:

24       (1) Whether the individual is eligible for the additional benefits  
25 indicated in section 5 of this act; and

26       (2) What remedial education, if any, is determined to be necessary  
27 for the individual to advance in his current occupation or succeed in  
28 any particular vocational training which the individual would  
29 undertake in connection with additional benefits indicated in section  
30 4 of this act, provided that the remedial education shall be at a level  
31 not lower than that needed to meet the standards indicated in section  
32 14 of P.L.1989, c.293 (C.34:15C-11);

33       c. The provision of information to the individual regarding any of  
34 the labor demand occupations for which training meets the  
35 requirements of subsection e. of section 4 of this act in the claimant's  
36 case, including **[the]** information about the wage levels in those  
37 occupations **[which is available to the Department of Labor and any**  
38 **information available to the department regarding]**, the effectiveness  
39 of any particular provider of training for any of those occupations  
40 which the claimant is considering using, and the long-term success of  
41 former trainees of the provider in obtaining permanent employment  
42 and increasing earnings;

43       d. The provision of information to the individual regarding the  
44 services and benefits available to the individual under the provisions  
45 of this act and employment and training programs provided or funded  
46 pursuant to **[P.L.1983, c.328 (C.34:15B-11 et seq.),]** the "1992 New

1 Jersey Employment and Workforce Development Act," P.L.1992, c.43  
2 (C.34:15D-1 et al.) and the ["Job Training Partnership Act," Pub.L.  
3 97-300 (29 U.S.C.s.1501 et seq.)] Workforce Investment Act of  
4 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.). and regarding the  
5 tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1  
6 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

7 e. Discussion with the counselor of the results of the testing and  
8 evaluation and, based on those results, the development of a written  
9 Employability Development Plan, consistent with the requirements of  
10 subsections e., f. and g. of section 4 of this act, for the individual  
11 describing any remedial education and the vocational training that the  
12 individual will undertake in connection with benefits provided pursuant  
13 to the provisions of this act.

14 All information regarding an individual applicant or trainee which  
15 is obtained or compiled in connection with the testing, assessment and  
16 evaluation and which may be identified with the individual shall be  
17 confidential and shall be released to an entity other than the individual,  
18 the counselor or the department only if: the individual provides written  
19 permission to the department for the release of the information; or the  
20 information is used solely for program evaluation.

21 (cf: P.L.1992, c.47, s.3)

22

23 15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read  
24 as follows:

25 4. Except as provided in section 8 of this act, the additional  
26 benefits indicated in section 5 of this act shall be provided to any  
27 individual who:

28 a. Has received a notice of a permanent termination of  
29 employment by the individual's employer or has been laid off and is  
30 unlikely to return to his previous employment because work  
31 opportunities in the individual's job classification are impaired by a  
32 substantial reduction of employment at the worksite;

33 b. Is, at the time of the layoff or termination, eligible, pursuant to  
34 the "unemployment compensation law," R.S.43:21-1 et seq., for [not  
35 less than 26 weeks of] unemployment benefits;

36 c. Enters into the counseling made available pursuant to section  
37 3 of this act as soon as possible following notification by the  
38 Department of Labor of its availability;

39 d. (1) Notifies the department of the individual's intention to enter  
40 into the education and training identified in the Employability  
41 Development Plan developed pursuant to section 3 of this act, not  
42 later than 60 days after the date of the individual's termination or  
43 layoff [or], not later than 30 days after the department provides notice  
44 to the individual pursuant to section 6 of this act or not later than 30  
45 days after the Employability Development Plan is developed,  
46 whichever occurs [later] last;

1 (2) Enters into the education and training identified in the  
2 Employability Development Plan as soon as possible after giving the  
3 notice required by paragraph (1) of this subsection d.; and

4 (3) Maintains satisfactory progress in the education and training;

5 e. Enrolls in vocational training which:

6 (1) Is training for a labor demand occupation;

7 (2) Is likely to facilitate a substantial enhancement of the  
8 individual's marketable skills and earning power;

9 (3) Is provided by a service provider approved by the  
10 Commissioner of Labor, which approval shall be made, if the "1992  
11 New Jersey Employment and Workforce Development Act," P.L.1992,  
12 c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of  
13 section 8 of that act; and

14 (4) Does not include on the job training or other training under  
15 which the individual is paid by an employer for work performed by the  
16 individual during the time that the individual receives additional  
17 benefits pursuant to the provisions of section 5 of this act;

18 f. Enrolls in vocational training, remedial education or a  
19 combination of both on a full-time basis; and

20 g. Reasonably can be expected to successfully complete the  
21 vocational training and any needed remedial education, either during  
22 or after the period of additional benefits.

23 If the requirements of this section are met, the division shall not  
24 deny an individual unemployment benefits pursuant to the  
25 "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970,  
26 c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in  
27 section 5 of this act for any of the following reasons: the training  
28 includes remedial education needed by the individual to succeed in the  
29 vocational component of the training; the individual has identifiable  
30 vocational skills but the training services are needed to enable the  
31 individual to develop skills necessary to attain at least the level of self-  
32 sufficiency; the training is part of a program under which the individual  
33 may obtain any college degree enhancing the individual's marketable  
34 skills and earning power; the individual has previously received a  
35 training grant; the length of the training period under the program; or  
36 the lack of a prior guarantee of employment upon completion of the  
37 training. If the requirements of this section are met, the division shall  
38 regard a training program as approved for the purposes of paragraph  
39 (4) of subsection (c) of R.S.43:21-4.

40 (cf: P.L.1992, c.47, s.4)

41

42 16. This act shall take effect immediately.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 1783**  
**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

DATED: JULY 19, 2001

**SUMMARY**

**Synopsis:** Concerns basic skills training.  
**Type of Impact:** No fiscal impact.  
**Agencies Affected:** Department of Labor, Office of Customized Training.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
No Fiscal Impact--See Comments Below			

- ! Establishes a Supplemental Workforce Administrative Fund for Basic Skills.
- ! Redirects a portion of the employer and employee contributions (a total of 0.035 percent of the taxable wage base) from the unemployment compensation fund to the Supplemental Workforce Administrative Fund for Basic Skills.
- ! Does not increase the total amount of payroll taxes paid to unemployment compensation fund and the Workforce Development Partnership Fund combined, but only changes the shares going to each.

**BILL DESCRIPTION**

Senate Bill No. 1783 of 2001 amends the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.), to increase funding for basic skills training, which consists of basic math, reading comprehension, basic computer literacy, English proficiency and work readiness skills. The bill establishes a Supplemental Workforce Administrative Fund for Basic Skills within the Workforce Development Partnership Fund by redirecting a portion of the employer and employee contributions equal to a total of 0.035 per cent of the taxable wage base (\$22,100 per worker in 2001) from the unemployment compensation fund to the Supplemental Workforce Administrative Fund for Basic Skills.

## FISCAL ANALYSIS

### *OFFICE OF LEGISLATIVE SERVICES*

The Office of Legislative Services (OLS) indicates that the bill has no fiscal impact on the State. The bill does not increase the total amount of payroll taxes paid to the unemployment compensation fund and the Workforce Development Partnership Fund combined, but only changes the shares going to each fund.

OLS used information from the 1999 Annual State Review to estimate the taxable base wages for calendar years 2000 through 2004. The estimated increments are based on the average growth rate of total unemployment insurance tax base from 1994 to 1999. The taxable base wages are as follows:

#### Taxable Base Wages In Thousands

CY 1999 Actual	CY 2000 Estimate	CY 2001 Estimate	CY 2002 Estimate	CY 2003 Estimate	CY 2004 Estimate
\$56,814,000	\$60,022,000	\$63,411,000	\$66,992,000	\$70,775,000	\$74,772,000

Under the bill, a portion of the employer and employee contributions equal to a total of 0.035 per cent of the taxable wage base (\$22,100 per worker in 2001) is redirected to the Supplemental Workforce Administrative Fund for Basic Skills from the unemployment compensation fund. The amounts to be redirected under the bill are detailed in the chart below:

#### Aggregate Total Contributions to the Supplemental Workforce Administrative Fund for Basic Skills in Thousands

Calendar Year	Taxable Base Wages	Contribution to Basic Skills Training
2002	\$66,920,000	\$23,422
2003	\$70,775,000	\$24,771
2004	\$74,772,000	\$26,170

OLS notes that it is not likely that a redirection of unemployment payroll taxes in the amount provided by the bill will have a significant effect on the unemployment insurance fund. As stated in the bill, employers begin contributing as of July 1, 2001; whereas, employees begin contributing as of January 1, 2002. Therefore, OLS anticipates an additional contribution of \$9 to \$10 million by the employers in second half of CY 2001. The total reduction in unemployment insurance contributions, because of the provisions of the bill, will be \$23.4 million during CY 2002, which represents approximately .60 percent of the current balance of the unemployment compensation fund (approximately \$3.9 billion).

Section: *Commerce, Labor and Industry*

Analyst: *Kristen Ann Calderon*  
*Assistant Fiscal Analyst*

Approved: *Alan R. Kooney*  
*Legislative Budget and Finance Officer*

S1783

3

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

# ASSEMBLY, No. 3774

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED JUNE 28, 2001

**Sponsored by:**

**Assemblyman GEORGE F. GEIST**

**District 4 (Camden and Gloucester)**

**Assemblywoman ARLINE M. FRISCIA**

**District 19 (Middlesex)**

**Co-Sponsored by:**

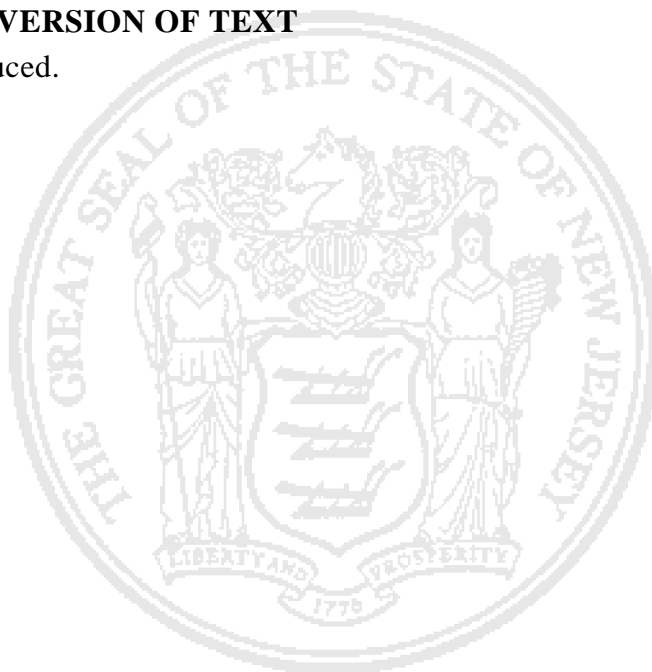
**Assemblymen Thompson, Felice, Assemblywoman Gill, Assemblyman  
Gusciora and Assemblywoman Watson Coleman**

**SYNOPSIS**

Revises law concerning employment and training services.

**CURRENT VERSION OF TEXT**

As introduced.





1 AN ACT concerning basic skills training, reemployment services and  
2 training programs and revising various parts of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. (New section) a. A restricted, nonlapsing, revolving  
8 "Supplemental Workforce Fund for Basic Skills," to be managed and  
9 invested by the State Treasurer, is hereby established in the  
10 Department of Labor to provide basic skills training. All moneys  
11 appropriated to the fund, all interest accumulated on balances in the  
12 fund and all cash received for the fund from any other source shall be  
13 allocated by the Commissioner of Labor as follows:

14 (1) 24% shall be deposited in an account reserved to support basic  
15 skills training delivered by the State's One-Stop Career Centers to  
16 qualified displaced, disadvantaged and employed workers pursuant to  
17 Employability Development Plans developed pursuant to section 7 of  
18 P.L.1992, c.43 (C.34:15D-7);

19 (2) 28% shall be deposited in an account reserved for Workforce  
20 Investment Boards to provide grants for basic skills training for  
21 qualified displaced, disadvantaged and employed workers pursuant to  
22 Employability Development Plans developed pursuant to section 7 of  
23 P.L.1992, c.43 (C.34:15D-7) and for other individuals with learning  
24 disabilities or otherwise in need of vocational rehabilitation services;

25 (3) 38% shall be deposited in an account reserved for grants to  
26 consortia including one or more of any of the following: eligible  
27 individual employers, employer organizations, labor organizations,  
28 community-based organizations or educational institutions to provide  
29 basic skills training to qualified displaced, disadvantaged or employed  
30 workers or to other individuals seeking to enter apprenticeship  
31 training; and

32 (4) 10% shall be deposited in an account to be used, at the  
33 discretion of the commissioner, for any of the purposes indicated in  
34 this subsection a. and any administrative costs incurred by the  
35 Department of Labor in connection with the fund.

36 b. Any grant provided in connection with paragraph (3) of  
37 subsection a. of this section directly to an employer or to an employer  
38 through a consortium shall be regarded as a customized training grant  
39 and shall be administered by the Office of Customized Training and the  
40 employer and consortium shall comply with all requirements of section  
41 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided  
42 directly or indirectly to an employer for use in connection with any  
43 program which includes apprenticeship training or activities or

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 preparation for entry into apprenticeship training shall be exempt from  
2 the requirement of this subsection b. to be administered by the Office  
3 of Customized Training and be subject to the requirements of section  
4 5 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the  
5 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
6 c.268 (C.34:15E-3), and the employer complies with the provisions of  
7 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant  
8 provided in connection with paragraph (b) of subsection a. of this  
9 section directly to an individual shall be regarded as an individual  
10 training grant and shall be subject to the requirements of subsections  
11 a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

12 c. Any employment and training services funded by the  
13 Supplemental Workforce Fund for Basic Skills shall be provided in a  
14 manner which complies with the provisions of subsections b., c., f., g.,  
15 h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent  
16 that those subsections pertain to remedial education. Any service  
17 provider receiving moneys from the Supplemental Workforce Fund for  
18 Basic Skills shall be subject to the provisions of section 8 of P.L.1992,  
19 c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

20 d. All staff located at any One Stop Career Center supported by  
21 funds provided from the Supplemental Workforce Fund for Basic  
22 Skills shall be hired and employed by the State pursuant to Title 11A,  
23 Civil Service, of the New Jersey Statutes.

24 e. Beginning July 1, 2002, and for any subsequent fiscal year, if the  
25 unexpended cash balance in any of the accounts indicated in subsection  
26 a. of this section, less any amount awarded in grants but not yet  
27 disbursed from the account, is determined to exceed 20% of the  
28 amount of contributions collected for deposit in the account pursuant  
29 to this subsection during the fiscal year then ended, the excess shall be  
30 regarded as an unemployment compensation contribution and  
31 deposited into the unemployment compensation fund within seven  
32 business days of the date that the determination is made.

33 f. The Commissioner of Labor shall establish standards of  
34 performance for providers of basic skills training pursuant to this act.  
35 The standards shall include, but not be limited to, standards for the  
36 curriculum or training to be furnished, qualifications for persons who  
37 will provide the training under the act, and standards for establishing  
38 what constitutes successful completion of the training program. The  
39 commissioner shall establish means of determining the ability of  
40 enrollees to gain or maintain employment following the successful  
41 completion of a training program established pursuant to this section.  
42 In the event that the commissioner determines that a provider has not  
43 conducted its training program in accordance with the standards of  
44 performance, he may take that action necessary to correct the  
45 deficiencies of the provider, or terminate the contract with the  
46 provider of basic skills services if the provider fails to respond to

1 remedial action.

2 g. The State Employment and Training Commission shall review  
3 and evaluate the operations of programs supported by the  
4 Supplemental Workforce Fund for Basic Skills established pursuant to  
5 this section, with special consideration to how those programs assist  
6 in the implementation of the goals of the Strategic Five-Year State Plan  
7 for New Jersey's Workforce Investment System, and shall consult with  
8 the Commissioner of Labor regarding its findings.

9 h. For the purpose of this section:

10 "Basic skills training" means basic mathematics, reading  
11 comprehension, basic computer literacy, English proficiency and work-  
12 readiness skills and shall be regarded as a form of "remedial education"  
13 for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

14 "One Stop Career Center" means one of the centers established in  
15 local areas to coordinate a variety of State and local programs  
16 providing employment and training services, including job placement  
17 services, or any other similar State or local government-sponsored  
18 center providing employment and training services as may be  
19 developed at any later time; and

20 "Qualified disadvantaged worker," "qualified displaced worker,"  
21 "qualified employed worker," and "employment and training services"  
22 have the meanings given to them by section 3 of P.L.1992, c.43  
23 (C.34:15D-3).

24

25 2. (New section) Beginning on January 1, 2002, each worker shall  
26 contribute to the Supplemental Workforce Fund for Basic Skills an  
27 amount equal to 0.0175% of the worker's wages as determined in  
28 accordance with paragraph (3) of subsection (b) of R.S.43:21-7  
29 regarding the worker's employment with an employer.

30 Beginning on July 1, 2001, each employer shall contribute to the  
31 Supplemental Workforce Fund for Basic Skills an amount equal to the  
32 amount that the employer's contribution is decreased pursuant to  
33 subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

34

35 3. (New section) If an employee receives wages from more than  
36 one employer during any calendar year, and the sum of the employee's  
37 contributions deposited in the Supplemental Workforce Fund for Basic  
38 Skills exceeds an amount equal to 0.0175% of the wages determined  
39 in accordance with the provisions of paragraph (3) of subsection (b)  
40 of R.S.43:21-7 during the calendar year beginning January 1, 2002 or  
41 any subsequent calendar year, the employee shall be entitled to a  
42 refund of the excess if a claim establishing the employee's right to the  
43 refund is made within two years after the end of the respective  
44 calendar year in which the wages are received and are the subject of  
45 the claim. The commissioner shall refund any overpayment from the  
46 fund without interest.

1 Any employee who is a taxpayer and entitled, pursuant to the  
2 provisions of this section, to a refund of contributions deducted during  
3 a tax year from his wages shall, in lieu of the refund, be entitled to a  
4 credit in the full amount thereof against the tax otherwise due on his  
5 New Jersey gross income for that tax year if he submits his claim for  
6 the credit and accompanies that claim with evidence of his right to the  
7 credit in the manner provided by regulation by the Director of the  
8 Division of Taxation. In any case in which the amount, or any portion  
9 thereof, of any credit allowed hereunder results in or increases an  
10 excess of income tax payment over income tax liability, the amount of  
11 the new or increased excess shall be considered an overpayment and  
12 shall be refunded to the taxpayer in the manner provided by subsection  
13 (a) of N.J.S.54A:9-7.

14

15 4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read  
16 as follows:

17 1. As used in this act:

18 "Approved service provider" means a service provider approved  
19 pursuant to section 6 of this act.

20 "Apprenticeship Policy Committee" means the New Jersey  
21 Apprenticeship Policy Committee established by an agreement between  
22 the Bureau of Apprenticeship and Training in the United States  
23 Department of Labor, the State Department of Labor and the State  
24 Department of Education and consisting of a representative of the  
25 Commissioner of the State Department of Education, a representative  
26 of the Commissioner of the State Department of Labor, the Director  
27 of Region II of the Bureau of Apprenticeship and Training in the  
28 United States Department of Labor, and a representative of the New  
29 Jersey State AFL-CIO.

30 "Commissioner" means the Commissioner of Labor.

31 "Department" means the Department of Labor.

32 "Employment and training services" means:

- 33 a. Counseling provided pursuant to section 4 of this act;  
34 b. Vocational training; or  
35 c. Remedial education.

36 "Federal job training funds" means any moneys expended to obtain  
37 employment and training services, pursuant to the ["Job Training  
38 Partnership Act," Pub.L.97-300 (29 U.S.C. s.1501 et seq),]  
39 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s.2801  
40 et seq.), except that, to the extent that the application of any specific  
41 provision of this act would cause the amount of federal job training  
42 funds provided to the State to be reduced, that provision shall not  
43 apply.

44 "Labor demand occupation" means an occupation for which there  
45 is or is likely to be an excess of demand over supply for adequately  
46 trained workers, including, but not limited to, an occupation

1 designated as a labor demand occupation by the New Jersey  
2 Occupational Information Coordinating Committee pursuant to section  
3 7 of this act.

4 "Office of Customized Training" means the Office of Customized  
5 Training established pursuant to section 5 of P.L.1992, c.43  
6 (C.34:15D-5).

7 "Permanent employment" means full-time employment unsubsidized  
8 by government training funds which provides a significant opportunity  
9 for career advancement and long-term job security and is in the  
10 occupation for which a worker receives vocational training pursuant  
11 to this act.

12 "Qualified job counselor" means a job counselor whose  
13 qualifications meet standards established by the commissioner.

14 "Remedial education" means any literacy or other basic skills  
15 training or education which may not be directly related to a particular  
16 occupation but is needed to facilitate success in vocational training or  
17 work performance, including training or education in basic  
18 mathematics, reading comprehension, basic computer literacy, English  
19 proficiency and work-readiness skills.

20 "Service provider" or "provider" means a provider of employment  
21 and training services including but not limited to a private or public  
22 school or institution of higher education, a business, a labor  
23 organization or a community-based organization.

24 "Vocational training" means training or education which is related  
25 to an occupation and is designed to enhance the marketable skills and  
26 earning power of a worker or job seeker.

27 (cf: P.L.1992, c.48, s.1)

28

29 5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read  
30 as follows:

31 2. a. All vocational training funded with federal job training funds  
32 shall be training which is likely to substantially enhance the trainee's  
33 marketable skills and earning power and is for a labor demand  
34 occupation.

35 b. Federal job training funds shall not be used for job training or any  
36 related activities which induce, encourage or assist: any displacement  
37 or partial displacement of currently employed workers by trainees by  
38 means such as reduced hours of currently employed workers; any  
39 replacement of laid off workers by trainees; or any relocation of  
40 operations resulting in a loss of employment at a previous workplace,  
41 except in cases of multi-establishment employers consolidating  
42 establishments. No federal job training funds shall be used for job  
43 training in any case in which an employer relocates within the State  
44 and does not offer each affected employee the equivalent benefits, pay  
45 and working conditions if the employee moves to the new location and  
46 into a job or position involving comparable skills, responsibilities,

1 experience and seniority to the prior job or position.

2 c. Federal job training funds shall not be used for job training or any  
3 related activities which impair existing contracts for services or  
4 collective bargaining agreements, except that job training or any  
5 related activities which are inconsistent with the terms of a collective  
6 bargaining agreement may be undertaken with the written concurrence  
7 of the collective bargaining unit and employer who are parties to the  
8 agreement.

9 d. Any federal job training funds which are provided directly to an  
10 employer or indirectly to an employer through a consortium shall be  
11 regarded as customized training grants and be administered by the  
12 Office of Customized Training and the employer and any consortium  
13 shall comply with all requirements of section 5 of P.L.1992, c.43  
14 (C.34:15D-5), except that federal job training funds provided directly  
15 or indirectly to an employer for use in connection with any program  
16 which includes apprenticeship training or activities shall be exempt  
17 from the requirement of this subsection d. to be administered by the  
18 Office of Customized Training and be subject to the requirements of  
19 section 5 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the  
20 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
21 c.268 (C.34:15E-3) and the employer complies with the provisions of  
22 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5).  
23 Employment and training services funded by federal job training funds  
24 shall not replace, supplant, compete with or duplicate any approved  
25 apprenticeship program.

26 (cf: P.L.1992, c.48, s.2)

27

28 6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read  
29 as follows:

30 3. a. On the job training shall not be paid for with federal job  
31 training funds for any employment found by the commissioner to be of  
32 a level of skill and complexity too low to merit training.

33 b. The duration of on the job training for any individual shall not  
34 exceed the duration indicated by the Specific Vocational Preparation  
35 code developed by the United States Department of Labor for the  
36 occupation for which the training is provided and shall in no case  
37 exceed 26 weeks. The department shall set the duration of on the job  
38 training for an individual for less than the indicated maximum, when  
39 training for the maximum duration is not warranted because of the  
40 level of the individual's previous training, education or work  
41 experience.

42 c. On the job training shall not be paid for with federal job training  
43 funds unless it is accompanied, concurrently or otherwise, by whatever  
44 amount of classroom-based vocational training, remedial education or  
45 both, is deemed appropriate for the worker by the commissioner.

46 d. Each employer receiving federal job training funds for on the

1 job training shall retain in permanent employment each trainee who  
2 successfully completes the training. The commissioner may, for a time  
3 period he deems appropriate, provide for the withholding of whatever  
4 portion he deems appropriate of the funding as a final payment for  
5 training, contingent upon the retention of a program completer as  
6 required pursuant to this section.

7 e. On the job training shall not be paid for with federal job training  
8 funds unless the trainee is provided benefits, pay and working  
9 conditions at a level and extent not less than the benefits and working  
10 conditions of other trainees or employees of the trainee's employer  
11 with comparable skills, responsibilities, experience and seniority.  
12 (cf: P.L.1992, c.48, s.3).

13

14 7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read  
15 as follows:

16 5. An otherwise qualified individual shall not be denied  
17 employment and training services included in the Employability  
18 Development Plan developed for the individual pursuant to section 4  
19 of this act for any of the following reasons: the employment and  
20 training services include remedial education needed by the individual  
21 to advance in the individual's current employment or occupation or to  
22 succeed in the vocational component of the training; the qualified  
23 displaced worker or other individual has identifiable vocational skills  
24 but the training services are needed to enable the individual to develop  
25 skills necessary to attain at least the level of self-sufficiency; the  
26 training is part of a program under which the individual may obtain a  
27 college degree enhancing the individual's marketable skills and earning  
28 power; the individual has previously received a training grant; the  
29 length of the training period under the program; or the lack of a prior  
30 guarantee of employment upon completion of the training, except for  
31 on the job training. This section shall not be construed as requiring  
32 that federal job training funds be used to pay for employment and  
33 training services for which other assistance, such as State or federal  
34 student financial aid, is provided.

35 (cf: P.L.1992, c.48, s.5)

36

37 8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read as  
38 follows:

39 3. As used in this act:

40 "Administrative costs" means any costs incurred by the department  
41 to administer the program, including any cost required to collect  
42 information and conduct evaluations of service providers pursuant to  
43 section 8 of this act and conduct surveys of occupations pursuant to  
44 section 12 of this act, to the extent that funding is not available from  
45 federal or other sources.

46 "Apprenticeship Policy Committee" means the New Jersey

1 Apprenticeship Policy Committee established by an agreement between  
2 the Bureau of Apprenticeship and Training in the United States  
3 Department of Labor, the State Department of Labor and the State  
4 Department of Education and consisting of a representative of the  
5 Commissioner of the State Department of Education, a representative  
6 of the Commissioner of the State Department of Labor, the Director  
7 of Region II of the Bureau of Apprenticeship and Training in the  
8 United States Department of Labor and a representative of the New  
9 Jersey State AFL-CIO.

10 "Approved service provider" means a service provider approved  
11 pursuant to section 8 of this act.

12 "Commission" means the State Employment and Training  
13 Commission.

14 "Commissioner" means the Commissioner of Labor or the  
15 commissioner's designees.

16 "Customized training services" means employment and training  
17 services which are provided by the Office of Customized Training  
18 pursuant to section 5 of this act.

19 "Department" means the State Department of Labor.

20 "Employer" or "business" means any employer subject to the  
21 provisions of R.S.43:21-1 et seq.

22 "Employment and training services" means:

- 23 a. Counseling provided pursuant to section 7 of this act;
- 24 b. Vocational training;
- 25 c. Remedial education; or
- 26 d. Occupational safety and health training.

27 "Fund" means the Workforce Development Partnership Fund  
28 established pursuant to section 9 of this act.

29 "Labor Demand Occupation" means an occupation for which there  
30 is or is likely to be an excess of demand over supply for adequately  
31 trained workers, including, but not limited to, an occupation  
32 designated as a labor demand occupation by the New Jersey  
33 Occupational Information Coordinating Committee pursuant to section  
34 12 of this act.

35 "Occupational safety and health training" means training or  
36 education which is designed to assist in the recognition and prevention  
37 of potential health and safety hazards related to an occupation [which  
38 is the subject of vocational training].

39 "Office" means the Office of Customized Training established  
40 pursuant to section 5 of this act.

41 "Permanent employment" means full-time employment unsubsidized  
42 by government training funds which provides a significant opportunity  
43 for career advancement and long-term job security and is in the  
44 occupation for which a worker receives vocational training pursuant  
45 to this act.

46 "Program" means the Workforce Development Partnership Program



1 created pursuant to this act.

2 "Qualified disadvantaged worker" means a worker who is not a  
3 qualified displaced worker or a qualified employed worker but who  
4 otherwise meets the following criteria:

5 a. Is unemployed;

6 b. Is working part-time and actively seeking full-time work or is  
7 working full-time but is earning wages substantially below the median  
8 salary for others in the labor force with similar qualifications and  
9 experience; or

10 c. Is certified by the Department of Human Services as:

11 (1) Currently receiving public assistance;

12 (2) Having been recently removed from the public assistance rolls  
13 because of gross income exceeding the grant standard for assistance;  
14 or

15 (3) Being eligible for public assistance but not receiving the  
16 assistance because of a failure to apply for it.

17 "Qualified displaced worker" means a worker who:

18 a. Is unemployed, and:

19 (1) Is currently receiving unemployment benefits pursuant to  
20 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
21 extension; or

22 (2) Has exhausted eligibility for the benefits or extended benefits  
23 during the preceding 52 weeks; or

24 b. Meets the criteria set by [Title III of the "Job Training  
25 Partnership Act," Pub.L. 97-300 (29 U.S.C. s.1651 et seq.)] the  
26 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s. 2801  
27 et seq.), to be regarded as [an "eligible dislocated worker"] a  
28 "dislocated worker" pursuant to that act.

29 "Qualified employed worker" means a worker who is employed by  
30 an employer participating in a customized training program, or other  
31 employed worker who is in need of remedial education.

32 "Qualified job counselor" means a job counselor whose  
33 qualifications meet standards established by the commissioner.

34 "Remedial education" means any literacy or other basic skills  
35 training or education which may not be directly related to a particular  
36 occupation but is needed to facilitate success in vocational training or  
37 work performance, including training or education in mathematics,  
38 reading comprehension, computer literacy, English proficiency and  
39 work-readiness skills.

40 "Service provider" or "provider" means a provider of employment  
41 and training services including but not limited to a private or public  
42 school or institution of higher education, a business, a labor  
43 organization or a community-based organization.

44 "Supplemental Workforce Fund for Basic Skills" means the fund  
45 established pursuant to section 1 of P.L.2001, c. (C. ) (now  
46 pending before the Legislature as this bill).

1 "Total revenues dedicated to the program during any one fiscal  
2 year" means all moneys received for the fund during any fiscal year,  
3 including moneys withdrawn from the State disability benefits fund  
4 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
5 repayment made during that fiscal year from the fund to the State  
6 disability benefits fund pursuant to that section.

7 "Training grant" means a grant provided to fund vocational training  
8 and any needed remedial education for a qualified displaced or  
9 disadvantaged worker pursuant to section 6 of this act, or to fund  
10 needed remedial education for a qualified employed worker pursuant  
11 section 1 of P.L.2001, c. (C. )(now pending before the  
12 Legislature as this bill).

13 "Vocational training" means training or education which is related  
14 to an occupation and is designed to enhance the marketable skills and  
15 earning power of a worker or job seeker.

16 (cf: P.L.1992, c.43, s.3)

17

18 9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read as  
19 follows:

20 4. a. The Workforce Development Partnership Program is hereby  
21 established in the Department of Labor and shall be administered by  
22 the Commissioner of Labor. The purpose of the program is to provide  
23 qualified displaced, disadvantaged and employed workers with the  
24 employment and training services most likely to provide the greatest  
25 opportunity for long-range career advancement with high levels of  
26 productivity and earning power. To implement that purpose, the  
27 program shall provide those services by means of training grants or  
28 customized training services, to the extent that funding for the services  
29 is not available from federal or other sources. The commissioner is  
30 authorized to expend moneys from the Workforce Development  
31 Partnership Fund to provide the training grants or customized training  
32 services and provide for each of the following:

33 (1) The cost of counseling required pursuant to section 7 of  
34 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
35 counseling is not available from federal or other sources;

36 (2) Reasonable administrative costs, which shall not [to] exceed  
37 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44  
38 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
39 2001, except for additional start-up administrative costs approved by  
40 the Director of the Office of Management and Budget during the first  
41 year of the program's operation;

42 (3) Reasonable costs, which shall not [exceeding] exceed 0.5% of  
43 the revenues collected pursuant to section 2 of P.L.1992, c.44  
44 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
45 2001, as required by the State Employment and Training Commission  
46 to design criteria and conduct an annual evaluation of the program;

1 and

2 (4) The cost of reimbursement to individuals for excess  
3 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

4 b. Not more than 10% of the moneys received by any service  
5 provider pursuant to this act shall be expended on anything other than  
6 direct costs to the provider of providing the employment and training  
7 services, which direct costs shall not include any administrative or  
8 overhead expense of the provider.

9 c. Training and employment services shall be provided to a worker  
10 who receives counseling pursuant to section 7 of P.L.1992, c.43  
11 (C.34:15D-7) only if the counselor who evaluates the worker pursuant  
12 to that section determines that the worker can reasonably be expected  
13 to successfully complete the training and education identified in the  
14 Employability Development Plan developed pursuant to that section  
15 for the worker.

16 d. All vocational training provided under this act:

17 (1) Shall be training which is likely to substantially enhance the  
18 individual's marketable skills and earning power; and

19 (2) Shall be training for a labor demand occupation, except for:

20 (a) Customized training provided to the present employees of a  
21 business which the commissioner deems to be in need of the training  
22 to prevent job loss caused by obsolete skills, technological change or  
23 national or global competition; or

24 (b) Customized training provided to employees at a facility which  
25 is being relocated from another state into New Jersey; or

26 (c) Entrepreneurial training and technical assistance supported by  
27 training grants provided pursuant to subsection b. of section 6 of  
28 P.L.1992, c.43 (C.34:15D-6).

29 e. ~~[Not] During any fiscal year ending before July 1, 2001, not less~~  
30 ~~than 25% of the total revenues dedicated to the program during any~~  
31 ~~one fiscal year shall be reserved to provide employment and training~~  
32 ~~services for qualified displaced workers[. Not]; not less than six~~  
33 ~~percent of the total revenues dedicated to the program during any one~~  
34 ~~fiscal year shall be reserved to provide employment and training~~  
35 ~~services for qualified disadvantaged workers[. Not]; not less than~~  
36 ~~45% of the total revenues dedicated to the program during any one~~  
37 ~~fiscal year shall be reserved for and appropriated to the Office of~~  
38 ~~Customized Training[. Not]; not less than 3% of the total revenues~~  
39 ~~dedicated to the program during any one fiscal year shall be reserved~~  
40 ~~for occupational safety and health training[. Beginning July 1, 1994,];~~  
41 ~~and 5% of the total revenues dedicated to the program during any one~~  
42 ~~fiscal year shall be reserved for and appropriated to the Youth~~  
43 ~~Transitions to Work Partnership created pursuant to P.L.1993, c.268~~  
44 ~~(C.34:15E-1 et seq.).~~

45 f. Funds available under the program shall not be used for  
46 activities which induce, encourage or assist: any displacement of

1 currently employed workers by trainees, including partial displacement  
2 by means such as reduced hours of currently employed workers; any  
3 replacement of laid off workers by trainees; or any relocation of  
4 operations resulting in a loss of employment at a previous workplace  
5 located in the State.

6 g. On-the-job training shall not be funded by the program for any  
7 employment found by the commissioner to be of a level of skill and  
8 complexity too low to merit training. The duration of on-the-job  
9 training funded by the program for any worker shall not exceed the  
10 duration indicated by the Specific Vocational Preparation Code  
11 developed by the United States Department of Labor for the  
12 occupation for which the training is provided and shall in no case  
13 exceed 26 weeks. The department shall set the duration of on-the-job  
14 training for a worker for less than the indicated maximum, when  
15 training for the maximum duration is not warranted because of the  
16 level of the individual's previous training, education or work  
17 experience. On-the-job training shall not be funded by the program  
18 unless it is accompanied, concurrently or otherwise, by whatever  
19 amount of classroom-based vocational training, remedial education or  
20 both, is deemed appropriate for the worker by the commissioner. On-  
21 the-job training shall not be funded by the program unless the trainee  
22 is provided benefits, pay and working conditions at a level and extent  
23 not less than the benefits and working conditions of other trainees or  
24 employees of the trainee's employer with comparable skills,  
25 responsibilities, experience and seniority.

26 h. Employment and training services funded by the program shall  
27 not replace, supplant, compete with or duplicate in any way approved  
28 apprenticeship programs.

29 i. No activities funded by the program shall impair existing  
30 contracts for services or collective bargaining agreements, except that  
31 activities which would be inconsistent with the terms of a collective  
32 bargaining agreement may be undertaken with the written concurrence  
33 of the collective bargaining unit and employer who are parties to the  
34 agreement.

35 (cf: P.L.1995, c.422, s.2)

36

37 10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read  
38 as follows:

39 6. a. The Workforce Development Partnership Program shall, to  
40 the extent that resources available in the fund permit, provide, for each  
41 qualified displaced or disadvantaged worker who undergoes  
42 counseling pursuant to section 7 of this act, a training grant to pay for  
43 employment and training services which are identified in the  
44 Employability Development Plan developed pursuant to that section  
45 for that worker. No training grant made pursuant to this subsection  
46 during the first 12 months following July 1, 1992 shall exceed the

1 amount deemed reasonable by the commissioner for the particular  
2 training, which amount shall not exceed \$4,000, except that the  
3 commissioner may permit an additional amount, if he deems it  
4 necessary to provide remedial education identified in the Employability  
5 Development Plan.

6 b. The Workforce Development Partnership Program may  
7 provide, for any individual who is selected to receive a  
8 self-employment assistance allowance pursuant to section 4 of  
9 P.L.1995, c.394 (C.43:21-70), a training grant to pay for  
10 entrepreneurial training and technical assistance deemed necessary and  
11 appropriate by the commissioner to help the individual to become  
12 self-employed. A training grant made pursuant to this subsection shall  
13 be in an amount deemed reasonable by the commissioner for the  
14 particular training, but, during the first 12 months following January  
15 1, 1996, shall not be in an amount which exceeds \$400, or, if the grant  
16 is for training provided by any public institution of higher education  
17 indicated in N.J.S.18A:62-1, shall not be in an amount which exceeds  
18 \$1,500.

19 c. The maximum amounts permitted for training grants made  
20 pursuant to subsection a. or b. of this section may be adjusted annually  
21 thereafter by the commissioner, taking into consideration changes in  
22 the prevailing costs of services and the availability of alternative  
23 sources of funding for the services. Any cost for employment and  
24 training services which exceeds the amount of a training grant shall be  
25 the responsibility of the worker receiving the grant. The cost of  
26 counseling provided pursuant to section 7 of this act shall not be  
27 charged against the training grant. No portion of a training grant may  
28 be expended on wage subsidies.

29 d. If the requirements of this section and sections 4 and 7 of this  
30 act are met, a qualified displaced ~~or~~, disadvantaged or employed  
31 worker shall not be denied a training grant for any of the following  
32 reasons: the training includes remedial education needed by the worker  
33 to advance in his current employment or occupation or to succeed in  
34 the vocational component of the training; the qualified displaced  
35 worker or other individual has identifiable vocational skills but the  
36 training services are needed to enable the individual to develop skills  
37 necessary to attain at least the level of self-sufficiency; the training is  
38 part of a program under which the worker may obtain any college  
39 degree enhancing the worker's marketable skills and earning power;  
40 the worker has previously received a training grant; the length of the  
41 training period under the program; or the lack of a prior guarantee of  
42 employment upon completion of the training.

43 (cf: P.L.1995, c.394, s.11)

44

45 11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read  
46 as follows:

1       7. Counseling shall be made available by the department to each  
2 qualified displaced or disadvantaged worker applying to participate in  
3 the program. Counseling may also be made available to a qualified  
4 employed worker who seeks remedial education or is selected to  
5 participate in a customized training program, if the worker's employer  
6 requests the counseling. The department may itself provide the  
7 counseling or obtain the counseling from a service provider, if the  
8 service provider is different from and not affiliated with any service  
9 provider offering any employment and training services to the worker  
10 other than the counseling, except that the department may obtain  
11 testing and assessment services provided pursuant to subsection a. of  
12 this section from a provider which also offers employment and training  
13 services to the worker other than the counseling. The purpose of any  
14 counseling made available pursuant to this section is to assist each  
15 worker in obtaining the employment and training services most likely  
16 to provide the worker with the greatest opportunity for long-range  
17 career advancement with high levels of productivity and earning  
18 power. Whether provided by the department or a service provider, the  
19 counseling shall include:

20       a. Testing and assessment of the worker's job skills and aptitudes,  
21 including the worker's literacy skills and other basic skills. Basic skills  
22 testing and assessment shall be provided to the worker unless  
23 information is provided regarding the worker's educational background  
24 and occupational or professional experience which clearly  
25 demonstrates that the worker's basic skill level meets the standards  
26 established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11)  
27 or unless the worker is already participating in a remedial education  
28 program which meets those standards;

29       b. An evaluation by a qualified job counselor of what remedial  
30 education, if any, is determined to be necessary for the worker to  
31 advance in his current employment or occupation or to succeed in any  
32 particular vocational training which the worker would undertake under  
33 the program, provided that the remedial education shall be at a level  
34 not lower than that needed to meet the standards established pursuant  
35 to section 14 of P.L.1989, c.293 (C.34:15C-11);

36       c. The provision of information to the worker regarding any of the  
37 labor demand occupations for which training meets the requirements  
38 of section 4 of this act in the worker's case, including [the]  
39 information about the wage levels in those occupations [which is  
40 available to the department and any information available to the  
41 department regarding], the effectiveness of approved service providers  
42 of vocational training in occupations which the worker is considering  
43 and the long-term success of former trainees of each provider in  
44 obtaining permanent employment and increasing earnings;

45       d. The provision of information to the worker regarding the  
46 services and benefits available to the worker under the provisions of

1 this act and P.L.1992, c.47 (C.43:21-57 et al.); and

2 e. Discussion with the counselor of the results of the testing and  
3 evaluation and, based on those results, the development of a written  
4 Employability Development Plan identifying the training and  
5 employment services, including any needed remedial education, to be  
6 provided to the worker pursuant to this act.

7 Counseling made available at the request of an employer  
8 participating in a customized training program may include only those  
9 components requested by the employer.

10 All information regarding a worker applicant or trainee which is  
11 obtained or compiled in connection with the testing, assessment and  
12 evaluation and which may be identified with the worker shall be  
13 confidential and shall be released to an entity other than the worker,  
14 the counselor or the department only if the worker provides written  
15 permission to the department for the release of the information or the  
16 information is used solely for program evaluation.

17 (cf: P.L.1992, c.43, s.7)

18

19 12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read  
20 as follows:

21 9. a. A restricted, nonlapsing, revolving Workforce Development  
22 Partnership Fund, to be managed and invested by the State Treasurer,  
23 is hereby established to: provide employment and training services to  
24 qualified displaced, disadvantaged and employed workers by means of  
25 training grants or customized training services; provide for the other  
26 costs indicated in subsection a. of section 4 of this act; and facilitate  
27 the provision of education and training to youth by means of grants  
28 provided by the Youth Transitions to Work Partnership pursuant to  
29 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
30 appropriations to the fund, all interest accumulated on balances in the  
31 fund and all cash received for the fund from any other source shall be  
32 used solely for the purposes specifically delineated by this act.

33 b. During any fiscal year beginning after June 30, 2001, of the total  
34 revenues dedicated to the program during any one fiscal year: 25%  
35 shall be deposited in an account of the Workforce Development  
36 Partnership Fund reserved to provide employment and training  
37 services for qualified displaced workers; 6% shall be deposited in an  
38 account of the Workforce Development Partnership Fund reserved to  
39 provide employment and training services for qualified disadvantaged  
40 workers; 45% shall be deposited in an account of the Workforce  
41 Development Partnership Fund reserved for and appropriated to the  
42 Office of Customized Training; 3% shall be deposited in an account of  
43 the Workforce Development Partnership Fund reserved for  
44 occupational safety and health training; 5% shall be deposited in an  
45 account of the Workforce Development Partnership Fund reserved for  
46 the Youth Transitions to Work Partnership created pursuant to

1 P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an  
2 account of the Workforce Development Partnership Fund reserved for  
3 administrative costs as defined in section 3 of P.L.1992, c.43  
4 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce  
5 Development Partnership Fund reserved for the State Employment and  
6 Training Commission to design criteria and conduct an annual  
7 evaluation of the program; and 5.5% shall be deposited in an account  
8 of the Workforce Development Partnership Fund to be used, at the  
9 discretion of the commissioner, for any of the purposes indicated in  
10 subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

11 c. Beginning January 1, 1995, [and for all subsequent calendar  
12 years] through June 30, 2002, the balance in the fund as of the  
13 previous December 31, as determined in accordance with generally  
14 accepted accounting principles, shall not exceed 1.5 times the amount  
15 of contributions deposited for the calendar year then ended. If the  
16 balance exceeds this amount, the excess shall be deposited into the  
17 unemployment compensation fund within seven business days of the  
18 date that the determination is made.

19 d. Beginning July 1, 2002, and for any subsequent fiscal year, if the  
20 unexpended cash balance in any of the accounts indicated in subsection  
21 b. of this section, less any amount awarded in grants but not yet  
22 disbursed from the account, is determined to exceed 20% of the  
23 amount of contributions collected for deposit in the account pursuant  
24 to this subsection during the fiscal year then ended, the excess shall be  
25 regarded as an unemployment compensation contribution and  
26 deposited into the unemployment compensation fund within seven  
27 business days of the date that the determination is made.

28

29 13. R.S.43:21-7 is amended to read as follows:

30 43:21-7. Contributions.

31 Employers other than governmental entities, whose benefit  
32 financing provisions are set forth in section 4 of P.L.1971, c.346  
33 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
34 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
35 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
36 compensation fund, contributions as set forth in subsections (a), (b)  
37 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
38 applicable to all employers, consistent with the provisions of the  
39 "unemployment compensation law" and the "Temporary Disability  
40 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

41 (a) Payment.

42 (1) Contributions shall accrue and become payable by each  
43 employer for each calendar year in which he is subject to this chapter  
44 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
45 during that calendar year, at the rates and on the basis hereinafter set  
46 forth. Such contributions shall become due and be paid by each



1 employer to the controller for the fund, in accordance with such  
2 regulations as may be prescribed, and shall not be deducted, in whole  
3 or in part, from the remuneration of individuals in his employ.

4 (2) In the payment of any contributions, a fractional part of a cent  
5 shall be disregarded unless it amounts to \$0.005 or more, in which  
6 case it shall be increased to \$0.01.

7 (b) Rate of contributions. Each employer shall pay the following  
8 contributions:

9 (1) For the calendar year 1947, and each calendar year thereafter,  
10  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
11 as otherwise prescribed by subsection (c) of this section.

12 (2) The "wages" of any individual, with respect to any one  
13 employer, as the term is used in this subsection (b) and in subsections  
14 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
15 during calendar year 1975, for services performed either within or  
16 without this State; provided that no contribution shall be required by  
17 this State with respect to services performed in another state if such  
18 other state imposes contribution liability with respect thereto. If an  
19 employer (hereinafter referred to as a successor employer) during any  
20 calendar year acquires substantially all the property used in a trade or  
21 business of another employer (hereinafter referred to as a  
22 predecessor), or used in a separate unit of a trade or business of a  
23 predecessor, and immediately after the acquisition employs in his trade  
24 or business an individual who immediately prior to the acquisition was  
25 employed in the trade or business of such predecessors, then, for the  
26 purpose of determining whether the successor employer has paid  
27 wages with respect to employment equal to the first \$4,800.00 paid  
28 during calendar year 1975, any wages paid to such individual by such  
29 predecessor during such calendar year and prior to such acquisition  
30 shall be considered as having been paid by such successor employer.

31 (3) For calendar years beginning on and after January 1, 1976, the  
32 "wages" of any individual, as defined in the preceding paragraph (2)  
33 of this subsection (b), shall be established and promulgated by the  
34 Commissioner of Labor on or before September 1 of the preceding  
35 year and shall be 28 times the Statewide average weekly remuneration  
36 paid to workers by employers, as determined under R.S.43:21-3(c),  
37 raised to the next higher multiple of \$100.00 if not already a multiple  
38 thereof, provided that if the amount of wages so determined for a  
39 calendar year is less than the amount similarly determined for the  
40 preceding year, the greater amount will be used; provided, further, that  
41 if the amount of such wages so determined does not equal or exceed  
42 the amount of wages as defined in subsection (b) of section 3306 of  
43 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
44 Revenue Code of 1986 (26 U.S.C. s.3306(b)), the wages as  
45 determined in this paragraph in any calendar year shall be raised to  
46 equal the amount established under the Federal Unemployment Tax

1 Act for that calendar year.

2 (c) Future rates based on benefit experience.

3 (1) A separate account for each employer shall be maintained and  
4 this shall be credited with all the contributions which he has paid on  
5 his own behalf on or before January 31 of any calendar year with  
6 respect to employment occurring in the preceding calendar year;  
7 provided, however, that if January 31 of any calendar year falls on a  
8 Saturday or Sunday, an employer's account shall be credited as of  
9 January 31 of such calendar year with all the contributions which he  
10 has paid on or before the next succeeding day which is not a Saturday  
11 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
12 construed to grant any employer or individuals in his service prior  
13 claims or rights to the amounts paid by him into the fund either on his  
14 own behalf or on behalf of such individuals. Benefits paid with respect  
15 to benefit years commencing on and after January 1, 1953, to any  
16 individual on or before December 31 of any calendar year with respect  
17 to unemployment in such calendar year and in preceding calendar years  
18 shall be charged against the account or accounts of the employer or  
19 employers in whose employment such individual established base  
20 weeks constituting the basis of such benefits, except that, with respect  
21 to benefit years commencing after January 4, 1998, an employer's  
22 account shall not be charged for benefits paid to a claimant if the  
23 claimant's employment by that employer was ended in any way which,  
24 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
25 would have disqualified the claimant for benefits if the claimant had  
26 applied for benefits at the time when that employment ended. Benefits  
27 paid under a given benefit determination shall be charged against the  
28 account of the employer to whom such determination relates. When  
29 each benefit payment is made, either a copy of the benefit check or  
30 other form of notification shall be promptly sent to the employer  
31 against whose account the benefits are to be charged. Such copy or  
32 notification shall identify the employer against whose account the  
33 amount of such payment is being charged, shall show at least the name  
34 and social security account number of the claimant and shall specify  
35 the period of unemployment to which said check applies. If the total  
36 amount of benefits paid to a claimant and charged to the account of  
37 the appropriate employer exceeds 50% of the total base year, base  
38 week wages paid to the claimant by that employer, then such employer  
39 shall have canceled from his account such excess benefit charges as  
40 specified above.

41 Each employer shall be furnished an annual summary statement of  
42 benefits charged to his account.

43 (2) Regulations may be prescribed for the establishment,  
44 maintenance, and dissolution of joint accounts by two or more  
45 employers, and shall, in accordance with such regulations and upon  
46 application by two or more employers to establish such an account, or

1 to merge their several individual accounts in a joint account, maintain  
2 such joint account as if it constituted a single employer's account.

3 (3) No employer's rate shall be lower than 5.4% unless assignment  
4 of such lower rate is consistent with the conditions applicable to  
5 additional credit allowance for such year under section 3303(a)(1) of  
6 the Internal Revenue Code of 1986 (26 U.S.C. s.3303(a)(1)), any  
7 other provision of this section to the contrary notwithstanding.

8 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
9  $\frac{8}{10}\%$ , except as otherwise provided in the following provisions. No  
10 employer's rate for the 12 months commencing July 1 of any calendar  
11 year shall be other than  $\frac{2}{8}\frac{8}{10}\%$ , unless as of the preceding January 31  
12 such employer shall have paid contributions with respect to wages paid  
13 in each of the three calendar years immediately preceding such year,  
14 in which case such employer's rate for the 12 months commencing July  
15 1 of any calendar year shall be determined on the basis of his record up  
16 to the beginning of such calendar year. If, at the beginning of such  
17 calendar year, the total of all his contributions, paid on his own behalf,  
18 for all past years exceeds the total benefits charged to his account for  
19 all such years, his contribution rate shall be:

20 (1)  $\frac{2}{5}\frac{5}{10}\%$ , if such excess equals or exceeds 4%, but less than  
21 5%, of his average annual payroll (as defined in paragraph (2),  
22 subsection (a) of R.S.43:21-19);

23 (2)  $\frac{2}{2}\frac{2}{10}\%$ , if such excess equals or exceeds 5%, but is less than  
24 6%, of his average annual payroll;

25 (3)  $\frac{1}{9}\frac{9}{10}\%$ , if such excess equals or exceeds 6%, but is less than  
26 7%, of his average annual payroll;

27 (4)  $\frac{1}{6}\frac{6}{10}\%$ , if such excess equals or exceeds 7%, but is less than  
28 8%, of his average annual payroll;

29 (5)  $\frac{1}{3}\frac{3}{10}\%$ , if such excess equals or exceeds 8%, but is less than  
30 9%, of his average annual payroll;

31 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
32 of his average annual payroll;

33 (7)  $\frac{7}{10}$  of 1%, if such excess equals or exceeds 10%, but is less  
34 than 11%, of his average annual payroll;

35 (8)  $\frac{4}{10}$  of 1%, if such excess equals or exceeds 11% of his  
36 average annual payroll.

37 (B) If the total of an employer's contributions, paid on his own  
38 behalf, for all past periods for the purposes of this paragraph (4), is  
39 less than the total benefits charged against his account during the same  
40 period, his rate shall be:

41 (1) 4%, if such excess is less than 10% of his average annual  
42 payroll;

43 (2)  $\frac{4}{3}\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than  
44 20%, of his average annual payroll;

45 (3)  $\frac{4}{6}\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
46 annual payroll.

1 (C) Specially assigned rates. If no contributions were paid on  
2 wages for employment in any calendar year used in determining the  
3 average annual payroll of an employer eligible for an assigned rate  
4 under this paragraph (4), the employer's rate shall be specially assigned  
5 as follows:

6 (i) if the reserve balance in its account is positive, its assigned rate  
7 shall be the highest rate in effect for positive balance accounts for that  
8 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
9 its account is negative, its assigned rate shall be the highest rate in  
10 effect for deficit accounts for that period.

11 (D) The contribution rates prescribed by subparagraphs (A) and  
12 (B) of this paragraph (4) shall be increased or decreased in accordance  
13 with the provisions of paragraph (5) of this subsection (c) for  
14 experience rating periods through June 30, 1986.

15 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31  
16 of any calendar year the balance in the unemployment trust fund equals  
17 or exceeds 4% but is less than 7% of the total taxable wages reported  
18 to the controller as of that date in respect to employment during the  
19 preceding calendar year, the contribution rate, effective July 1  
20 following, of each employer eligible for a contribution rate calculation  
21 based upon benefit experience, shall be increased by 3/10 of 1% over  
22 the contribution rate otherwise established under the provisions of  
23 paragraph (3) or (4) of this subsection. If on March 31 of any  
24 calendar year the balance of the unemployment trust fund exceeds  
25 1/2% but is less than 4% of the total taxable wages reported to the  
26 controller as of that date in respect to employment during the  
27 preceding calendar year, the contribution rate, effective July 1  
28 following, of each employer eligible for a contribution rate calculation  
29 based upon benefit experience, shall be increased by 6/10 of 1% over  
30 the contribution rate otherwise established under the provisions of  
31 paragraph (3) or (4) of this subsection.

32 If on March 31 of any calendar year the balance of the  
33 unemployment trust fund is less than 2 1/2% of the total taxable wages  
34 reported to the controller as of that date in respect to employment  
35 during the preceding calendar year, the contribution rate, effective July  
36 1 following, of each employer (1) eligible for a contribution rate  
37 calculation based upon benefit experience, shall be increased by (i)  
38 6/10 of 1% over the contribution rate otherwise established under the  
39 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
40 (ii) an additional amount equal to 20% of the total rate established  
41 herein, provided, however, that the final contribution rate for each  
42 employer shall be computed to the nearest multiple of 1/10% if not  
43 already a multiple thereof; (2) not eligible for a contribution rate  
44 calculation based upon benefit experience, shall be increased by 6/10  
45 of 1% over the contribution rate otherwise established under the  
46 provisions of paragraph (4) of this subsection. For the period

1 commencing July 1, 1984 and ending June 30, 1986, the contribution  
2 rate for each employer liable to pay contributions under R.S.43:21-7  
3 shall be increased by a factor of 10% computed to the nearest multiple  
4 of 1/10% if not already a multiple thereof.

5 (B) If on March 31 of any calendar year the balance in the  
6 unemployment trust fund equals or exceeds 10% but is less than 12  
7 1/2% of the total taxable wages reported to the controller as of that  
8 date in respect to employment during the preceding calendar year, the  
9 contribution rate, effective July 1 following, of each employer eligible  
10 for a contribution rate calculation based upon benefit experience, shall  
11 be reduced by 3/10 of 1% under the contribution rate otherwise  
12 established under the provisions of paragraphs (3) and (4) of this  
13 subsection; provided that in no event shall the contribution rate of any  
14 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
15 calendar year the balance in the unemployment trust fund equals or  
16 exceeds 12 1/2% of the total taxable wages reported to the controller  
17 as of that date in respect to employment during the preceding calendar  
18 year, the contribution rate, effective July 1 following, of each  
19 employer eligible for a contribution rate calculation based upon benefit  
20 experience, shall be reduced by 6/10 of 1% if his account for all past  
21 periods reflects an excess of contributions paid over total benefits  
22 charged of 3% or more of his average annual payroll, otherwise by  
23 3/10 of 1% under the contribution rate otherwise established under the  
24 provisions of paragraphs (3) and (4) of this subsection; provided that  
25 in no event shall the contribution rate of any employer be reduced to  
26 less than 4/10 of 1%.

27 (C) The "balance" in the unemployment trust fund, as the term is  
28 used in subparagraphs (A) and (B) above, shall not include moneys  
29 credited to the State's account under section 903 of the Social Security  
30 Act, as amended (42 U.S.C. s.1103), during any period in which such  
31 moneys are appropriated for the payment of expenses incurred in the  
32 administration of the "unemployment compensation law."

33 (D) Prior to July 1 of each calendar year the controller shall  
34 determine the Unemployment Trust Reserve Ratio, which shall be  
35 calculated by dividing the balance of the unemployment trust fund as  
36 of the prior March 31 by total taxable wages reported to the controller  
37 by all employers as of March 31 with respect to their employment  
38 during the last calendar year.

39 (E) (Deleted by amendment, P.L.1997, c.263).

40 (ii) [With respect to experience rating years beginning on or after  
41 July 1, 1997, the new employer rate or the unemployment experience  
42 rate of an employer under this section shall be the rate which appears  
43 in the column headed by the Unemployment Trust Fund Reserve Ratio  
44 as of the applicable calculation date and on the line with the Employer  
45 Reserve Ratio, as defined in paragraph 4 of this subsection  
46 (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE						
Fund Reserve Ratio <sup>1</sup>						
	6.00%	4.00%	3.00%	2.50%	2.49%	
Employer Reserve Ratio <sup>2</sup>	and Over A	to 5.99% B	to 3.99% C	to 2.99% D	and Under E	
Positive Reserve Ratio:						
17% and over	0.3	0.4	0.5	0.6	1.2	
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2	
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2	
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2	
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2	
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2	
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2	
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6	
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9	
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3	
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6	
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0	
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4	
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7	
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9	
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0	
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1	
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3	
Deficit Reserve Ratio:						
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1	
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2	
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3	
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4	
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5	
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6	
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7	
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8	
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9	
-35.00% and under	5.4	5.4	5.8	6.4	7.0	
New Employer Rate	2.8	2.8	2.8	3.1	3.4	

<sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

<sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).] (~~Deleted by amendment, P.L. , c. .~~).

(iii) With respect to experience rating years beginning on or after July 1, 1998, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears

1 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 2 as of the applicable calculation date and on the line with the Employer  
 3 Reserve Ratio, as defined in paragraph 4 of this subsection  
 4 (R.S.43:21-7 (c)(4)), as set forth in the following table:

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EXPERIENCE RATING TAX TABLE

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Fund Reserve Ratio<sup>1</sup>

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	4.50%	3.50%	3.00%	2.50%	2.49%
Employer Reserve Ratio <sup>2</sup>	and Over A	to 4.49% B	to 3.49% C	to 2.99% D	and Under E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

<sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

<sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a

1 percentage of employer's taxable wages).

2 (F)(i) (Deleted by amendment, P.L.1997, c.263).

3 (ii) With respect to experience rating years beginning on or after  
4 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
5 the prior March 31, is less than 1.00%, the contribution rate for each  
6 employer liable to pay contributions, as computed under subparagraph  
7 (E) of this paragraph (5), shall be increased by a factor of 10%  
8 computed to the nearest multiple of 1/10% if not already a multiple  
9 thereof.

10 (G) On or after January 1, 1993, notwithstanding any other  
11 provisions of this paragraph (5), the contribution rate for each  
12 employer liable to pay contributions, as computed under subparagraph  
13 (E) of this paragraph (5), shall be decreased by 0.1%, except that,  
14 during any experience rating year starting before January 1, 1998 in  
15 which the fund reserve ratio is equal to or greater than 7.00% or  
16 during any experience rating year starting on or after January 1, 1998,  
17 in which the fund reserve ratio is equal to or greater than 3.5%, there  
18 shall be no decrease pursuant to this subparagraph (G) in the  
19 contribution of any employer who has a deficit reserve ratio of  
20 negative 35.00% or under.

21 (H) On or after January 1, 1993 until December 31, 1993,  
22 notwithstanding any other provisions of this paragraph (5), the  
23 contribution rate for each employer liable to pay contributions, as  
24 computed under subparagraph (E) of this paragraph (5), shall be  
25 decreased by a factor of 52.0% computed to the nearest multiple of  
26 1/10%, except that, if an employer has a deficit reserve ratio of  
27 negative 35.0% or under, the employer's rate of contribution shall not  
28 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
29 amount of the reduction in the employer contributions stipulated by  
30 this subparagraph (H) shall be in addition to the amount of the  
31 reduction in the employer contributions stipulated by subparagraph (G)  
32 of this paragraph (5), except that the rate of contribution of an  
33 employer who has a deficit reserve ratio of negative 35.0% or under  
34 shall not be reduced pursuant to this subparagraph (H) to less than  
35 5.4% and the rate of contribution of any other employer shall not be  
36 reduced to less than 0.0%.

37 On or after January 1, 1994 until December 31, 1995, except as  
38 provided pursuant to subparagraph (I) of this paragraph (5),  
39 notwithstanding any other provisions of this paragraph (5), the  
40 contribution rate for each employer liable to pay contributions, as  
41 computed under subparagraph (E) of this paragraph (5), shall be  
42 decreased by a factor of 36.0% computed to the nearest multiple of  
43 1/10%, except that, if an employer has a deficit reserve ratio of  
44 negative 35.0% or under, the employer's rate of contribution shall not  
45 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
46 amount of the reduction in the employer contributions stipulated by



1 this subparagraph (H) shall be in addition to the amount of the  
2 reduction in the employer contributions stipulated by subparagraph (G)  
3 of this paragraph (5), except that the rate of contribution of an  
4 employer who has a deficit reserve ratio of negative 35.0% or under  
5 shall not be reduced pursuant to this subparagraph (H) to less than  
6 5.4% and the rate of contribution of any other employer shall not be  
7 reduced to less than 0.0%.

8 On or after April 1, 1996 until December 31, 1996, the contribution  
9 rate for each employer liable to pay contributions, as computed under  
10 subparagraph (E) of this paragraph (5), shall be decreased by a factor  
11 of 25.0% computed to the nearest multiple of 1/10%, except that, if  
12 an employer has a deficit reserve ratio of negative 35.0% or under, the  
13 employer's rate of contribution shall not be reduced pursuant to this  
14 subparagraph (H) to less than 5.4%. The amount of the reduction in  
15 the employer contributions stipulated by this subparagraph (H) shall  
16 be in addition to the amount of the reduction in the employer  
17 contributions stipulated by subparagraph (G) of this paragraph (5),  
18 except that the rate of contribution of an employer who has a deficit  
19 reserve ratio of negative 35.0% or under shall not be reduced pursuant  
20 to this subparagraph (H) to less than 5.4% and the rate of contribution  
21 of any other employer shall not be reduced to less than 0.0%.

22 On or after January 1, 1997 until December 31, 1997, the  
23 contribution rate for each employer liable to pay contributions, as  
24 computed under subparagraph (E) of this paragraph (5), shall be  
25 decreased by a factor of 10.0% computed to the nearest multiple of  
26 1/10%, except that, if an employer has a deficit reserve ratio of  
27 negative 35.0% or under, the employer's rate of contribution shall not  
28 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
29 amount of the reduction in the employer contributions stipulated by  
30 this subparagraph (H) shall be in addition to the amount of the  
31 reduction in the employer contributions stipulated by subparagraph (G)  
32 of this paragraph (5), except that the rate of contribution of an  
33 employer who has a deficit reserve ratio of negative 35.0% or under  
34 shall not be reduced pursuant to this subparagraph (H) to less than  
35 5.4% and the rate of contribution of any other employer shall not be  
36 reduced to less than 0.0%.

37 On and after January 1, 1998 until December 31, 2000, the  
38 contribution rate for each employer liable to pay contributions, as  
39 computed under subparagraph (E) of this paragraph (5), shall be  
40 decreased each calendar year by a factor, as set out below, computed  
41 to the nearest multiple of 1/10%, except that, if an employer has a  
42 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
43 contribution shall not be reduced pursuant to this subparagraph (H) to  
44 less than 5.4%:

45 From January 1, 1998 until December 31, 1998, a factor of 12%;

46 From January 1, 1999 until December 31, 1999, a factor of 10%;

1 From January 1, 2000 until December 31, 2000, a factor of 7%.

2 The amount of the reduction in the employer contributions  
3 stipulated by this subparagraph (H) shall be in addition to the amount  
4 of the reduction in the employer contributions stipulated by  
5 subparagraph (G) of this paragraph (5), except that the rate of  
6 contribution of an employer who has a deficit reserve ratio of negative  
7 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
8 to less than 5.4% and the rate of contribution of any other employer  
9 shall not be reduced to less than 0.0%.

10 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
11 on March 31 of calendar year 1994 or calendar year 1995, the  
12 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
13 in effect as of July 1 of that calendar year.

14 If, upon calculating the unemployment compensation fund reserve  
15 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
16 March 31, 1998 or March 31, 1999, the controller finds that the fund  
17 reserve ratio has decreased to a level of less than 3.00%, the  
18 Commissioner of Labor shall notify the State Treasurer of this fact and  
19 of the dollar amount necessary to bring the fund reserve ratio up to a  
20 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
21 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
22 General Fund to the unemployment compensation fund, revenues in  
23 the amount specified by the commissioner and which, upon deposit in  
24 the unemployment compensation fund, shall result, upon recalculation,  
25 in a fund reserve ratio used to determine employer contributions  
26 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
27 at least 3.00%.

28 If, upon calculating the unemployment compensation fund reserve  
29 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
30 controller finds that the fund reserve ratio has decreased to a level of  
31 less than 3.00%, the Commissioner of Labor shall notify the State  
32 Treasurer of this fact and of the dollar amount necessary to bring the  
33 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
34 prior to March 31, 2000, transfer from the General Fund to the  
35 unemployment compensation fund, revenues in the amount specified  
36 by the commissioner and which, upon deposit in the unemployment  
37 compensation fund, shall result, upon recalculation, in a fund reserve  
38 ratio used to determine employer contributions beginning July 1, 2000  
39 of at least 3.00%.

40 (J) On or after July 1, 2001, notwithstanding any other provisions  
41 of this paragraph (5), the contribution rate for each employer liable to  
42 pay contributions, as computed under subparagraph (E) of this  
43 paragraph (5), shall be decreased by 0.0175%, except that, during any  
44 experience rating year starting on or after July 1, 2001, in which the  
45 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
46 decrease pursuant to this subparagraph (J) in the contribution of any

1 employer who has a deficit reserve ratio of negative 35.00% or under.  
2 The amount of the reduction in the employer contributions stipulated  
3 by this subparagraph (J) shall be in addition to the amount of the  
4 reduction in the employer contributions stipulated by subparagraphs  
5 (G) and (H) of this paragraph (5), except that the rate of contribution  
6 of an employer who has a deficit reserve ratio of negative 35.0% or  
7 under shall not be reduced pursuant to this subparagraph (J) to less  
8 than 5.4% and the rate of contribution of any other employer shall not  
9 be reduced to less than 0.0%.

10 (6) Additional contributions.

11 Notwithstanding any other provision of law, any employer who has  
12 been assigned a contribution rate pursuant to subsection (c) of this  
13 section for the year commencing July 1, 1948, and for any year  
14 commencing July 1 thereafter, may voluntarily make payment of  
15 additional contributions, and upon such payment shall receive a  
16 recomputation of the experience rate applicable to such employer,  
17 including in the calculation the additional contribution so made. Any  
18 such additional contribution shall be made during the 30-day period  
19 following the date of the mailing to the employer of the notice of his  
20 contribution rate as prescribed in this section, unless, for good cause,  
21 the time for payment has been extended by the controller for not to  
22 exceed an additional 60 days; provided that in no event may such  
23 payments which are made later than 120 days after the beginning of  
24 the year for which such rates are effective be considered in  
25 determining the experience rate for the year in which the payment is  
26 made. Any employer receiving any extended period of time within  
27 which to make such additional payment and failing to make such  
28 payment timely shall be, in addition to the required amount of  
29 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
30 greater, not to exceed \$50.00. Any adjustment under this subsection  
31 shall be made only in the form of credits against accrued or future  
32 contributions.

33 (7) Transfers.

34 (A) Upon the transfer of the organization, trade or business, or  
35 substantially all the assets of an employer to a successor in interest,  
36 whether by merger, consolidation, sale, transfer, descent or otherwise,  
37 the controller shall transfer the employment experience of the  
38 predecessor employer to the successor in interest, including credit for  
39 past years, contributions paid, annual payrolls, benefit charges, et  
40 cetera, applicable to such predecessor employer, pursuant to  
41 regulation, if it is determined that the employment experience of the  
42 predecessor employer with respect to the organization, trade, assets  
43 or business which has been transferred may be considered indicative  
44 of the future employment experience of the successor in interest.  
45 Unless the predecessor employer was owned or controlled (by legally  
46 enforceable means or otherwise), directly or indirectly, by the

1 successor in interest, or the predecessor employer and the successor  
2 in interest were owned or controlled (by legally enforceable means or  
3 otherwise), directly or indirectly, by the same interest or interests, the  
4 transfer of the employment experience of the predecessor shall not be  
5 effective if such successor in interest, within four months of the date  
6 of such transfer of the organization, trade, assets or business, or  
7 thereafter upon good cause shown, files a written notice protesting the  
8 transfer of the employment experience of the predecessor employer.

9 (B) An employer who transfers part of his or its organization,  
10 trade, assets or business to a successor in interest, whether by merger,  
11 consolidation, sale, transfer, descent or otherwise, may jointly make  
12 application with such successor in interest for transfer of that portion  
13 of the employment experience of the predecessor employer relating to  
14 the portion of the organization, trade, assets or business transferred to  
15 the successor in interest, including credit for past years, contributions  
16 paid, annual payrolls, benefit charges, et cetera, applicable to such  
17 predecessor employer. The transfer of employment experience may be  
18 allowed pursuant to regulation only if it is found that the employment  
19 experience of the predecessor employer with respect to the portion of  
20 the organization, trade, assets or business which has been transferred  
21 may be considered indicative of the future employment experience of  
22 the successor in interest. Credit shall be given to the successor in  
23 interest only for the years during which contributions were paid by the  
24 predecessor employer with respect to that part of the organization,  
25 trade, assets or business transferred.

26 (C) A transfer of the employment experience in whole or in part  
27 having become final, the predecessor employer thereafter shall not be  
28 entitled to consideration for an adjusted rate based upon his or its  
29 experience or the part thereof, as the case may be, which has thus been  
30 transferred. A successor in interest to whom employment experience  
31 or a part thereof is transferred pursuant to this subsection shall, as of  
32 the date of the transfer of the organization, trade, assets or business,  
33 or part thereof, immediately become an employer if not theretofore an  
34 employer subject to this chapter (R.S.43:21-1 et seq.).

35 (d) Contributions of workers to the unemployment compensation  
36 fund and the State disability benefits fund.

37 (1) (A) For periods after January 1, 1975, each worker shall  
38 contribute to the fund 1% of his wages with respect to his employment  
39 with an employer, which occurs on and after January 1, 1975, after  
40 such employer has satisfied the condition set forth in subsection (h) of  
41 R.S.43:21-19 with respect to becoming an employer; provided,  
42 however, that such contributions shall be at the rate of 1/2 of 1% of  
43 wages paid with respect to employment while the worker is in the  
44 employ of the State of New Jersey, or any governmental entity or  
45 instrumentality which is an employer as defined under  
46 R.S.43:21-19(h)(5), or is covered by an approved private plan under

1 the "Temporary Disability Benefits Law" or while the worker is  
2 exempt from the provisions of the "Temporary Disability Benefits  
3 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

4 (B) Effective January 1, 1978 there shall be no contributions by  
5 workers in the employ of any governmental or nongovernmental  
6 employer electing or required to make payments in lieu of  
7 contributions unless the employer is covered by the State plan under  
8 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
9 that case contributions shall be at the rate of 1/2 of 1%, except that  
10 commencing July 1, 1986, workers in the employ of any  
11 nongovernmental employer electing or required to make payments in  
12 lieu of contributions shall be required to make contributions to the  
13 fund at the same rate prescribed for workers of other nongovernmental  
14 employers.

15 (C) (i) Notwithstanding the above provisions of this paragraph (1),  
16 during the period starting July 1, 1986 and ending December 31, 1992,  
17 each worker shall contribute to the fund 1.125% of wages paid with  
18 respect to his employment with a governmental employer electing or  
19 required to pay contributions or nongovernmental employer, including  
20 a nonprofit organization which is an employer as defined under  
21 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization  
22 elects or is required to finance its benefit costs with contributions to  
23 the fund or by payments in lieu of contributions, after that employer  
24 has satisfied the conditions set forth in subsection R.S.43:21-19(h)  
25 with respect to becoming an employer. Contributions, however, shall  
26 be at the rate of 0.625% while the worker is covered by an approved  
27 private plan under the "Temporary Disability Benefits Law" while the  
28 worker is exempt under section 7 of that law, P.L.1948, c.110  
29 (C.43:21-31) or any other provision of that law; provided that such  
30 contributions shall be at the rate of 0.625% of wages paid with respect  
31 to employment with the State of New Jersey or any other  
32 governmental entity or instrumentality electing or required to make  
33 payments in lieu of contributions and which is covered by the State  
34 plan under the "Temporary Disability Benefits Law," except that, while  
35 the worker is exempt from the provisions of the "Temporary Disability  
36 Benefits Law" under section 7 of that law, P.L.1948, c.110  
37 (C.43:21-31) or any other provision of that law, or is covered for  
38 disability benefits by an approved private plan of the employer, the  
39 contributions to the fund shall be 0.125%.

40 (ii) (Deleted by amendment, P.L.1995, c.422.)

41 (D) Notwithstanding any other provisions of this paragraph (1),  
42 during the period starting January 1, 1993 and ending June 30, 1994,  
43 each worker shall contribute to the unemployment compensation fund  
44 0.5% of wages paid with respect to the worker's employment with a  
45 governmental employer electing or required to pay contributions or  
46 nongovernmental employer, including a nonprofit organization which

1 is an employer as defined under paragraph (6) of subsection (h) of  
2 R.S.43:21-19, regardless of whether that nonprofit organization elects  
3 or is required to finance its benefit costs with contributions to the fund  
4 or by payments in lieu of contributions, after that employer has  
5 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
6 with respect to becoming an employer. No contributions, however,  
7 shall be made by the worker while the worker is covered by an  
8 approved private plan under the "Temporary Disability Benefits Law,"  
9 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
10 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
11 provision of that law; provided that the contributions shall be at the  
12 rate of 0.50% of wages paid with respect to employment with the  
13 State of New Jersey or any other governmental entity or  
14 instrumentality electing or required to make payments in lieu of  
15 contributions and which is covered by the State plan under the  
16 "Temporary Disability Benefits Law," except that, while the worker is  
17 exempt from the provisions of the "Temporary Disability Benefits  
18 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
19 other provision of that law, or is covered for disability benefits by an  
20 approved private plan of the employer, no contributions shall be made  
21 to the fund.

22 Each worker shall, starting on January 1, 1996 and ending  
23 March 31, 1996, contribute to the unemployment compensation fund  
24 0.60% of wages paid with respect to the worker's employment with a  
25 governmental employer electing or required to pay contributions or  
26 nongovernmental employer, including a nonprofit organization which  
27 is an employer as defined under paragraph (6) of subsection (h) of  
28 R.S.43:21-19, regardless of whether that nonprofit organization elects  
29 or is required to finance its benefit costs with contributions to the fund  
30 or by payments in lieu of contributions, after that employer has  
31 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
32 with respect to becoming an employer, provided that the contributions  
33 shall be at the rate of 0.10% of wages paid with respect to  
34 employment with the State of New Jersey or any other governmental  
35 entity or instrumentality electing or required to make payments in lieu  
36 of contributions.

37 Each worker shall, starting on January 1, 1998 and ending  
38 December 31, 1998, contribute to the unemployment compensation  
39 fund 0.10% of wages paid with respect to the worker's employment  
40 with a governmental employer electing or required to pay  
41 contributions or nongovernmental employer, including a nonprofit  
42 organization which is an employer as defined under paragraph (6) of  
43 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
44 organization elects or is required to finance its benefit costs with  
45 contributions to the fund or by payments in lieu of contributions, after  
46 that employer has satisfied the conditions set forth in subsection (h) of

1 R.S.43:21-19 with respect to becoming an employer, provided that the  
2 contributions shall be at the rate of 0.10% of wages paid with respect  
3 to employment with the State of New Jersey or any other  
4 governmental entity or instrumentality electing or required to make  
5 payments in lieu of contributions.

6 Each worker shall, starting on January 1, 1999 until December 31,  
7 1999, contribute to the unemployment compensation fund 0.15% of  
8 wages paid with respect to the worker's employment with a  
9 governmental employer electing or required to pay contributions or  
10 nongovernmental employer, including a nonprofit organization which  
11 is an employer as defined under paragraph (6) of subsection (h) of  
12 R.S.43:21-19, regardless of whether that nonprofit organization elects  
13 or is required to finance its benefit costs with contributions to the fund  
14 or by payments in lieu of contributions, after that employer has  
15 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
16 with respect to becoming an employer, provided that the contributions  
17 shall be at the rate of 0.10% of wages paid with respect to  
18 employment with the State of New Jersey or any other governmental  
19 entity or instrumentality electing or required to make payments in lieu  
20 of contributions.

21 Each worker shall, starting on January 1, 2000 until December 31,  
22 ~~[2002]~~ 2001, contribute to the unemployment compensation fund  
23 0.20% of wages paid with respect to the worker's employment with a  
24 governmental employer electing or required to pay contributions or  
25 nongovernmental employer, including a nonprofit organization which  
26 is an employer as defined under paragraph (6) of subsection (h) of  
27 R.S.43:21-19, regardless of whether that nonprofit organization elects  
28 or is required to finance its benefit costs with contributions to the fund  
29 or by payments in lieu of contributions, after that employer has  
30 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
31 with respect to becoming an employer, provided that the contributions  
32 shall be at the rate of 0.10% of wages paid with respect to  
33 employment with the State of New Jersey or any other governmental  
34 entity or instrumentality electing or required to make payments in lieu  
35 of contributions.

36 Each worker shall, starting on January 1, 2002 until December 31,  
37 2002, contribute to the unemployment compensation fund 0.1825% of  
38 wages paid with respect to the worker's employment with a  
39 governmental employer electing or required to pay contributions or a  
40 nongovernmental employer, including a nonprofit organization which  
41 is an employer as defined under paragraph (6) of subsection (h) of  
42 R.S.43:21-19, regardless of whether that nonprofit organization elects  
43 or is required to finance its benefit costs with contributions to the fund  
44 or by payments in lieu of contributions, after that employer has  
45 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
46 with respect to becoming an employer, provided that the contributions

1 shall be at the rate of 0.0825% of wages paid with respect to  
2 employment with the State of New Jersey or any other governmental  
3 entity or instrumentality electing or required to make payments in lieu  
4 of contributions.

5 Each worker shall, starting on and after January 1, 2003, contribute  
6 to the unemployment compensation fund [~~0.40%~~] 0.3825% of wages  
7 paid with respect to the worker's employment with a governmental  
8 employer electing or required to pay contributions or nongovernmental  
9 employer, including a nonprofit organization which is an employer as  
10 defined under paragraph (6) of subsection (h) of R.S.43:21-19,  
11 regardless of whether that nonprofit organization elects or is required  
12 to finance its benefit costs with contributions to the fund or by  
13 payments in lieu of contributions, after that employer has satisfied the  
14 conditions set forth in subsection (h) of R.S.43:21-19 with respect to  
15 becoming an employer, provided that the contributions shall be at the  
16 rate of [~~0.10%~~] 0.0825% of wages paid with respect to employment  
17 with the State of New Jersey or any other governmental entity or  
18 instrumentality electing or required to make payments in lieu of  
19 contributions.

20 (E) Each employer shall, notwithstanding any provision of law in  
21 this State to the contrary, withhold in trust the amount of his workers'  
22 contributions from their wages at the time such wages are paid, shall  
23 show such deduction on his payroll records, shall furnish such  
24 evidence thereof to his workers as the division or controller may  
25 prescribe, and shall transmit all such contributions, in addition to his  
26 own contributions, to the office of the controller in such manner and  
27 at such times as may be prescribed. If any employer fails to deduct the  
28 contributions of any of his workers at the time their wages are paid, or  
29 fails to make a deduction therefor at the time wages are paid for the  
30 next succeeding payroll period, he alone shall thereafter be liable for  
31 such contributions, and for the purpose of R.S.43:21-14, such  
32 contributions shall be treated as employer's contributions required  
33 from him.

34 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
35 context clearly requires otherwise, the term "contributions" shall  
36 include the contributions of workers pursuant to this section.

37 (G) Each worker shall, starting on July 1, 1994, contribute to the  
38 State disability benefits fund an amount equal to 0.50% of wages paid  
39 with respect to the worker's employment with a government employer  
40 electing or required to pay contributions to the State disability benefits  
41 fund or nongovernmental employer, including a nonprofit organization  
42 which is an employer as defined under paragraph (6) of subsection (h)  
43 of R.S.43:21-19, unless the employer is covered by an approved  
44 private disability plan or is exempt from the provisions of the  
45 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
46 seq.) under section 7 of that law (C.43:21-31) or any other provision



1 of that law.

2 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

3 (B) (Deleted by amendment, P.L.1984, c.24.)

4 (C) (Deleted by amendment, P.L.1994, c.112.)

5 (D) (Deleted by amendment, P.L.1994, c.112.)

6 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

7 (ii) (Deleted by amendment, P.L.1996, c.28.)

8 (iii) (Deleted by amendment, P.L.1994, c.112.)

9 (3) If an employee receives wages from more than one employer

10 during any calendar year, and either the sum of his contributions

11 deposited in and credited to the State disability benefits fund plus the

12 amount of his contributions, if any, required towards the costs of

13 benefits under one or more approved private plans under the

14 provisions of section 9 of the "Temporary Disability Benefits Law"

15 (C.43:21-33) and deducted from his wages, or the sum of such latter

16 contributions, if the employee is covered during such calendar year

17 only by two or more private plans, exceeds an amount equal to 1/2 of

18 1% of the "wages" determined in accordance with the provisions of

19 R.S.43:21-7(b)(3) during the calendar years beginning on or after

20 January 1, 1976, the employee shall be entitled to a refund of the

21 excess if he makes a claim to the controller within two years after the

22 end of the calendar year in which the wages are received with respect

23 to which the refund is claimed and establishes his right to such refund.

24 Such refund shall be made by the controller from the State disability

25 benefits fund. No interest shall be allowed or paid with respect to any

26 such refund. The controller shall, in accordance with prescribed

27 regulations, determine the portion of the aggregate amount of such

28 refunds made during any calendar year which is applicable to private

29 plans for which deductions were made under section 9 of the

30 "Temporary Disability Benefits Law," such determination to be based

31 upon the ratio of the amount of such wages exempt from contributions

32 to such fund, as provided in subparagraph (B) of paragraph (1) of this

33 subsection with respect to coverage under private plans, to the total

34 wages so exempt plus the amount of such wages subject to

35 contributions to the disability benefits fund, as provided in

36 subparagraph (G) of paragraph (1) of this subsection. The controller

37 shall, in accordance with prescribed regulations, prorate the amount

38 so determined among the applicable private plans in the proportion

39 that the wages covered by each plan bear to the total private plan

40 wages involved in such refunds, and shall assess against and recover

41 from the employer, or the insurer if the insurer has indemnified the

42 employer with respect thereto, the amount so prorated. The

43 provisions of R.S.43:21-14 with respect to collection of employer

44 contributions shall apply to such assessments. The amount so

45 recovered by the controller shall be paid into the State disability

46 benefits fund.

1 (4) If an individual does not receive any wages from the employing  
2 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is  
3 treated as his employer, or receives his wages from some other  
4 employing unit, such employer shall nevertheless be liable for such  
5 individual's contributions in the first instance; and after payment  
6 thereof such employer may deduct the amount of such contributions  
7 from any sums payable by him to such employing unit, or may recover  
8 the amount of such contributions from such employing unit, or, in the  
9 absence of such an employing unit, from such individual, in a civil  
10 action; provided proceedings therefor are instituted within three  
11 months after the date on which such contributions are payable. General  
12 rules shall be prescribed whereby such an employing unit may recover  
13 the amount of such contributions from such individuals in the same  
14 manner as if it were the employer.

15 (5) Every employer who has elected to become an employer  
16 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
17 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
18 provisions of R.S.43:21-8, shall post and maintain printed notices of  
19 such election on his premises, of such design, in such numbers, and at  
20 such places as the director may determine to be necessary to give  
21 notice thereof to persons in his service.

22 (6) Contributions by workers, payable to the controller as herein  
23 provided, shall be exempt from garnishment, attachment, execution, or  
24 any other remedy for the collection of debts.

25 (e) Contributions by employers to State disability benefits fund.

26 (1) Except as hereinafter provided, each employer shall, in addition  
27 to the contributions required by subsections (a), (b), and (c) of this  
28 section, contribute  $\frac{1}{2}$  of 1% of the wages paid by such employer to  
29 workers with respect to employment unless he is not a covered  
30 employer as defined in section 3 of the "Temporary Disability Benefits  
31 Law" (C.43:21-27 (a)), except that the rate for the State of New  
32 Jersey shall be  $\frac{1}{10}$  of 1% for the calendar year 1980 and for the first  
33 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year  
34 thereafter, the controller shall review the experience accumulated in  
35 the account of the State of New Jersey and establish a rate for the next  
36 following fiscal year which, in combination with worker contributions,  
37 will produce sufficient revenue to keep the account in balance; except  
38 that the rate so established shall not be less than  $\frac{1}{10}$  of 1%. Such  
39 contributions shall become due and be paid by the employer to the  
40 controller for the State disability benefits fund as established by law,  
41 in accordance with such regulations as may be prescribed, and shall  
42 not be deducted, in whole or in part, from the remuneration of  
43 individuals in his employ. In the payment of any contributions, a  
44 fractional part of a cent shall be disregarded unless it amounts to  
45 \$0.005 or more, in which case it shall be increased to \$0.01.

46 (2) During the continuance of coverage of a worker by an approved

1 private plan of disability benefits under the "Temporary Disability  
2 Benefits Law," the employer shall be exempt from the contributions  
3 required by subparagraph (1) above with respect to wages paid to such  
4 worker.

5 (3) (A) The rates of contribution as specified in subparagraph (1)  
6 above shall be subject to modification as provided herein with respect  
7 to employer contributions due on and after July 1, 1951.

8 (B) A separate disability benefits account shall be maintained for  
9 each employer required to contribute to the State disability benefits  
10 fund and such account shall be credited with contributions deposited  
11 in and credited to such fund with respect to employment occurring on  
12 and after January 1, 1949. Each employer's account shall be credited  
13 with all contributions paid on or before January 31 of any calendar  
14 year on his own behalf and on behalf of individuals in his service with  
15 respect to employment occurring in preceding calendar years;  
16 provided, however, that if January 31 of any calendar year falls on a  
17 Saturday or Sunday an employer's account shall be credited as of  
18 January 31 of such calendar year with all the contributions which he  
19 has paid on or before the next succeeding day which is not a Saturday  
20 or Sunday. But nothing in this act shall be construed to grant any  
21 employer or individuals in his service prior claims or rights to the  
22 amounts paid by him to the fund either on his own behalf or on behalf  
23 of such individuals. Benefits paid to any covered individual in  
24 accordance with Article III of the "Temporary Disability Benefits  
25 Law" on or before December 31 of any calendar year with respect to  
26 disability in such calendar year and in preceding calendar years shall be  
27 charged against the account of the employer by whom such individual  
28 was employed at the commencement of such disability or by whom he  
29 was last employed, if out of employment.

30 (C) The controller may prescribe regulations for the establishment,  
31 maintenance, and dissolution of joint accounts by two or more  
32 employers, and shall, in accordance with such regulations and upon  
33 application by two or more employers to establish such an account, or  
34 to merge their several individual accounts in a joint account, maintain  
35 such joint account as if it constituted a single employer's account.

36 (D) Prior to July 1 of each calendar year, the controller shall make  
37 a preliminary determination of the rate of contribution for the  
38 12 months commencing on such July 1 for each employer subject to  
39 the contribution requirements of this subsection (e).

40 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
41 preceding January 31 of such year such employer shall have been a  
42 covered employer who has paid contributions to the State disability  
43 benefits fund with respect to employment in the three calendar years  
44 immediately preceding such year.

45 (2) If the minimum requirements in (1) above have been fulfilled  
46 and the credited contributions exceed the benefits charged by more

1 than \$500.00, such preliminary rate shall be as follows:

2 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less  
3 than  $1\frac{1}{4}$ % of his average annual payroll (as defined in this chapter  
4 (R.S.43:21-1 et seq.));

5 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds 1  
6  $\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual payroll;

7 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds 1  
8  $\frac{1}{2}$ % of his average annual payroll.

9 (3) If the minimum requirements in (1) above have been fulfilled  
10 and the contributions credited exceed the benefits charged but by not  
11 more than \$500.00 plus 1% of his average annual payroll, or if the  
12 benefits charged exceed the contributions credited but by not more  
13 than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

14 (4) If the minimum requirements in (1) above have been fulfilled  
15 and the benefits charged exceed the contributions credited by more  
16 than \$500.00, such preliminary rate shall be as follows:

17 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of 1%  
18 of his average annual payroll;

19 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
20  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

21 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
22  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

23 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
24  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

25 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
26 1% of his average annual payroll.

27 (5) Determination of the preliminary rate as specified in (2), (3)  
28 and (4) above shall be subject, however, to the condition that it shall  
29 in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages or  
30 increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary rate  
31 determined for the preceding year in accordance with (1), (2), (3) or  
32 (4), whichever shall have been applicable.

33 (E) (1) Prior to July 1 of each calendar year the controller shall  
34 determine the amount of the State disability benefits fund as of  
35 December 31 of the preceding calendar year, increased by the  
36 contributions paid thereto during January of the current calendar year  
37 with respect to employment occurring in the preceding calendar year.  
38 If such amount exceeds the net amount withdrawn from the  
39 unemployment trust fund pursuant to section 23 of the "Temporary  
40 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
41 amount at the end of such preceding calendar year of the  
42 unemployment disability account (as defined in section 22 of said law  
43 (C.43:21-46)), such excess shall be expressed as a percentage of the  
44 wages on which contributions were paid to the State disability benefits  
45 fund on or before January 31 with respect to employment in the  
46 preceding calendar year.

1 (2) The controller shall then make a final determination of the rates  
2 of contribution for the 12 months commencing July 1 of such year for  
3 employers whose preliminary rates are determined as provided in (D)  
4 hereof, as follows:

5 (i) If the percentage determined in accordance with paragraph  
6 (E)(1) of this subsection equals or exceeds  $1\frac{1}{4}\%$ , the final employer  
7 rates shall be the preliminary rates determined as provided in (D)  
8 hereof, except that if the employer's preliminary rate is determined as  
9 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
10 the preliminary employer rate decreased by such percentage of excess  
11 taken to the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate  
12 be less than  $\frac{1}{10}$  of 1%.

13 (ii) If the percentage determined in accordance with paragraph  
14 (E)(1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1% and is less than  
15  $1\frac{1}{4}$  of 1%, the final employer rates shall be the preliminary employer  
16 rates.

17 (iii) If the percentage determined in accordance with paragraph  
18 (E)(1) of this subsection is less than  $\frac{3}{4}$  of 1%, but in excess of  $\frac{1}{4}$  of  
19 1%, the final employer rates shall be the preliminary employer rates  
20 determined as provided in (D) hereof increased by the difference  
21 between  $\frac{3}{4}$  of 1% and such percentage taken to the nearest  $\frac{5}{100}$  of  
22 1%; provided, however, that no such final rate shall be more than  $\frac{1}{4}$   
23 of 1% in the case of an employer whose preliminary rate is determined  
24 as provided in (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
25 employer whose preliminary rate is determined as provided in (D)(1)  
26 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
27 whose preliminary rate is determined as provided in (D)(4) hereof.

28 (iv) If the amount of the State disability benefits fund determined  
29 as provided in paragraph (E)(1) of this subsection is equal to or less  
30 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
31 employer whose preliminary rate is determined as provided in (D)(2)  
32 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
33 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
34 case of an employer whose preliminary rate is determined as provided  
35 in (D)(4) hereof. Notwithstanding any other provision of law or any  
36 determination made by the controller with respect to any 12-month  
37 period commencing on July 1, 1970, the final rates for all employers  
38 for the period beginning January 1, 1971, shall be as set forth herein.  
39 (cf: P.L.1997, c.263, s.12)

40

41 14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read  
42 as follows:

43 3. Counseling shall be made available by the Department of Labor  
44 to each individual who meets the requirements indicated in subsections  
45 a. and b. of section 4 of this act. The department may provide the  
46 counseling or obtain the counseling from a service provider, if the

1 service provider is different from and not affiliated with any service  
2 provider offering any employment and training services to the worker  
3 other than the counseling. The purpose of the counseling is to assist  
4 the individual in obtaining the employment and training services most  
5 likely to provide the worker with the greatest opportunity for  
6 long-range career advancement with high levels of productivity and  
7 earning power. The counseling shall include:

8 a. Testing and assessment of the individual's job skills and  
9 aptitudes, including the individual's literacy skills and other basic skills.  
10 Basic skills testing and assessment shall be provided to the individual  
11 unless information is provided regarding the individual's educational  
12 background and occupational or professional experience which clearly  
13 demonstrates that the individual's basic skill level meets the standards  
14 indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the  
15 individual is already participating in a remedial education program  
16 which meets those standards;

17 b. An evaluation by a qualified job counselor of:

18 (1) Whether the individual is eligible for the additional benefits  
19 indicated in section 5 of this act; and

20 (2) What remedial education, if any, is determined to be necessary  
21 for the individual to advance in his current occupation or succeed in  
22 any particular vocational training which the individual would  
23 undertake in connection with additional benefits indicated in section  
24 4 of this act, provided that the remedial education shall be at a level  
25 not lower than that needed to meet the standards indicated in section  
26 14 of P.L.1989, c.293 (C.34:15C-11);

27 c. The provision of information to the individual regarding any of  
28 the labor demand occupations for which training meets the  
29 requirements of subsection e. of section 4 of this act in the claimant's  
30 case, including [the] information about the wage levels in those  
31 occupations [which is available to the Department of Labor and any  
32 information available to the department regarding], the effectiveness  
33 of any particular provider of training for any of those occupations  
34 which the claimant is considering using, and the long-term success of  
35 former trainees of the provider in obtaining permanent employment  
36 and increasing earnings;

37 d. The provision of information to the individual regarding the  
38 services and benefits available to the individual under the provisions  
39 of this act and employment and training programs provided or funded  
40 pursuant to [P.L.1983, c.328 (C.34:15B-11 et seq.),] the "1992 New  
41 Jersey Employment and Workforce Development Act," P.L.1992, c.43  
42 (C.34:15D-1 et al.) and the ["Job Training Partnership Act," Pub.L.  
43 97-300 (29 U.S.C. s.1501 et seq.)] Workforce Investment Act of  
44 1998, Pub.L.105-220 (29 U.S.C. s.2801 et seq.). and regarding the  
45 tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1  
46 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

1 e. Discussion with the counselor of the results of the testing and  
2 evaluation and, based on those results, the development of a written  
3 Employability Development Plan, consistent with the requirements of  
4 subsections e., f. and g. of section 4 of this act, for the individual  
5 describing any remedial education and the vocational training that the  
6 individual will undertake in connection with benefits provided pursuant  
7 to the provisions of this act.

8 All information regarding an individual applicant or trainee which  
9 is obtained or compiled in connection with the testing, assessment and  
10 evaluation and which may be identified with the individual shall be  
11 confidential and shall be released to an entity other than the individual,  
12 the counselor or the department only if: the individual provides written  
13 permission to the department for the release of the information; or the  
14 information is used solely for program evaluation.

15 (cf: P.L.1992, c.47, s.3)

16  
17 15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read  
18 as follows:

19 4. Except as provided in section 8 of this act, the additional benefits  
20 indicated in section 5 of this act shall be provided to any individual  
21 who:

22 a. Has received a notice of a permanent termination of employment  
23 by the individual's employer or has been laid off and is unlikely to  
24 return to his previous employment because work opportunities in the  
25 individual's job classification are impaired by a substantial reduction of  
26 employment at the worksite;

27 b. Is, at the time of the layoff or termination, eligible, pursuant to  
28 the "unemployment compensation law," R.S.43:21-1 et seq., for [not  
29 less than 26 weeks of] unemployment benefits;

30 c. Enters into the counseling made available pursuant to section  
31 3 of this act as soon as possible following notification by the  
32 Department of Labor of its availability;

33 d. (1) Notifies the department of the individual's intention to enter  
34 into the education and training identified in the Employability  
35 Development Plan developed pursuant to section 3 of this act, not  
36 later than 60 days after the date of the individual's termination or  
37 layoff [or], not later than 30 days after the department provides notice  
38 to the individual pursuant to section 6 of this act or not later than 30  
39 days after the Employability Development Plan is developed,  
40 whichever occurs [later] last;

41 (2) Enters into the education and training identified in the  
42 Employability Development Plan as soon as possible after giving the  
43 notice required by paragraph (1) of this subsection d.; and

44 (3) Maintains satisfactory progress in the education and training;

45 e. Enrolls in vocational training which:

46 (1) Is training for a labor demand occupation;

1 (2) Is likely to facilitate a substantial enhancement of the  
2 individual's marketable skills and earning power;

3 (3) Is provided by a service provider approved by the  
4 Commissioner of Labor, which approval shall be made, if the "1992  
5 New Jersey Employment and Workforce Development Act," P.L.1992,  
6 c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of  
7 section 8 of that act; and

8 (4) Does not include on the job training or other training under  
9 which the individual is paid by an employer for work performed by the  
10 individual during the time that the individual receives additional  
11 benefits pursuant to the provisions of section 5 of this act;

12 f. Enrolls in vocational training, remedial education or a  
13 combination of both on a full-time basis; and

14 g. Reasonably can be expected to successfully complete the  
15 vocational training and any needed remedial education, either during  
16 or after the period of additional benefits.

17 If the requirements of this section are met, the division shall not  
18 deny an individual unemployment benefits pursuant to the  
19 "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970,  
20 c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in  
21 section 5 of this act for any of the following reasons: the training  
22 includes remedial education needed by the individual to succeed in the  
23 vocational component of the training; the individual has identifiable  
24 vocational skills but the training services are needed to enable the  
25 individual to develop skills necessary to attain at least the level of self-  
26 sufficiency; the training is part of a program under which the individual  
27 may obtain any college degree enhancing the individual's marketable  
28 skills and earning power; the individual has previously received a  
29 training grant; the length of the training period under the program; or  
30 the lack of a prior guarantee of employment upon completion of the  
31 training. If the requirements of this section are met, the division shall  
32 regard a training program as approved for the purposes of paragraph  
33 (4) of subsection (c) of R.S.43:21-4.

34 (cf: P.L.1992, c.47, s.4)

35  
36 16. This act shall take effect immediately.

37  
38  
39 STATEMENT

40  
41 This bill amends and updates various State laws regarding  
42 reemployment services and training programs to take into account  
43 recent changes in related federal laws and to expand State efforts to  
44 promote adult literacy in the workplace.

45 The bill creates, in the Department of Labor, a Supplemental  
46 Workforce Fund for Basic Skills (SWFBS) which will be used to



1 increase funding for basic skills training for unemployed and employed  
2 workers, including basic math, reading comprehension, computer  
3 literacy, English proficiency and work-readiness skills. 24% of the  
4 funds from the SWFBS is reserved to support basic skills training  
5 delivered by the State's One-Stop Career Centers, 28% is reserved for  
6 Workforce Investment Boards to provide grants for basic skills  
7 training to displaced, disadvantaged and employed workers and other  
8 individuals with learning disabilities or needing vocational  
9 rehabilitation services, and 38% is reserved for grants to consortia of  
10 individual employers, employer organizations, labor organizations,  
11 community-based organizations and educational institutions to provide  
12 basic skills training. 10% is made available to the commissioner for  
13 any of the indicated purposes and for department administrative costs.

14 The fund will be financed by the redirection each year of \$23  
15 million of employer and employee payroll taxes from the  
16 unemployment compensation fund to the SWFBS.

17 The bill requires that, both for each operational area of the existing  
18 Workforce Development Partnership (WDP) Fund and for the SWFBS  
19 created by the bill, any funds at the end of the fiscal year in excess of  
20 20% of the amount allocated be immediately returned to the  
21 unemployment compensation fund.

22 The bill updates references to federal job training programs, from  
23 the Job Training Partnership Act to the Workforce Investment Act of  
24 1998 (WIA). The bill provides that the standards regarding labor,  
25 program participation and the quality of counseling and consumer  
26 choice for potential trainees which currently apply to the WDP  
27 Program also apply to programs funded by the SWFBS and the WIA  
28 and that other relevant standards which apply to that act likewise apply  
29 to the State programs.

30 The bill specifies that WDP funds may be used for remedial  
31 education grants even if no vocational job training is part of the grant.  
32 Likewise, the bill clarifies that occupational safety and health training  
33 grants may be provided without being connected to any specific  
34 occupational training grants.

35 Under the bill, workers with identifiable vocational skills are  
36 permitted to receive WDP or WIA training grants which will make  
37 them better able to attain economic self sufficiency. The bill increases  
38 the emphasis on service for workers who have disabilities or need  
39 vocational rehabilitation and for workers who are already employed.  
40 It extends the time during which a displaced worker may give notice  
41 of an interest to undertake training, to not later than 30 days after an  
42 employability development plan is developed with a State counselor.  
43 It also allows a displaced worker to receive extended unemployment  
44 insurance (UI) benefits during job training even if the worker is  
45 qualified for less than the maximum number of weeks of regular UI  
46 benefits.

P.L. 2001, CHAPTER 152, *approved July 13, 2001*  
Senate Committee Substitute (*First Reprint*) for  
Senate, Nos. 1783 and 1733

1 **AN ACT** concerning basic skills training, reemployment services and  
2 training programs and revising various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. (New section) a. A restricted, nonlapsing, revolving  
8 "Supplemental Workforce Fund for Basic Skills," to be managed and  
9 invested by the State Treasurer, is hereby established in the  
10 Department of Labor to provide basic skills training. All moneys  
11 appropriated to the fund, all interest accumulated on balances in the  
12 fund and all cash received for the fund from any other source shall be  
13 allocated by the Commissioner of Labor as follows:

14 (1) 24% shall be deposited in an account reserved to support basic  
15 skills training delivered by the State's One-Stop Career Centers to  
16 qualified displaced, disadvantaged and employed workers pursuant to  
17 Employability Development Plans developed pursuant to section 7 of  
18 P.L.1992, c.43 (C.34:15D-7);

19 (2) 28% shall be deposited in an account reserved for Workforce  
20 Investment Boards to provide grants for basic skills training for  
21 qualified displaced, disadvantaged and employed workers pursuant to  
22 Employability Development Plans developed pursuant to section 7 of  
23 P.L.1992, c.43 (C.34:15D-7) and for other individuals with learning  
24 disabilities or otherwise in need of vocational rehabilitation services;

25 (3) 38% shall be deposited in an account reserved for grants to  
26 consortia including one or more of any of the following: eligible  
27 individual employers, employer organizations, labor organizations,  
28 community-based organizations or educational institutions to provide  
29 basic skills training to qualified displaced, disadvantaged or employed  
30 workers or to other individuals seeking to enter apprenticeship  
31 training; and

32 (4) 10% shall be deposited in an account to be used, at the  
33 discretion of the commissioner, for any of the purposes indicated in  
34 this subsection a. and any administrative costs incurred by the  
35 Department of Labor in connection with the fund.

36 b. Any grant provided in connection with paragraph (3) of  
37 subsection a. of this section directly to an employer or to an employer

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SBA committee amendments adopted June 25, 2001.

1 through a consortium shall be regarded as a customized training grant  
2 and shall be administered by the Office of Customized Training and the  
3 employer and consortium shall comply with all requirements of section  
4 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided  
5 directly or indirectly to an employer for use in connection with any  
6 program which includes apprenticeship training or activities or  
7 preparation for entry into apprenticeship training shall be exempt from  
8 the requirement of this subsection b. to be administered by the Office  
9 of Customized Training and be subject to the requirements of section  
10 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
11 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
12 c.268 (C.34:15E-3), and the employer complies with the provisions of  
13 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant  
14 provided in connection with paragraph (b) of subsection a. of this  
15 section directly to an individual shall be regarded as an individual  
16 training grant and shall be subject to the requirements of subsections  
17 a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

18 c. Any employment and training services funded by the  
19 Supplemental Workforce Fund for Basic Skills shall be provided in a  
20 manner which complies with the provisions of subsections b., c., f., g.,  
21 h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent  
22 that those subsections pertain to remedial education. Any service  
23 provider receiving moneys from the Supplemental Workforce Fund for  
24 Basic Skills shall be subject to the provisions of section 8 of P.L.1992,  
25 c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

26 d. All staff located at any One Stop Career Center supported by  
27 funds provided from the Supplemental Workforce Fund for Basic  
28 Skills shall be hired and employed by the State pursuant to Title 11A,  
29 Civil Service, of the New Jersey Statutes.

30 e. Beginning July 1, 2002, and for any subsequent fiscal year, if  
31 the unexpended <sup>1</sup>cash<sup>1</sup> balance in any of the accounts indicated in  
32 subsection a. of this section, less any amount awarded in grants but  
33 not yet disbursed from the account, is determined<sup>1</sup> [ , in accordance  
34 with generally accepted accounting principles, ]<sup>1</sup> to exceed 20% of the  
35 amount of contributions collected for deposit in the account pursuant  
36 to this subsection during the fiscal year then ended, the excess shall be  
37 regarded as an unemployment compensation contribution and  
38 deposited into the unemployment compensation fund within seven  
39 business days of the date that the determination is made.

40 f. The Commissioner of Labor shall establish standards of  
41 performance for providers of basic skills training pursuant to this act.  
42 The standards shall include, but not be limited to, standards for the  
43 curriculum or training to be furnished, qualifications for persons who  
44 will provide the training under the act, and standards for establishing  
45 what constitutes successful completion of the training program. The  
46 commissioner shall establish means of determining the ability of

1 enrollees to gain or maintain employment following the successful  
2 completion of a training program established pursuant to this section.  
3 In the event that the commissioner determines that a provider has not  
4 conducted its training program in accordance with the standards of  
5 performance, he may take that action necessary to correct the  
6 deficiencies of the provider, or terminate the contract with the  
7 provider of basic skills services if the provider fails to respond to  
8 remedial action.

9 g. The State Employment and Training Commission shall review  
10 and evaluate the operations of programs supported by the  
11 Supplemental Workforce Fund for Basic Skills established pursuant to  
12 this section, with special consideration to how those programs assist  
13 in the implementation of the goals of the Strategic Five-Year State Plan  
14 for New Jersey's Workforce Investment System, and shall consult with  
15 the Commissioner of Labor regarding its findings.

16 h. For the purpose of this section:

17 "Basic skills training" means basic mathematics, reading  
18 comprehension, basic computer literacy, English proficiency and work-  
19 readiness skills and shall be regarded as a form of "remedial education"  
20 for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

21 "One Stop Career Center" means one of the centers established in  
22 local areas to coordinate a variety of State and local programs  
23 providing employment and training services, including job placement  
24 services, or any other similar State or local government-sponsored  
25 center providing employment and training services as may be  
26 developed at any later time; and

27 "Qualified disadvantaged worker," "qualified displaced worker,"  
28 "qualified employed worker," and "employment and training services"  
29 have the meanings given to them by section 3 of P.L.1992, c.43  
30 (C.34:15D-3).

31

32 2. (New section) Beginning on January 1, 2002, each worker shall  
33 contribute to the Supplemental Workforce Fund for Basic Skills an  
34 amount equal to 0.0175% of the worker's wages as determined in  
35 accordance with paragraph (3) of subsection (b) of R.S.43:21-7  
36 regarding the worker's employment with an employer.

37 Beginning on July 1, 2001, each employer shall contribute to the  
38 Supplemental Workforce Fund for Basic Skills an amount equal to the  
39 amount that the employer's contribution is decreased pursuant to  
40 subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

41

42 3. (New section) If an employee receives wages from more than  
43 one employer during any calendar year, and the sum of the employee's  
44 contributions deposited in the Supplemental Workforce Fund for Basic  
45 Skills exceeds an amount equal to 0.0175% of the wages determined  
46 in accordance with the provisions of paragraph (3) of subsection (b)

1 of R.S.43:21-7 during the calendar year beginning January 1, 2002 or  
2 any subsequent calendar year, the employee shall be entitled to a  
3 refund of the excess if a claim establishing the employee's right to the  
4 refund is made within two years after the end of the respective  
5 calendar year in which the wages are received and are the subject of  
6 the claim. The commissioner shall refund any overpayment from the  
7 fund without interest.

8 Any employee who is a taxpayer and entitled, pursuant to the  
9 provisions of this section, to a refund of contributions deducted during  
10 a tax year from his wages shall, in lieu of the refund, be entitled to a  
11 credit in the full amount thereof against the tax otherwise due on his  
12 New Jersey gross income for that tax year if he submits his claim for  
13 the credit and accompanies that claim with evidence of his right to the  
14 credit in the manner provided by regulation by the Director of the  
15 Division of Taxation. In any case in which the amount, or any portion  
16 thereof, of any credit allowed hereunder results in or increases an  
17 excess of income tax payment over income tax liability, the amount of  
18 the new or increased excess shall be considered an overpayment and  
19 shall be refunded to the taxpayer in the manner provided by subsection  
20 (a) of N.J.S.54A:9-7.

21

22 4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read  
23 as follows:

24 1. As used in this act:

25 "Approved service provider" means a service provider approved  
26 pursuant to section 6 of this act.

27 "Apprenticeship Policy Committee" means the New Jersey  
28 Apprenticeship Policy Committee established by an agreement between  
29 the Bureau of Apprenticeship and Training in the United States  
30 Department of Labor, the State Department of Labor and the State  
31 Department of Education and consisting of a representative of the  
32 Commissioner of the State Department of Education, a representative  
33 of the Commissioner of the State Department of Labor, the Director  
34 of Region II of the Bureau of Apprenticeship and Training in the  
35 United States Department of Labor, and a representative of the New  
36 Jersey State AFL-CIO.

37 "Commissioner" means the Commissioner of Labor.

38 "Department" means the Department of Labor.

39 "Employment and training services" means:

- 40 a. Counseling provided pursuant to section 4 of this act;  
41 b. Vocational training; or  
42 c. Remedial education.

43 "Federal job training funds" means any moneys expended to obtain  
44 employment and training services, pursuant to the ["Job Training  
45 Partnership Act," Pub.L.97-300 (29 U.S.C.s.1501 et seq),]  
46 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801

1 et seq.) except that, to the extent that the application of any specific  
2 provision of this act would cause the amount of federal job training  
3 funds provided to the State to be reduced, that provision shall not  
4 apply.

5 "Labor demand occupation" means an occupation for which there  
6 is or is likely to be an excess of demand over supply for adequately  
7 trained workers, including, but not limited to, an occupation  
8 designated as a labor demand occupation by the New Jersey  
9 Occupational Information Coordinating Committee pursuant to section  
10 7 of this act.

11 "Office of Customized Training" means the Office of Customized  
12 Training established pursuant to section 5 of P.L.1992, c.43  
13 (C.34:15D-5).

14 "Permanent employment" means full-time employment  
15 unsubsidized by government training funds which provides a  
16 significant opportunity for career advancement and long-term job  
17 security and is in the occupation for which a worker receives  
18 vocational training pursuant to this act.

19 "Qualified job counselor" means a job counselor whose  
20 qualifications meet standards established by the commissioner.

21 "Remedial education" means any literacy or other basic skills  
22 training or education which may not be directly related to a particular  
23 occupation but is needed to facilitate success in vocational training or  
24 work performance, including training or education in basic  
25 mathematics, reading comprehension, basic computer literacy, English  
26 proficiency and work-readiness skills.

27 "Service provider" or "provider" means a provider of employment  
28 and training services including but not limited to a private or public  
29 school or institution of higher education, a business, a labor  
30 organization or a community-based organization.

31 "Vocational training" means training or education which is related  
32 to an occupation and is designed to enhance the marketable skills and  
33 earning power of a worker or job seeker.

34 (cf: P.L.1992, c.48, s.1)

35

36 5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read  
37 as follows:

38 2. a. All vocational training funded with federal job training funds  
39 shall be training which is likely to substantially enhance the trainee's  
40 marketable skills and earning power and is for a labor demand  
41 occupation.

42 b. Federal job training funds shall not be used for job training or  
43 any related activities which induce, encourage or assist: any  
44 displacement or partial displacement of currently employed workers by  
45 trainees by means such as reduced hours of currently employed  
46 workers; any replacement of laid off workers by trainees; or any

1 relocation of operations resulting in a loss of employment at a previous  
2 workplace, except in cases of multi-establishment employers  
3 consolidating establishments. No federal job training funds shall be  
4 used for job training in any case in which an employer relocates within  
5 the State and does not offer each effected employee the equivalent  
6 benefits, pay and working conditions if the employee moves to the new  
7 location and into a job or position involving comparable skills,  
8 responsibilities, experience and seniority to the prior job or position.

9 c. Federal job training funds shall not be used for job training or  
10 any related activities which impair existing contracts for services or  
11 collective bargaining agreements, except that job training or any  
12 related activities which are inconsistent with the terms of a collective  
13 bargaining agreement may be undertaken with the written concurrence  
14 of the collective bargaining unit and employer who are parties to the  
15 agreement.

16 d. Any federal job training funds which are provided directly to an  
17 employer or indirectly to an employer through a consortium shall be  
18 regarded as customized training grants and be administered by the  
19 Office of Customized Training and the employer and any consortium  
20 shall comply with all requirements of section 5 of P.L.1992, c.43  
21 (C.34:15D-5), except that federal job training funds provided directly  
22 or indirectly to an employer for use in connection with any program  
23 which includes apprenticeship training or activities shall be exempt  
24 from the requirement of this subsection d. to be administered by the  
25 Office of Customized Training and be subject to the requirements of  
26 section 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the  
27 Apprenticeship Policy Committee, as defined in section 3 of P.L.1993,  
28 c.268 (C.34:15E-3) and the employer complies with the provisions of  
29 subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5).  
30 Employment and training services funded by federal job training funds  
31 shall not replace, supplant, compete with or duplicate any approved  
32 apprenticeship program.

33 (cf: P.L.1992, c.48, s.2)

34

35 6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read  
36 as follows:

37 3. a. On the job training shall not be paid for with federal job  
38 training funds for any employment found by the commissioner to be of  
39 a level of skill and complexity too low to merit training.

40 b. The duration of on the job training for any individual shall not  
41 exceed the duration indicated by the Specific Vocational Preparation  
42 code developed by the United States Department of Labor for the  
43 occupation for which the training is provided and shall in no case  
44 exceed 26 weeks. The department shall set the duration of on the job  
45 training for an individual for less than the indicated maximum, when  
46 training for the maximum duration is not warranted because of the

1 level of the individual's previous training, education or work  
2 experience.

3 c. On the job training shall not be paid for with federal job training  
4 funds unless it is accompanied, concurrently or otherwise, by whatever  
5 amount of classroom-based vocational training, remedial education or  
6 both, is deemed appropriate for the worker by the commissioner.

7 d. Each employer receiving federal job training funds for on the  
8 job training shall retain in permanent employment each trainee who  
9 successfully completes the training. The commissioner may, for a time  
10 period he deems appropriate, provide for the withholding of whatever  
11 portion he deems appropriate of the funding as a final payment for  
12 training, contingent upon the retention of a program completer as  
13 required pursuant to this section.

14 e. On the job training shall not be paid for with federal job training  
15 funds unless the trainee is provided benefits, pay and working  
16 conditions at a level and extent not less than the benefits and working  
17 conditions of other trainees or employees of the trainee's employer  
18 with comparable skills, responsibilities, experience and seniority.  
19 (cf: P.L.1992, c.48, s.3).

20  
21 7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read  
22 as follows:

23 5. An otherwise qualified individual shall not be denied  
24 employment and training services included in the Employability  
25 Development Plan developed for the individual pursuant to section 4  
26 of this act for any of the following reasons: the employment and  
27 training services include remedial education needed by the individual  
28 to advance in the individual's current employment or occupation or to  
29 succeed in the vocational component of the training; the qualified  
30 displaced worker or other individual has identifiable vocational skills  
31 but the training services are needed to enable the individual to develop  
32 skills necessary to attain at least the level of self-sufficiency; the  
33 training is part of a program under which the individual may obtain a  
34 college degree enhancing the individual's marketable skills and earning  
35 power; the individual has previously received a training grant; the  
36 length of the training period under the program; or the lack of a prior  
37 guarantee of employment upon completion of the training, except for  
38 on the job training. This section shall not be construed as requiring  
39 that federal job training funds be used to pay for employment and  
40 training services for which other assistance, such as State or federal  
41 student financial aid, is provided.

42 (cf: P.L.1992, c.48, s.5)

43

44 8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read  
45 as follows:

46 3. As used in this act:



1 "Administrative costs" means any costs incurred by the department  
2 to administer the program, including any cost required to collect  
3 information and conduct evaluations of service providers pursuant to  
4 section 8 of this act and conduct surveys of occupations pursuant to  
5 section 12 of this act, to the extent that funding is not available from  
6 federal or other sources.

7 "Apprenticeship Policy Committee" means the New Jersey  
8 Apprenticeship Policy Committee established by an agreement between  
9 the Bureau of Apprenticeship and Training in the United States  
10 Department of Labor, the State Department of Labor and the State  
11 Department of Education and consisting of a representative of the  
12 Commissioner of the State Department of Education, a representative  
13 of the Commissioner of the State Department of Labor, the Director  
14 of Region II of the Bureau of Apprenticeship and Training in the  
15 United States Department of Labor and a representative of the New  
16 Jersey State AFL-CIO.

17 "Approved service provider" means a service provider approved  
18 pursuant to section 8 of this act.

19 "Commission" means the State Employment and Training  
20 Commission.

21 "Commissioner" means the Commissioner of Labor or the  
22 commissioner's designees.

23 "Customized training services" means employment and training  
24 services which are provided by the Office of Customized Training  
25 pursuant to section 5 of this act.

26 "Department" means the State Department of Labor.

27 "Employer" or "business" means any employer subject to the  
28 provisions of R.S.43:21-1 et seq.

29 "Employment and training services" means:

- 30 a. Counseling provided pursuant to section 7 of this act;
- 31 b. Vocational training;
- 32 c. Remedial education; or
- 33 d. Occupational safety and health training.

34 "Fund" means the Workforce Development Partnership Fund  
35 established pursuant to section 9 of this act.

36 "Labor Demand Occupation" means an occupation for which there  
37 is or is likely to be an excess of demand over supply for adequately  
38 trained workers, including, but not limited to, an occupation  
39 designated as a labor demand occupation by the New Jersey  
40 Occupational Information Coordinating Committee pursuant to section  
41 12 of this act.

42 "Occupational safety and health training" means training or  
43 education which is designed to assist in the recognition and prevention  
44 of potential health and safety hazards related to an occupation [which  
45 is the subject of vocational training].

46 "Office" means the Office of Customized Training established

1 pursuant to section 5 of this act.

2 "Permanent employment" means full-time employment  
3 unsubsidized by government training funds which provides a  
4 significant opportunity for career advancement and long-term job  
5 security and is in the occupation for which a worker receives  
6 vocational training pursuant to this act.

7 "Program" means the Workforce Development Partnership  
8 Program created pursuant to this act.

9 "Qualified disadvantaged worker" means a worker who is not a  
10 qualified displaced worker or a qualified employed worker but who  
11 otherwise meets the following criteria:

12 a. Is unemployed;

13 b. Is working part-time and actively seeking full-time work or is  
14 working full-time but is earning wages substantially below the median  
15 salary for others in the labor force with similar qualifications and  
16 experience; or

17 c. Is certified by the Department of Human Services as:

18 (1) Currently receiving public assistance;

19 (2) Having been recently removed from the public assistance rolls  
20 because of gross income exceeding the grant standard for assistance;  
21 or

22 (3) Being eligible for public assistance but not receiving the  
23 assistance because of a failure to apply for it.

24 "Qualified displaced worker" means a worker who:

25 a. Is unemployed, and:

26 (1) Is currently receiving unemployment benefits pursuant to  
27 R.S.43:21-1 et seq. or any federal or State unemployment benefit  
28 extension; or

29 (2) Has exhausted eligibility for the benefits or extended benefits  
30 during the preceding 52 weeks; or

31 b. Meets the criteria set by [Title III of the "Job Training  
32 Partnership Act," Pub.L. 97-300 (29 U.S.C.s.1651 et seq.)] the  
33 Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801  
34 et seq.), to be regarded as [an "eligible dislocated worker"] a  
35 "dislocated worker" pursuant to that act.

36 "Qualified employed worker" means a worker who is employed by  
37 an employer participating in a customized training program, or other  
38 employed worker who is in need of remedial education.

39 "Qualified job counselor" means a job counselor whose  
40 qualifications meet standards established by the commissioner.

41 "Remedial education" means any literacy or other basic skills  
42 training or education which may not be directly related to a particular  
43 occupation but is needed to facilitate success in vocational training or  
44 work performance, including training or education in mathematics,  
45 reading comprehension, computer literacy, English proficiency and  
46 work-readiness skills.

1 "Service provider" or "provider" means a provider of employment  
2 and training services including but not limited to a private or public  
3 school or institution of higher education, a business, a labor  
4 organization or a community-based organization.

5 "Supplemental Workforce Fund for Basic Skills" means the fund  
6 established pursuant to section 1 of P.L.2001, c. (C. ) (now  
7 pending before the Legislature as this bill).

8 "Total revenues dedicated to the program during any one fiscal  
9 year" means all moneys received for the fund during any fiscal year,  
10 including moneys withdrawn from the State disability benefits fund  
11 pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any  
12 repayment made during that fiscal year from the fund to the State  
13 disability benefits fund pursuant to that section.

14 "Training grant" means a grant provided to fund vocational training  
15 and any needed remedial education for a qualified displaced or  
16 disadvantaged worker pursuant to section 6 of this act, or to fund  
17 needed remedial education for a qualified employed worker pursuant  
18 section 1 of P.L.2001, c. (C. ) (now pending before the  
19 Legislature as this bill).

20 "Vocational training" means training or education which is related  
21 to an occupation and is designed to enhance the marketable skills and  
22 earning power of a worker or job seeker.

23 (cf: P.L.1992, c.43, s.3)

24  
25 9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read  
26 as follows:

27 4. a. The Workforce Development Partnership Program is hereby  
28 established in the Department of Labor and shall be administered by  
29 the Commissioner of Labor. The purpose of the program is to provide  
30 qualified displaced, disadvantaged and employed workers with the  
31 employment and training services most likely to provide the greatest  
32 opportunity for long-range career advancement with high levels of  
33 productivity and earning power. To implement that purpose, the  
34 program shall provide those services by means of training grants or  
35 customized training services, to the extent that funding for the services  
36 is not available from federal or other sources. The commissioner is  
37 authorized to expend moneys from the Workforce Development  
38 Partnership Fund to provide the training grants or customized training  
39 services and provide for each of the following:

40 (1) The cost of counseling required pursuant to section 7 of  
41 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
42 counseling is not available from federal or other sources;

43 (2) Reasonable administrative costs, which shall not [to] exceed  
44 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44  
45 (C.34:15D-13) during any [one] fiscal year ending before July 1,  
46 2001, except for additional start-up administrative costs approved by

1 the Director of the Office of Management and Budget during the first  
2 year of the program's operation;

3 (3) Reasonable costs, which shall not [~~exceeding~~] ~~exceed~~ 0.5%  
4 of the revenues collected pursuant to section 2 of P.L.1992, c.44  
5 (C.34:15D-13) during any [~~one~~] fiscal year ending before July 1,  
6 2001, as required by the State Employment and Training Commission  
7 to design criteria and conduct an annual evaluation of the program;  
8 and

9 (4) The cost of reimbursement to individuals for excess  
10 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

11 b. Not more than 10% of the moneys received by any service  
12 provider pursuant to this act shall be expended on anything other than  
13 direct costs to the provider of providing the employment and training  
14 services, which direct costs shall not include any administrative or  
15 overhead expense of the provider.

16 c. Training and employment services shall be provided to a worker  
17 who receives counseling pursuant to section 7 of P.L.1992, c.43  
18 (C.34:15D-7) only if the counselor who evaluates the worker pursuant  
19 to that section determines that the worker can reasonably be expected  
20 to successfully complete the training and education identified in the  
21 Employability Development Plan developed pursuant to that section  
22 for the worker.

23 d. All vocational training provided under this act:

24 (1) Shall be training which is likely to substantially enhance the  
25 individual's marketable skills and earning power; and

26 (2) Shall be training for a labor demand occupation, except for:

27 (a) Customized training provided to the present employees of a  
28 business which the commissioner deems to be in need of the training  
29 to prevent job loss caused by obsolete skills, technological change or  
30 national or global competition; or

31 (b) Customized training provided to employees at a facility which  
32 is being relocated from another state into New Jersey; or

33 (c) Entrepreneurial training and technical assistance supported by  
34 training grants provided pursuant to subsection b. of section 6 of  
35 P.L.1992, c.43 (C.34:15D-6).

36 e. [~~Not~~] During any fiscal year ending before July 1, 2001, not  
37 less than 25% of the total revenues dedicated to the program during  
38 any one fiscal year shall be reserved to provide employment and  
39 training services for qualified displaced workers[. Not]; not less than  
40 six percent of the total revenues dedicated to the program during any  
41 one fiscal year shall be reserved to provide employment and training  
42 services for qualified disadvantaged workers[. Not]; not less than  
43 45% of the total revenues dedicated to the program during any one  
44 fiscal year shall be reserved for and appropriated to the Office of  
45 Customized Training[. Not]; not less than 3% of the total revenues  
46 dedicated to the program during any one fiscal year shall be reserved

1 for occupational safety and health training[. Beginning July 1, 1994,];  
2 and 5% of the total revenues dedicated to the program during any one  
3 fiscal year shall be reserved for and appropriated to the Youth  
4 Transitions to Work Partnership created pursuant to P.L.1993, c.268  
5 (C.34:15E-1 et seq.).

6 f. Funds available under the program shall not be used for  
7 activities which induce, encourage or assist: any displacement of  
8 currently employed workers by trainees, including partial displacement  
9 by means such as reduced hours of currently employed workers; any  
10 replacement of laid off workers by trainees; or any relocation of  
11 operations resulting in a loss of employment at a previous workplace  
12 located in the State.

13 g. On-the-job training shall not be funded by the program for any  
14 employment found by the commissioner to be of a level of skill and  
15 complexity too low to merit training. The duration of on-the-job  
16 training funded by the program for any worker shall not exceed the  
17 duration indicated by the Specific Vocational Preparation Code  
18 developed by the United States Department of Labor for the  
19 occupation for which the training is provided and shall in no case  
20 exceed 26 weeks. The department shall set the duration of on-the-job  
21 training for a worker for less than the indicated maximum, when  
22 training for the maximum duration is not warranted because of the  
23 level of the individual's previous training, education or work  
24 experience. On-the-job training shall not be funded by the program  
25 unless it is accompanied, concurrently or otherwise, by whatever  
26 amount of classroom-based vocational training, remedial education or  
27 both, is deemed appropriate for the worker by the commissioner. On-  
28 the-job training shall not be funded by the program unless the trainee  
29 is provided benefits, pay and working conditions at a level and extent  
30 not less than the benefits and working conditions of other trainees or  
31 employees of the trainee's employer with comparable skills,  
32 responsibilities, experience and seniority.

33 h. Employment and training services funded by the program shall  
34 not replace, supplant, compete with or duplicate in any way approved  
35 apprenticeship programs.

36 i. No activities funded by the program shall impair existing  
37 contracts for services or collective bargaining agreements, except that  
38 activities which would be inconsistent with the terms of a collective  
39 bargaining agreement may be undertaken with the written concurrence  
40 of the collective bargaining unit and employer who are parties to the  
41 agreement.

42 (cf: P.L.1995, c.422, s.2)

43

44 10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read  
45 as follows:

46 6. a. The Workforce Development Partnership Program shall, to

1 the extent that resources available in the fund permit, provide, for each  
2 qualified displaced or disadvantaged worker who undergoes  
3 counseling pursuant to section 7 of this act, a training grant to pay for  
4 employment and training services which are identified in the  
5 Employability Development Plan developed pursuant to that section  
6 for that worker. No training grant made pursuant to this subsection  
7 during the first 12 months following July 1, 1992 shall exceed the  
8 amount deemed reasonable by the commissioner for the particular  
9 training, which amount shall not exceed \$4,000, except that the  
10 commissioner may permit an additional amount, if he deems it  
11 necessary to provide remedial education identified in the Employability  
12 Development Plan.

13 b. The Workforce Development Partnership Program may provide,  
14 for any individual who is selected to receive a self-employment  
15 assistance allowance pursuant to section 4 of P.L.1995, c.394  
16 (C.43:21-70), a training grant to pay for entrepreneurial training and  
17 technical assistance deemed necessary and appropriate by the  
18 commissioner to help the individual to become self-employed. A  
19 training grant made pursuant to this subsection shall be in an amount  
20 deemed reasonable by the commissioner for the particular training,  
21 but, during the first 12 months following January 1, 1996, shall not be  
22 in an amount which exceeds \$400, or, if the grant is for training  
23 provided by any public institution of higher education indicated in  
24 N.J.S.18A:62-1, shall not be in an amount which exceeds \$1,500.

25 c. The maximum amounts permitted for training grants made  
26 pursuant to subsection a. or b. of this section may be adjusted annually  
27 thereafter by the commissioner, taking into consideration changes in  
28 the prevailing costs of services and the availability of alternative  
29 sources of funding for the services. Any cost for employment and  
30 training services which exceeds the amount of a training grant shall be  
31 the responsibility of the worker receiving the grant. The cost of  
32 counseling provided pursuant to section 7 of this act shall not be  
33 charged against the training grant. No portion of a training grant may  
34 be expended on wage subsidies.

35 d. If the requirements of this section and sections 4 and 7 of this  
36 act are met, a qualified displaced ~~[or]~~, disadvantaged or employed  
37 worker shall not be denied a training grant for any of the following  
38 reasons: the training includes remedial education needed by the worker  
39 to advance in his current employment or occupation or to succeed in  
40 the vocational component of the training; the qualified displaced  
41 worker or other individual has identifiable vocational skills but the  
42 training services are needed to enable the individual to develop skills  
43 necessary to attain at least the level of self-sufficiency; the training is  
44 part of a program under which the worker may obtain any college  
45 degree enhancing the worker's marketable skills and earning power;  
46 the worker has previously received a training grant; the length of the

1 training period under the program; or the lack of a prior guarantee of  
2 employment upon completion of the training.

3 (cf: P.L.1995, c.394, s.11)

4

5 11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read  
6 as follows:

7 7. Counseling shall be made available by the department to each  
8 qualified displaced or disadvantaged worker applying to participate in  
9 the program. Counseling may also be made available to a qualified  
10 employed worker who seeks remedial education or is selected to  
11 participate in a customized training program, if the worker's employer  
12 requests the counseling. The department may itself provide the  
13 counseling or obtain the counseling from a service provider, if the  
14 service provider is different from and not affiliated with any service  
15 provider offering any employment and training services to the worker  
16 other than the counseling, except that the department may obtain  
17 testing and assessment services provided pursuant to subsection a. of  
18 this section from a provider which also offers employment and training  
19 services to the worker other than the counseling. The purpose of any  
20 counseling made available pursuant to this section is to assist each  
21 worker in obtaining the employment and training services most likely  
22 to provide the worker with the greatest opportunity for long-range  
23 career advancement with high levels of productivity and earning  
24 power. Whether provided by the department or a service provider, the  
25 counseling shall include:

26 a. Testing and assessment of the worker's job skills and aptitudes,  
27 including the worker's literacy skills and other basic skills. Basic skills  
28 testing and assessment shall be provided to the worker unless  
29 information is provided regarding the worker's educational background  
30 and occupational or professional experience which clearly  
31 demonstrates that the worker's basic skill level meets the standards  
32 established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11)  
33 or unless the worker is already participating in a remedial education  
34 program which meets those standards;

35 b. An evaluation by a qualified job counselor of what remedial  
36 education, if any, is determined to be necessary for the worker to  
37 advance in his current employment or occupation or to succeed in any  
38 particular vocational training which the worker would undertake under  
39 the program, provided that the remedial education shall be at a level  
40 not lower than that needed to meet the standards established pursuant  
41 to section 14 of P.L.1989, c.293 (C.34:15C-11);

42 c. The provision of information to the worker regarding any of the  
43 labor demand occupations for which training meets the requirements  
44 of section 4 of this act in the worker's case, including [the]  
45 information about the wage levels in those occupations [which is  
46 available to the department and any information available to the

1 department regarding], the effectiveness of approved service providers  
2 of vocational training in occupations which the worker is considering  
3 and the long-term success of former trainees of each provider in  
4 obtaining permanent employment and increasing earnings;

5 d. The provision of information to the worker regarding the  
6 services and benefits available to the worker under the provisions of  
7 this act and P.L.1992, c.47 (C.43:21-57 et al.); and

8 e. Discussion with the counselor of the results of the testing and  
9 evaluation and, based on those results, the development of a written  
10 Employability Development Plan identifying the training and  
11 employment services, including any needed remedial education, to be  
12 provided to the worker pursuant to this act.

13 Counseling made available at the request of an employer  
14 participating in a customized training program may include only those  
15 components requested by the employer.

16 All information regarding a worker applicant or trainee which is  
17 obtained or compiled in connection with the testing, assessment and  
18 evaluation and which may be identified with the worker shall be  
19 confidential and shall be released to an entity other than the worker,  
20 the counselor or the department only if the worker provides written  
21 permission to the department for the release of the information or the  
22 information is used solely for program evaluation.

23 (cf: P.L.1992, c.43, s.7)

24

25 12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read  
26 as follows:

27 9. a. A restricted, nonlapsing, revolving Workforce Development  
28 Partnership Fund, to be managed and invested by the State Treasurer,  
29 is hereby established to: provide employment and training services to  
30 qualified displaced, disadvantaged and employed workers by means of  
31 training grants or customized training services; provide for the other  
32 costs indicated in subsection a. of section 4 of this act; and facilitate  
33 the provision of education and training to youth by means of grants  
34 provided by the Youth Transitions to Work Partnership pursuant to  
35 the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All  
36 appropriations to the fund, all interest accumulated on balances in the  
37 fund and all cash received for the fund from any other source shall be  
38 used solely for the purposes specifically delineated by this act.

39 b. During any fiscal year beginning after June 30, 2001, of the  
40 total revenues dedicated to the program during any one fiscal year:  
41 25% shall be deposited in an account of the Workforce Development  
42 Partnership Fund reserved to provide employment and training  
43 services for qualified displaced workers; 6% shall be deposited in an  
44 account of the Workforce Development Partnership Fund reserved to  
45 provide employment and training services for qualified disadvantaged  
46 workers; 45% shall be deposited in an account of the Workforce



1 Development Partnership Fund reserved for and appropriated to the  
2 Office of Customized Training; 3% shall be deposited in an account of  
3 the Workforce Development Partnership Fund reserved for  
4 occupational safety and health training; 5% shall be deposited in an  
5 account of the Workforce Development Partnership Fund reserved for  
6 the Youth Transitions to Work Partnership created pursuant to  
7 P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an  
8 account of the Workforce Development Partnership Fund reserved for  
9 administrative costs as defined in section 3 of P.L.1992, c.43  
10 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce  
11 Development Partnership Fund reserved for the State Employment and  
12 Training Commission to design criteria and conduct an annual  
13 evaluation of the program; and 5.5% shall be deposited in an account  
14 of the Workforce Development Partnership Fund to be used, at the  
15 discretion of the commissioner, for any of the purposes indicated in  
16 subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

17 c. Beginning January 1, 1995, [and for all subsequent calendar  
18 years] through June 30, 2002, the balance in the fund as of the  
19 previous December 31, as determined in accordance with generally  
20 accepted accounting principles, shall not exceed 1.5 times the amount  
21 of contributions deposited for the calendar year then ended. If the  
22 balance exceeds this amount, the excess shall be deposited into the  
23 unemployment compensation fund within seven business days of the  
24 date that the determination is made.

25 d. Beginning July 1, 2002, and for any subsequent fiscal year, if  
26 the unexpended <sup>1</sup>cash<sup>1</sup> balance in any of the accounts indicated in  
27 subsection b. of this section, less any amount awarded in grants but  
28 not yet disbursed from the account, is determined <sup>1</sup>[, in accordance  
29 with generally accepted accounting principles,]<sup>1</sup> to exceed 20% of the  
30 amount of contributions collected for deposit in the account pursuant  
31 to this subsection during the fiscal year then ended, the excess shall be  
32 regarded as an unemployment compensation contribution and  
33 deposited into the unemployment compensation fund within seven  
34 business days of the date that the determination is made.

35 (cf: P.L.1993, c.268, s.10)

36

37 13. R.S.43:21-7 is amended to read as follows:

38 43:21-7. Contributions.

39 Employers other than governmental entities, whose benefit  
40 financing provisions are set forth in section 4 of P.L.1971, c.346  
41 (C.43:21-7.3), and those nonprofit organizations liable for payment in  
42 lieu of contributions on the basis set forth in section 3 of P.L.1971,  
43 c.346 (C.43:21-7.2), shall pay to the controller for the unemployment  
44 compensation fund, contributions as set forth in subsections (a), (b)  
45 and (c) hereof, and the provisions of subsections (d) and (e) shall be  
46 applicable to all employers, consistent with the provisions of the

1 "unemployment compensation law" and the "Temporary Disability  
2 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

3 (a) Payment.

4 (1) Contributions shall accrue and become payable by each  
5 employer for each calendar year in which he is subject to this chapter  
6 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
7 during that calendar year, at the rates and on the basis hereinafter set  
8 forth. Such contributions shall become due and be paid by each  
9 employer to the controller for the fund, in accordance with such  
10 regulations as may be prescribed, and shall not be deducted, in whole  
11 or in part, from the remuneration of individuals in his employ.

12 (2) In the payment of any contributions, a fractional part of a cent  
13 shall be disregarded unless it amounts to \$0.005 or more, in which  
14 case it shall be increased to \$0.01.

15 (b) Rate of contributions. Each employer shall pay the following  
16 contributions:

17 (1) For the calendar year 1947, and each calendar year thereafter,  
18  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
19 as otherwise prescribed by subsection (c) of this section.

20 (2) The "wages" of any individual, with respect to any one  
21 employer, as the term is used in this subsection (b) and in subsections  
22 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
23 during calendar year 1975, for services performed either within or  
24 without this State; provided that no contribution shall be required by  
25 this State with respect to services performed in another state if such  
26 other state imposes contribution liability with respect thereto. If an  
27 employer (hereinafter referred to as a successor employer) during any  
28 calendar year acquires substantially all the property used in a trade or  
29 business of another employer (hereinafter referred to as a  
30 predecessor), or used in a separate unit of a trade or business of a  
31 predecessor, and immediately after the acquisition employs in his trade  
32 or business an individual who immediately prior to the acquisition was  
33 employed in the trade or business of such predecessors, then, for the  
34 purpose of determining whether the successor employer has paid  
35 wages with respect to employment equal to the first \$4,800.00 paid  
36 during calendar year 1975, any wages paid to such individual by such  
37 predecessor during such calendar year and prior to such acquisition  
38 shall be considered as having been paid by such successor employer.

39 (3) For calendar years beginning on and after January 1, 1976, the  
40 "wages" of any individual, as defined in the preceding paragraph (2)  
41 of this subsection (b), shall be established and promulgated by the  
42 Commissioner of Labor on or before September 1 of the preceding  
43 year and shall be 28 times the Statewide average weekly remuneration  
44 paid to workers by employers, as determined under R.S.43:21-3(c),  
45 raised to the next higher multiple of \$100.00 if not already a multiple  
46 thereof, provided that if the amount of wages so determined for a

1 calendar year is less than the amount similarly determined for the  
2 preceding year, the greater amount will be used; provided, further, that  
3 if the amount of such wages so determined does not equal or exceed  
4 the amount of wages as defined in subsection (b) of section 3306 of  
5 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
6 Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined  
7 in this paragraph in any calendar year shall be raised to equal the  
8 amount established under the Federal Unemployment Tax Act for that  
9 calendar year.

10 (c) Future rates based on benefit experience.

11 (1) A separate account for each employer shall be maintained and  
12 this shall be credited with all the contributions which he has paid on  
13 his own behalf on or before January 31 of any calendar year with  
14 respect to employment occurring in the preceding calendar year;  
15 provided, however, that if January 31 of any calendar year falls on a  
16 Saturday or Sunday, an employer's account shall be credited as of  
17 January 31 of such calendar year with all the contributions which he  
18 has paid on or before the next succeeding day which is not a Saturday  
19 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
20 construed to grant any employer or individuals in his service prior  
21 claims or rights to the amounts paid by him into the fund either on his  
22 own behalf or on behalf of such individuals. Benefits paid with respect  
23 to benefit years commencing on and after January 1, 1953, to any  
24 individual on or before December 31 of any calendar year with respect  
25 to unemployment in such calendar year and in preceding calendar years  
26 shall be charged against the account or accounts of the employer or  
27 employers in whose employment such individual established base  
28 weeks constituting the basis of such benefits, except that, with respect  
29 to benefit years commencing after January 4, 1998, an employer's  
30 account shall not be charged for benefits paid to a claimant if the  
31 claimant's employment by that employer was ended in any way which,  
32 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
33 would have disqualified the claimant for benefits if the claimant had  
34 applied for benefits at the time when that employment ended. Benefits  
35 paid under a given benefit determination shall be charged against the  
36 account of the employer to whom such determination relates. When  
37 each benefit payment is made, either a copy of the benefit check or  
38 other form of notification shall be promptly sent to the employer  
39 against whose account the benefits are to be charged. Such copy or  
40 notification shall identify the employer against whose account the  
41 amount of such payment is being charged, shall show at least the name  
42 and social security account number of the claimant and shall specify  
43 the period of unemployment to which said check applies. If the total  
44 amount of benefits paid to a claimant and charged to the account of  
45 the appropriate employer exceeds 50% of the total base year, base  
46 week wages paid to the claimant by that employer, then such employer

1 shall have canceled from his account such excess benefit charges as  
2 specified above.

3 Each employer shall be furnished an annual summary statement of  
4 benefits charged to his account.

5 (2) Regulations may be prescribed for the establishment,  
6 maintenance, and dissolution of joint accounts by two or more  
7 employers, and shall, in accordance with such regulations and upon  
8 application by two or more employers to establish such an account, or  
9 to merge their several individual accounts in a joint account, maintain  
10 such joint account as if it constituted a single employer's account.

11 (3) No employer's rate shall be lower than 5.4% unless assignment  
12 of such lower rate is consistent with the conditions applicable to  
13 additional credit allowance for such year under section 3303(a)(1) of  
14 the Internal Revenue Code of 1986 (26 U.S.C.s.3303(a)(1)), any other  
15 provision of this section to the contrary notwithstanding.

16 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
17  $8/10\%$ , except as otherwise provided in the following provisions. No  
18 employer's rate for the 12 months commencing July 1 of any calendar  
19 year shall be other than  $2\ 8/10\%$ , unless as of the preceding January 31  
20 such employer shall have paid contributions with respect to wages paid  
21 in each of the three calendar years immediately preceding such year,  
22 in which case such employer's rate for the 12 months commencing July  
23 1 of any calendar year shall be determined on the basis of his record up  
24 to the beginning of such calendar year. If, at the beginning of such  
25 calendar year, the total of all his contributions, paid on his own behalf,  
26 for all past years exceeds the total benefits charged to his account for  
27 all such years, his contribution rate shall be:

28 (1)  $2\ 5/10\%$ , if such excess equals or exceeds 4%, but less than  
29 5%, of his average annual payroll (as defined in paragraph (2),  
30 subsection (a) of R.S.43:21-19);

31 (2)  $2\ 2/10\%$ , if such excess equals or exceeds 5%, but is less than  
32 6%, of his average annual payroll;

33 (3)  $1\ 9/10\%$ , if such excess equals or exceeds 6%, but is less than  
34 7%, of his average annual payroll;

35 (4)  $1\ 6/10\%$ , if such excess equals or exceeds 7%, but is less than  
36 8%, of his average annual payroll;

37 (5)  $1\ 3/10\%$ , if such excess equals or exceeds 8%, but is less than  
38 9%, of his average annual payroll;

39 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
40 of his average annual payroll;

41 (7)  $7/10$  of 1%, if such excess equals or exceeds 10%, but is less  
42 than 11%, of his average annual payroll;

43 (8)  $4/10$  of 1%, if such excess equals or exceeds 11% of his  
44 average annual payroll.

45 (B) If the total of an employer's contributions, paid on his own  
46 behalf, for all past periods for the purposes of this paragraph (4), is

1 less than the total benefits charged against his account during the same  
2 period, his rate shall be:

3 (1) 4%, if such excess is less than 10% of his average annual  
4 payroll;

5 (2)  $4\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than  
6 20%, of his average annual payroll;

7 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
8 annual payroll.

9 (C) Specially assigned rates. If no contributions were paid on  
10 wages for employment in any calendar year used in determining the  
11 average annual payroll of an employer eligible for an assigned rate  
12 under this paragraph (4), the employer's rate shall be specially assigned  
13 as follows:

14 (i) if the reserve balance in its account is positive, its assigned rate  
15 shall be the highest rate in effect for positive balance accounts for that  
16 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
17 its account is negative, its assigned rate shall be the highest rate in  
18 effect for deficit accounts for that period.

19 (D) The contribution rates prescribed by subparagraphs (A) and  
20 (B) of this paragraph (4) shall be increased or decreased in accordance  
21 with the provisions of paragraph (5) of this subsection (c) for  
22 experience rating periods through June 30, 1986.

23 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March  
24 31 of any calendar year the balance in the unemployment trust fund  
25 equals or exceeds 4% but is less than 7% of the total taxable wages  
26 reported to the controller as of that date in respect to employment  
27 during the preceding calendar year, the contribution rate, effective July  
28 1 following, of each employer eligible for a contribution rate  
29 calculation based upon benefit experience, shall be increased by  $\frac{3}{10}$   
30 of 1% over the contribution rate otherwise established under the  
31 provisions of paragraph (3) or (4) of this subsection. If on March 31  
32 of any calendar year the balance of the unemployment trust fund  
33 exceeds  $2\frac{1}{2}\%$  but is less than 4% of the total taxable wages reported  
34 to the controller as of that date in respect to employment during the  
35 preceding calendar year, the contribution rate, effective July 1  
36 following, of each employer eligible for a contribution rate calculation  
37 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
38 the contribution rate otherwise established under the provisions of  
39 paragraph (3) or (4) of this subsection.

40 If on March 31 of any calendar year the balance of the  
41 unemployment trust fund is less than  $2\frac{1}{2}\%$  of the total taxable wages  
42 reported to the controller as of that date in respect to employment  
43 during the preceding calendar year, the contribution rate, effective July  
44 1 following, of each employer (1) eligible for a contribution rate  
45 calculation based upon benefit experience, shall be increased by (i)  
46  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the

1 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
2 (ii) an additional amount equal to 20% of the total rate established  
3 herein, provided, however, that the final contribution rate for each  
4 employer shall be computed to the nearest multiple of 1/10% if not  
5 already a multiple thereof; (2) not eligible for a contribution rate  
6 calculation based upon benefit experience, shall be increased by 6/10  
7 of 1% over the contribution rate otherwise established under the  
8 provisions of paragraph (4) of this subsection. For the period  
9 commencing July 1, 1984 and ending June 30, 1986, the contribution  
10 rate for each employer liable to pay contributions under R.S.43:21-7  
11 shall be increased by a factor of 10% computed to the nearest multiple  
12 of 1/10% if not already a multiple thereof.

13 (B) If on March 31 of any calendar year the balance in the  
14 unemployment trust fund equals or exceeds 10% but is less than 12  
15 1/2% of the total taxable wages reported to the controller as of that  
16 date in respect to employment during the preceding calendar year, the  
17 contribution rate, effective July 1 following, of each employer eligible  
18 for a contribution rate calculation based upon benefit experience, shall  
19 be reduced by 3/10 of 1% under the contribution rate otherwise  
20 established under the provisions of paragraphs (3) and (4) of this  
21 subsection; provided that in no event shall the contribution rate of any  
22 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
23 calendar year the balance in the unemployment trust fund equals or  
24 exceeds 12 1/2% of the total taxable wages reported to the controller  
25 as of that date in respect to employment during the preceding calendar  
26 year, the contribution rate, effective July 1 following, of each  
27 employer eligible for a contribution rate calculation based upon benefit  
28 experience, shall be reduced by 6/10 of 1% if his account for all past  
29 periods reflects an excess of contributions paid over total benefits  
30 charged of 3% or more of his average annual payroll, otherwise by  
31 3/10 of 1% under the contribution rate otherwise established under the  
32 provisions of paragraphs (3) and (4) of this subsection; provided that  
33 in no event shall the contribution rate of any employer be reduced to  
34 less than 4/10 of 1%.

35 (C) The "balance" in the unemployment trust fund, as the term is  
36 used in subparagraphs (A) and (B) above, shall not include moneys  
37 credited to the State's account under section 903 of the Social Security  
38 Act, as amended (42 U.S.C.s.1103), during any period in which such  
39 moneys are appropriated for the payment of expenses incurred in the  
40 administration of the "unemployment compensation law."

41 (D) Prior to July 1 of each calendar year the controller shall  
42 determine the Unemployment Trust Reserve Ratio, which shall be  
43 calculated by dividing the balance of the unemployment trust fund as  
44 of the prior March 31 by total taxable wages reported to the controller  
45 by all employers as of March 31 with respect to their employment  
46 during the last calendar year.

1 (E) (Deleted by amendment, P.L.1997, c.263).

2 (ii) [With respect to experience rating years beginning on or after  
 3 July 1, 1997, the new employer rate or the unemployment experience  
 4 rate of an employer under this section shall be the rate which appears  
 5 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 6 as of the applicable calculation date and on the line with the Employer  
 7 Reserve Ratio, as defined in paragraph 4 of this subsection  
 8 (R.S.43:21-7 (c)(4)), as set forth in the following table:

9

10 EXPERIENCE RATING TAX TABLE

11 Fund Reserve Ratio<sup>1</sup>

12

13	6.00%	4.00%	3.00%	2.50%	2.49%
14 Employer	and	to	to	to	and
15 Reserve	Over	5.99%	3.99%	2.99%	Under
16 Ratio <sup>2</sup>	A	B	C	D	E
17 Positive Reserve Ratio:					
18 17% and over	0.3	0.4	0.5	0.6	1.2
19 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
20 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
21 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
22 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
23 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
24 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
25 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
26 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
27 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
28 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
29 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
30 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
31 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
32 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
33 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
34 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
35 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
36 Deficit Reserve Ratio:					
37 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
38 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
39 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
40 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
41 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
42 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
43 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
44 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
45 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
46 -35.00% and under	5.4	5.4	5.8	6.4	7.0

1 New Employer Rate 2.8 2.8 2.8 3.1 3.4

2 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
3 the prior calendar year.

4 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
5 percentage of employer's taxable wages).] (Deleted by amendment,  
6 P.L. , c. .).

7 (iii) With respect to experience rating years beginning on or after  
8 July 1, 1998, the new employer rate or the unemployment experience  
9 rate of an employer under this section shall be the rate which appears  
10 in the column headed by the Unemployment Trust Fund Reserve Ratio  
11 as of the applicable calculation date and on the line with the Employer  
12 Reserve Ratio, as defined in paragraph 4 of this subsection  
13 (R.S.43:21-7 (c)(4)), as set forth in the following table:

14  
15 EXPERIENCE RATING TAX TABLE

16 Fund Reserve Ratio<sup>1</sup>

	4.50%	3.50%	3.00%	2.50%	2.49%
Employer	and	to	to	to	and
Reserve	Over	4.49%	3.49%	2.99%	Under
Ratio <sup>2</sup>	A	B	C	D	E
22 Positive Reserve Ratio:					
23 17% and over	0.3	0.4	0.5	0.6	1.2
24 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
25 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
26 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
27 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
28 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
29 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
30 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
31 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
32 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
33 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
34 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
35 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
36 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
37 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
38 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
39 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
40 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
41 Deficit Reserve Ratio:					
42 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
43 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
44 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
45 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
46 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5



1	-15.00%to-19.99%	3.6	4.6	5.5	6.1	6.6
2	-20.00%to-24.99%	3.7	4.7	5.6	6.2	6.7
3	-25.00%to-29.99%	3.7	4.8	5.6	6.3	6.8
4	-30.00%to-34.99%	3.8	4.8	5.7	6.3	6.9
5	-35.00% and under	5.4	5.4	5.8	6.4	7.0
6	New Employer Rate	2.8	2.8	2.8	3.1	3.4

7 <sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in  
8 the prior calendar year.

9 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
10 percentage of employer's taxable wages).

11 (F)(i) (Deleted by amendment, P.L.1997, c.263).

12 (ii) With respect to experience rating years beginning on or after  
13 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
14 the prior March 31, is less than 1.00%, the contribution rate for each  
15 employer liable to pay contributions, as computed under subparagraph  
16 (E) of this paragraph (5), shall be increased by a factor of 10%  
17 computed to the nearest multiple of 1/10% if not already a multiple  
18 thereof.

19 (G) On or after January 1, 1993, notwithstanding any other  
20 provisions of this paragraph (5), the contribution rate for each  
21 employer liable to pay contributions, as computed under subparagraph  
22 (E) of this paragraph (5), shall be decreased by 0.1%, except that,  
23 during any experience rating year starting before January 1, 1998 in  
24 which the fund reserve ratio is equal to or greater than 7.00% or  
25 during any experience rating year starting on or after January 1, 1998,  
26 in which the fund reserve ratio is equal to or greater than 3.5%, there  
27 shall be no decrease pursuant to this subparagraph (G) in the  
28 contribution of any employer who has a deficit reserve ratio of  
29 negative 35.00% or under.

30 (H) On or after January 1, 1993 until December 31, 1993,  
31 notwithstanding any other provisions of this paragraph (5), the  
32 contribution rate for each employer liable to pay contributions, as  
33 computed under subparagraph (E) of this paragraph (5), shall be  
34 decreased by a factor of 52.0% computed to the nearest multiple of  
35 1/10%, except that, if an employer has a deficit reserve ratio of  
36 negative 35.0% or under, the employer's rate of contribution shall not  
37 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
38 amount of the reduction in the employer contributions stipulated by  
39 this subparagraph (H) shall be in addition to the amount of the  
40 reduction in the employer contributions stipulated by subparagraph (G)  
41 of this paragraph (5), except that the rate of contribution of an  
42 employer who has a deficit reserve ratio of negative 35.0% or under  
43 shall not be reduced pursuant to this subparagraph (H) to less than  
44 5.4% and the rate of contribution of any other employer shall not be  
45 reduced to less than 0.0%.

46 On or after January 1, 1994 until December 31, 1995, except as

1 provided pursuant to subparagraph (I) of this paragraph (5),  
2 notwithstanding any other provisions of this paragraph (5), the  
3 contribution rate for each employer liable to pay contributions, as  
4 computed under subparagraph (E) of this paragraph (5), shall be  
5 decreased by a factor of 36.0% computed to the nearest multiple of  
6 1/10%, except that, if an employer has a deficit reserve ratio of  
7 negative 35.0% or under, the employer's rate of contribution shall not  
8 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
9 amount of the reduction in the employer contributions stipulated by  
10 this subparagraph (H) shall be in addition to the amount of the  
11 reduction in the employer contributions stipulated by subparagraph (G)  
12 of this paragraph (5), except that the rate of contribution of an  
13 employer who has a deficit reserve ratio of negative 35.0% or under  
14 shall not be reduced pursuant to this subparagraph (H) to less than  
15 5.4% and the rate of contribution of any other employer shall not be  
16 reduced to less than 0.0%.

17 On or after April 1, 1996 until December 31, 1996, the  
18 contribution rate for each employer liable to pay contributions, as  
19 computed under subparagraph (E) of this paragraph (5), shall be  
20 decreased by a factor of 25.0% computed to the nearest multiple of  
21 1/10%, except that, if an employer has a deficit reserve ratio of  
22 negative 35.0% or under, the employer's rate of contribution shall not  
23 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
24 amount of the reduction in the employer contributions stipulated by  
25 this subparagraph (H) shall be in addition to the amount of the  
26 reduction in the employer contributions stipulated by subparagraph (G)  
27 of this paragraph (5), except that the rate of contribution of an  
28 employer who has a deficit reserve ratio of negative 35.0% or under  
29 shall not be reduced pursuant to this subparagraph (H) to less than  
30 5.4% and the rate of contribution of any other employer shall not be  
31 reduced to less than 0.0%.

32 On or after January 1, 1997 until December 31, 1997, the  
33 contribution rate for each employer liable to pay contributions, as  
34 computed under subparagraph (E) of this paragraph (5), shall be  
35 decreased by a factor of 10.0% computed to the nearest multiple of  
36 1/10%, except that, if an employer has a deficit reserve ratio of  
37 negative 35.0% or under, the employer's rate of contribution shall not  
38 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
39 amount of the reduction in the employer contributions stipulated by  
40 this subparagraph (H) shall be in addition to the amount of the  
41 reduction in the employer contributions stipulated by subparagraph (G)  
42 of this paragraph (5), except that the rate of contribution of an  
43 employer who has a deficit reserve ratio of negative 35.0% or under  
44 shall not be reduced pursuant to this subparagraph (H) to less than  
45 5.4% and the rate of contribution of any other employer shall not be  
46 reduced to less than 0.0%.

1 On and after January 1, 1998 until December 31, 2000, the  
2 contribution rate for each employer liable to pay contributions, as  
3 computed under subparagraph (E) of this paragraph (5), shall be  
4 decreased each calendar year by a factor, as set out below, computed  
5 to the nearest multiple of 1/10%, except that, if an employer has a  
6 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
7 contribution shall not be reduced pursuant to this subparagraph (H) to  
8 less than 5.4%:

9 From January 1, 1998 until December 31, 1998, a factor of 12%;

10 From January 1, 1999 until December 31, 1999, a factor of 10%;

11 From January 1, 2000 until December 31, 2000, a factor of 7%.

12 The amount of the reduction in the employer contributions  
13 stipulated by this subparagraph (H) shall be in addition to the amount  
14 of the reduction in the employer contributions stipulated by  
15 subparagraph (G) of this paragraph (5), except that the rate of  
16 contribution of an employer who has a deficit reserve ratio of negative  
17 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
18 to less than 5.4% and the rate of contribution of any other employer  
19 shall not be reduced to less than 0.0%.

20 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
21 on March 31 of calendar year 1994 or calendar year 1995, the  
22 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
23 in effect as of July 1 of that calendar year.

24 If, upon calculating the unemployment compensation fund reserve  
25 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
26 March 31, 1998 or March 31, 1999, the controller finds that the fund  
27 reserve ratio has decreased to a level of less than 3.00%, the  
28 Commissioner of Labor shall notify the State Treasurer of this fact and  
29 of the dollar amount necessary to bring the fund reserve ratio up to a  
30 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
31 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
32 General Fund to the unemployment compensation fund, revenues in  
33 the amount specified by the commissioner and which, upon deposit in  
34 the unemployment compensation fund, shall result, upon recalculation,  
35 in a fund reserve ratio used to determine employer contributions  
36 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
37 at least 3.00%.

38 If, upon calculating the unemployment compensation fund reserve  
39 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
40 controller finds that the fund reserve ratio has decreased to a level of  
41 less than 3.00%, the Commissioner of Labor shall notify the State  
42 Treasurer of this fact and of the dollar amount necessary to bring the  
43 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
44 prior to March 31, 2000, transfer from the General Fund to the  
45 unemployment compensation fund, revenues in the amount specified  
46 by the commissioner and which, upon deposit in the unemployment

1 compensation fund, shall result, upon recalculation, in a fund reserve  
2 ratio used to determine employer contributions beginning July 1, 2000  
3 of at least 3.00%.

4 (J) On or after July 1, 2001, notwithstanding any other provisions  
5 of this paragraph (5), the contribution rate for each employer liable to  
6 pay contributions, as computed under subparagraph (E) of this  
7 paragraph (5), shall be decreased by 0.0175%, except that, during any  
8 experience rating year starting on or after July 1, 2001, in which the  
9 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
10 decrease pursuant to this subparagraph (J) in the contribution of any  
11 employer who has a deficit reserve ratio of negative 35.00% or under.  
12 The amount of the reduction in the employer contributions stipulated  
13 by this subparagraph (J) shall be in addition to the amount of the  
14 reduction in the employer contributions stipulated by subparagraphs  
15 (G) and (H) of this paragraph (5), except that the rate of contribution  
16 of an employer who has a deficit reserve ratio of negative 35.0% or  
17 under shall not be reduced pursuant to this subparagraph (J) to less  
18 than 5.4% and the rate of contribution of any other employer shall not  
19 be reduced to less than 0.0%.

20 (6) Additional contributions.

21 Notwithstanding any other provision of law, any employer who has  
22 been assigned a contribution rate pursuant to subsection (c) of this  
23 section for the year commencing July 1, 1948, and for any year  
24 commencing July 1 thereafter, may voluntarily make payment of  
25 additional contributions, and upon such payment shall receive a  
26 recomputation of the experience rate applicable to such employer,  
27 including in the calculation the additional contribution so made. Any  
28 such additional contribution shall be made during the 30-day period  
29 following the date of the mailing to the employer of the notice of his  
30 contribution rate as prescribed in this section, unless, for good cause,  
31 the time for payment has been extended by the controller for not to  
32 exceed an additional 60 days; provided that in no event may such  
33 payments which are made later than 120 days after the beginning of  
34 the year for which such rates are effective be considered in  
35 determining the experience rate for the year in which the payment is  
36 made. Any employer receiving any extended period of time within  
37 which to make such additional payment and failing to make such  
38 payment timely shall be, in addition to the required amount of  
39 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
40 greater, not to exceed \$50.00. Any adjustment under this subsection  
41 shall be made only in the form of credits against accrued or future  
42 contributions.

43 (7) Transfers.

44 (A) Upon the transfer of the organization, trade or business, or  
45 substantially all the assets of an employer to a successor in interest,  
46 whether by merger, consolidation, sale, transfer, descent or otherwise,

1 the controller shall transfer the employment experience of the  
2 predecessor employer to the successor in interest, including credit for  
3 past years, contributions paid, annual payrolls, benefit charges, et  
4 cetera, applicable to such predecessor employer, pursuant to  
5 regulation, if it is determined that the employment experience of the  
6 predecessor employer with respect to the organization, trade, assets  
7 or business which has been transferred may be considered indicative  
8 of the future employment experience of the successor in interest.  
9 Unless the predecessor employer was owned or controlled (by legally  
10 enforceable means or otherwise), directly or indirectly, by the  
11 successor in interest, or the predecessor employer and the successor  
12 in interest were owned or controlled (by legally enforceable means or  
13 otherwise), directly or indirectly, by the same interest or interests, the  
14 transfer of the employment experience of the predecessor shall not be  
15 effective if such successor in interest, within four months of the date  
16 of such transfer of the organization, trade, assets or business, or  
17 thereafter upon good cause shown, files a written notice protesting the  
18 transfer of the employment experience of the predecessor employer.

19 (B) An employer who transfers part of his or its organization,  
20 trade, assets or business to a successor in interest, whether by merger,  
21 consolidation, sale, transfer, descent or otherwise, may jointly make  
22 application with such successor in interest for transfer of that portion  
23 of the employment experience of the predecessor employer relating to  
24 the portion of the organization, trade, assets or business transferred to  
25 the successor in interest, including credit for past years, contributions  
26 paid, annual payrolls, benefit charges, et cetera, applicable to such  
27 predecessor employer. The transfer of employment experience may be  
28 allowed pursuant to regulation only if it is found that the employment  
29 experience of the predecessor employer with respect to the portion of  
30 the organization, trade, assets or business which has been transferred  
31 may be considered indicative of the future employment experience of  
32 the successor in interest. Credit shall be given to the successor in  
33 interest only for the years during which contributions were paid by the  
34 predecessor employer with respect to that part of the organization,  
35 trade, assets or business transferred.

36 (C) A transfer of the employment experience in whole or in part  
37 having become final, the predecessor employer thereafter shall not be  
38 entitled to consideration for an adjusted rate based upon his or its  
39 experience or the part thereof, as the case may be, which has thus been  
40 transferred. A successor in interest to whom employment experience  
41 or a part thereof is transferred pursuant to this subsection shall, as of  
42 the date of the transfer of the organization, trade, assets or business,  
43 or part thereof, immediately become an employer if not theretofore an  
44 employer subject to this chapter (R.S.43:21-1 et seq.).

45 (d) Contributions of workers to the unemployment compensation  
46 fund and the State disability benefits fund.

1 (1) (A) For periods after January 1, 1975, each worker shall  
2 contribute to the fund 1% of his wages with respect to his employment  
3 with an employer, which occurs on and after January 1, 1975, after  
4 such employer has satisfied the condition set forth in subsection (h) of  
5 R.S.43:21-19 with respect to becoming an employer; provided,  
6 however, that such contributions shall be at the rate of 1/2 of 1% of  
7 wages paid with respect to employment while the worker is in the  
8 employ of the State of New Jersey, or any governmental entity or  
9 instrumentality which is an employer as defined under  
10 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
11 the "Temporary Disability Benefits Law" or while the worker is  
12 exempt from the provisions of the "Temporary Disability Benefits  
13 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

14 (B) Effective January 1, 1978 there shall be no contributions by  
15 workers in the employ of any governmental or nongovernmental  
16 employer electing or required to make payments in lieu of  
17 contributions unless the employer is covered by the State plan under  
18 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
19 that case contributions shall be at the rate of 1/2 of 1%, except that  
20 commencing July 1, 1986, workers in the employ of any  
21 nongovernmental employer electing or required to make payments in  
22 lieu of contributions shall be required to make contributions to the  
23 fund at the same rate prescribed for workers of other nongovernmental  
24 employers.

25 (C) (i) Notwithstanding the above provisions of this paragraph  
26 (1), during the period starting July 1, 1986 and ending December 31,  
27 1992, each worker shall contribute to the fund 1.125% of wages paid  
28 with respect to his employment with a governmental employer electing  
29 or required to pay contributions or nongovernmental employer,  
30 including a nonprofit organization which is an employer as defined  
31 under R.S.43:21-19(h)(6), regardless of whether that nonprofit  
32 organization elects or is required to finance its benefit costs with  
33 contributions to the fund or by payments in lieu of contributions, after  
34 that employer has satisfied the conditions set forth in subsection  
35 R.S.43:21-19(h) with respect to becoming an employer.  
36 Contributions, however, shall be at the rate of 0.625% while the  
37 worker is covered by an approved private plan under the "Temporary  
38 Disability Benefits Law" while the worker is exempt under section 7  
39 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
40 that law; provided that such contributions shall be at the rate of  
41 0.625% of wages paid with respect to employment with the State of  
42 New Jersey or any other governmental entity or instrumentality  
43 electing or required to make payments in lieu of contributions and  
44 which is covered by the State plan under the "Temporary Disability  
45 Benefits Law," except that, while the worker is exempt from the  
46 provisions of the "Temporary Disability Benefits Law" under section

1 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of  
2 that law, or is covered for disability benefits by an approved private  
3 plan of the employer, the contributions to the fund shall be 0.125%.

4 (ii) (Deleted by amendment, P.L.1995, c.422.)

5 (D) Notwithstanding any other provisions of this paragraph (1),  
6 during the period starting January 1, 1993 and ending June 30, 1994,  
7 each worker shall contribute to the unemployment compensation fund  
8 0.5% of wages paid with respect to the worker's employment with a  
9 governmental employer electing or required to pay contributions or  
10 nongovernmental employer, including a nonprofit organization which  
11 is an employer as defined under paragraph (6) of subsection (h) of  
12 R.S.43:21-19, regardless of whether that nonprofit organization elects  
13 or is required to finance its benefit costs with contributions to the fund  
14 or by payments in lieu of contributions, after that employer has  
15 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
16 with respect to becoming an employer. No contributions, however,  
17 shall be made by the worker while the worker is covered by an  
18 approved private plan under the "Temporary Disability Benefits Law,"  
19 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
20 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
21 provision of that law; provided that the contributions shall be at the  
22 rate of 0.50% of wages paid with respect to employment with the  
23 State of New Jersey or any other governmental entity or  
24 instrumentality electing or required to make payments in lieu of  
25 contributions and which is covered by the State plan under the  
26 "Temporary Disability Benefits Law," except that, while the worker is  
27 exempt from the provisions of the "Temporary Disability Benefits  
28 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
29 other provision of that law, or is covered for disability benefits by an  
30 approved private plan of the employer, no contributions shall be made  
31 to the fund.

32 Each worker shall, starting on January 1, 1996 and ending  
33 March 31, 1996, contribute to the unemployment compensation fund  
34 0.60% of wages paid with respect to the worker's employment with a  
35 governmental employer electing or required to pay contributions or  
36 nongovernmental employer, including a nonprofit organization which  
37 is an employer as defined under paragraph (6) of subsection (h) of  
38 R.S.43:21-19, regardless of whether that nonprofit organization elects  
39 or is required to finance its benefit costs with contributions to the fund  
40 or by payments in lieu of contributions, after that employer has  
41 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
42 with respect to becoming an employer, provided that the contributions  
43 shall be at the rate of 0.10% of wages paid with respect to  
44 employment with the State of New Jersey or any other governmental  
45 entity or instrumentality electing or required to make payments in lieu  
46 of contributions.

1 Each worker shall, starting on January 1, 1998 and ending  
2 December 31, 1998, contribute to the unemployment compensation  
3 fund 0.10% of wages paid with respect to the worker's employment  
4 with a governmental employer electing or required to pay  
5 contributions or nongovernmental employer, including a nonprofit  
6 organization which is an employer as defined under paragraph (6) of  
7 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
8 organization elects or is required to finance its benefit costs with  
9 contributions to the fund or by payments in lieu of contributions, after  
10 that employer has satisfied the conditions set forth in subsection (h) of  
11 R.S.43:21-19 with respect to becoming an employer, provided that the  
12 contributions shall be at the rate of 0.10% of wages paid with respect  
13 to employment with the State of New Jersey or any other  
14 governmental entity or instrumentality electing or required to make  
15 payments in lieu of contributions.

16 Each worker shall, starting on January 1, 1999 until December 31,  
17 1999, contribute to the unemployment compensation fund 0.15% of  
18 wages paid with respect to the worker's employment with a  
19 governmental employer electing or required to pay contributions or  
20 nongovernmental employer, including a nonprofit organization which  
21 is an employer as defined under paragraph (6) of subsection (h) of  
22 R.S.43:21-19, regardless of whether that nonprofit organization elects  
23 or is required to finance its benefit costs with contributions to the fund  
24 or by payments in lieu of contributions, after that employer has  
25 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
26 with respect to becoming an employer, provided that the contributions  
27 shall be at the rate of 0.10% of wages paid with respect to  
28 employment with the State of New Jersey or any other governmental  
29 entity or instrumentality electing or required to make payments in lieu  
30 of contributions.

31 Each worker shall, starting on January 1, 2000 until December 31,  
32 [2002] 2001, contribute to the unemployment compensation fund  
33 0.20% of wages paid with respect to the worker's employment with a  
34 governmental employer electing or required to pay contributions or  
35 nongovernmental employer, including a nonprofit organization which  
36 is an employer as defined under paragraph (6) of subsection (h) of  
37 R.S.43:21-19, regardless of whether that nonprofit organization elects  
38 or is required to finance its benefit costs with contributions to the fund  
39 or by payments in lieu of contributions, after that employer has  
40 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
41 with respect to becoming an employer, provided that the contributions  
42 shall be at the rate of 0.10% of wages paid with respect to  
43 employment with the State of New Jersey or any other governmental  
44 entity or instrumentality electing or required to make payments in lieu  
45 of contributions.

46 Each worker shall, starting on January 1, 2002 until December 31,



1 2002, contribute to the unemployment compensation fund 0.1825% of  
2 wages paid with respect to the worker's employment with a  
3 governmental employer electing or required to pay contributions or a  
4 nongovernmental employer, including a nonprofit organization which  
5 is an employer as defined under paragraph (6) of subsection (h) of  
6 R.S.43:21-19, regardless of whether that nonprofit organization elects  
7 or is required to finance its benefit costs with contributions to the fund  
8 or by payments in lieu of contributions, after that employer has  
9 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
10 with respect to becoming an employer, provided that the contributions  
11 shall be at the rate of 0.0825% of wages paid with respect to  
12 employment with the State of New Jersey or any other governmental  
13 entity or instrumentality electing or required to make payments in lieu  
14 of contributions.

15 Each worker shall, starting on and after January 1, 2003,  
16 contribute to the unemployment compensation fund [~~0.40%~~] 0.3825%  
17 of wages paid with respect to the worker's employment with a  
18 governmental employer electing or required to pay contributions or  
19 nongovernmental employer, including a nonprofit organization which  
20 is an employer as defined under paragraph (6) of subsection (h) of  
21 R.S.43:21-19, regardless of whether that nonprofit organization elects  
22 or is required to finance its benefit costs with contributions to the fund  
23 or by payments in lieu of contributions, after that employer has  
24 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
25 with respect to becoming an employer, provided that the contributions  
26 shall be at the rate of [~~0.10%~~] 0.0825% of wages paid with respect to  
27 employment with the State of New Jersey or any other governmental  
28 entity or instrumentality electing or required to make payments in lieu  
29 of contributions.

30 (E) Each employer shall, notwithstanding any provision of law in  
31 this State to the contrary, withhold in trust the amount of his workers'  
32 contributions from their wages at the time such wages are paid, shall  
33 show such deduction on his payroll records, shall furnish such  
34 evidence thereof to his workers as the division or controller may  
35 prescribe, and shall transmit all such contributions, in addition to his  
36 own contributions, to the office of the controller in such manner and  
37 at such times as may be prescribed. If any employer fails to deduct the  
38 contributions of any of his workers at the time their wages are paid, or  
39 fails to make a deduction therefor at the time wages are paid for the  
40 next succeeding payroll period, he alone shall thereafter be liable for  
41 such contributions, and for the purpose of R.S.43:21-14, such  
42 contributions shall be treated as employer's contributions required  
43 from him.

44 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
45 context clearly requires otherwise, the term "contributions" shall  
46 include the contributions of workers pursuant to this section.

1 (G) Each worker shall, starting on July 1, 1994, contribute to the  
2 State disability benefits fund an amount equal to 0.50% of wages paid  
3 with respect to the worker's employment with a government employer  
4 electing or required to pay contributions to the State disability benefits  
5 fund or nongovernmental employer, including a nonprofit organization  
6 which is an employer as defined under paragraph (6) of subsection (h)  
7 of R.S.43:21-19, unless the employer is covered by an approved  
8 private disability plan or is exempt from the provisions of the  
9 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
10 seq.) under section 7 of that law (C.43:21-31) or any other provision  
11 of that law.

12 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

13 (B) (Deleted by amendment, P.L.1984, c.24.)

14 (C) (Deleted by amendment, P.L.1994, c.112.)

15 (D) (Deleted by amendment, P.L.1994, c.112.)

16 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

17 (ii) (Deleted by amendment, P.L.1996, c.28.)

18 (iii) (Deleted by amendment, P.L.1994, c.112.)

19 (3) If an employee receives wages from more than one employer  
20 during any calendar year, and either the sum of his contributions  
21 deposited in and credited to the State disability benefits fund plus the  
22 amount of his contributions, if any, required towards the costs of  
23 benefits under one or more approved private plans under the  
24 provisions of section 9 of the "Temporary Disability Benefits Law"  
25 (C.43:21-33) and deducted from his wages, or the sum of such latter  
26 contributions, if the employee is covered during such calendar year  
27 only by two or more private plans, exceeds an amount equal to 1/2 of  
28 1% of the "wages" determined in accordance with the provisions of  
29 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
30 January 1, 1976, the employee shall be entitled to a refund of the  
31 excess if he makes a claim to the controller within two years after the  
32 end of the calendar year in which the wages are received with respect  
33 to which the refund is claimed and establishes his right to such refund.  
34 Such refund shall be made by the controller from the State disability  
35 benefits fund. No interest shall be allowed or paid with respect to any  
36 such refund. The controller shall, in accordance with prescribed  
37 regulations, determine the portion of the aggregate amount of such  
38 refunds made during any calendar year which is applicable to private  
39 plans for which deductions were made under section 9 of the  
40 "Temporary Disability Benefits Law," such determination to be based  
41 upon the ratio of the amount of such wages exempt from contributions  
42 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
43 subsection with respect to coverage under private plans, to the total  
44 wages so exempt plus the amount of such wages subject to  
45 contributions to the disability benefits fund, as provided in  
46 subparagraph (G) of paragraph (1) of this subsection. The controller

1 shall, in accordance with prescribed regulations, prorate the amount  
2 so determined among the applicable private plans in the proportion  
3 that the wages covered by each plan bear to the total private plan  
4 wages involved in such refunds, and shall assess against and recover  
5 from the employer, or the insurer if the insurer has indemnified the  
6 employer with respect thereto, the amount so prorated. The  
7 provisions of R.S.43:21-14 with respect to collection of employer  
8 contributions shall apply to such assessments. The amount so  
9 recovered by the controller shall be paid into the State disability  
10 benefits fund.

11 (4) If an individual does not receive any wages from the  
12 employing unit which for the purposes of this chapter (R.S.43:21-1 et  
13 seq.) is treated as his employer, or receives his wages from some other  
14 employing unit, such employer shall nevertheless be liable for such  
15 individual's contributions in the first instance; and after payment  
16 thereof such employer may deduct the amount of such contributions  
17 from any sums payable by him to such employing unit, or may recover  
18 the amount of such contributions from such employing unit, or, in the  
19 absence of such an employing unit, from such individual, in a civil  
20 action; provided proceedings therefor are instituted within three  
21 months after the date on which such contributions are payable. General  
22 rules shall be prescribed whereby such an employing unit may recover  
23 the amount of such contributions from such individuals in the same  
24 manner as if it were the employer.

25 (5) Every employer who has elected to become an employer  
26 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
27 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
28 provisions of R.S.43:21-8, shall post and maintain printed notices of  
29 such election on his premises, of such design, in such numbers, and at  
30 such places as the director may determine to be necessary to give  
31 notice thereof to persons in his service.

32 (6) Contributions by workers, payable to the controller as herein  
33 provided, shall be exempt from garnishment, attachment, execution, or  
34 any other remedy for the collection of debts.

35 (e) Contributions by employers to State disability benefits fund.

36 (1) Except as hereinafter provided, each employer shall, in  
37 addition to the contributions required by subsections (a), (b), and (c)  
38 of this section, contribute 1/2 of 1% of the wages paid by such  
39 employer to workers with respect to employment unless he is not a  
40 covered employer as defined in section 3 of the "Temporary Disability  
41 Benefits Law" (C.43:21-27 (a)), except that the rate for the State of  
42 New Jersey shall be 1/10 of 1% for the calendar year 1980 and for the  
43 first six months of 1981. Prior to July 1, 1981 and prior to July 1 each  
44 year thereafter, the controller shall review the experience accumulated  
45 in the account of the State of New Jersey and establish a rate for the  
46 next following fiscal year which, in combination with worker

1 contributions, will produce sufficient revenue to keep the account in  
2 balance; except that the rate so established shall not be less than 1/10  
3 of 1%. Such contributions shall become due and be paid by the  
4 employer to the controller for the State disability benefits fund as  
5 established by law, in accordance with such regulations as may be  
6 prescribed, and shall not be deducted, in whole or in part, from the  
7 remuneration of individuals in his employ. In the payment of any  
8 contributions, a fractional part of a cent shall be disregarded unless it  
9 amounts to \$0.005 or more, in which case it shall be increased to  
10 \$0.01.

11 (2) During the continuance of coverage of a worker by an  
12 approved private plan of disability benefits under the "Temporary  
13 Disability Benefits Law," the employer shall be exempt from the  
14 contributions required by subparagraph (1) above with respect to  
15 wages paid to such worker.

16 (3) (A) The rates of contribution as specified in subparagraph (1)  
17 above shall be subject to modification as provided herein with respect  
18 to employer contributions due on and after July 1, 1951.

19 (B) A separate disability benefits account shall be maintained for  
20 each employer required to contribute to the State disability benefits  
21 fund and such account shall be credited with contributions deposited  
22 in and credited to such fund with respect to employment occurring on  
23 and after January 1, 1949. Each employer's account shall be credited  
24 with all contributions paid on or before January 31 of any calendar  
25 year on his own behalf and on behalf of individuals in his service with  
26 respect to employment occurring in preceding calendar years;  
27 provided, however, that if January 31 of any calendar year falls on a  
28 Saturday or Sunday an employer's account shall be credited as of  
29 January 31 of such calendar year with all the contributions which he  
30 has paid on or before the next succeeding day which is not a Saturday  
31 or Sunday. But nothing in this act shall be construed to grant any  
32 employer or individuals in his service prior claims or rights to the  
33 amounts paid by him to the fund either on his own behalf or on behalf  
34 of such individuals. Benefits paid to any covered individual in  
35 accordance with Article III of the "Temporary Disability Benefits  
36 Law" on or before December 31 of any calendar year with respect to  
37 disability in such calendar year and in preceding calendar years shall be  
38 charged against the account of the employer by whom such individual  
39 was employed at the commencement of such disability or by whom he  
40 was last employed, if out of employment.

41 (C) The controller may prescribe regulations for the establishment,  
42 maintenance, and dissolution of joint accounts by two or more  
43 employers, and shall, in accordance with such regulations and upon  
44 application by two or more employers to establish such an account, or  
45 to merge their several individual accounts in a joint account, maintain  
46 such joint account as if it constituted a single employer's account.

1 (D) Prior to July 1 of each calendar year, the controller shall make  
2 a preliminary determination of the rate of contribution for the  
3 12 months commencing on such July 1 for each employer subject to  
4 the contribution requirements of this subsection (e).

5 (1) Such preliminary rate shall be  $\frac{1}{2}$  of 1% unless on the  
6 preceding January 31 of such year such employer shall have been a  
7 covered employer who has paid contributions to the State disability  
8 benefits fund with respect to employment in the three calendar years  
9 immediately preceding such year.

10 (2) If the minimum requirements in (1) above have been fulfilled  
11 and the credited contributions exceed the benefits charged by more  
12 than \$500.00, such preliminary rate shall be as follows:

13 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less  
14 than  $1\frac{1}{4}\%$  of his average annual payroll (as defined in this chapter  
15 (R.S.43:21-1 et seq.));

16 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
17  $1\frac{1}{4}\%$  but is less than  $1\frac{1}{2}\%$  of his average annual payroll;

18 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds  $1$   
19  $\frac{1}{2}\%$  of his average annual payroll.

20 (3) If the minimum requirements in (1) above have been fulfilled  
21 and the contributions credited exceed the benefits charged but by not  
22 more than \$500.00 plus 1% of his average annual payroll, or if the  
23 benefits charged exceed the contributions credited but by not more  
24 than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

25 (4) If the minimum requirements in (1) above have been fulfilled  
26 and the benefits charged exceed the contributions credited by more  
27 than \$500.00, such preliminary rate shall be as follows:

28 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of  
29 1% of his average annual payroll;

30 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
31  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

32 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
33  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

34 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
35  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

36 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
37 1% of his average annual payroll.

38 (5) Determination of the preliminary rate as specified in (2), (3)  
39 and (4) above shall be subject, however, to the condition that it shall  
40 in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages or  
41 increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary rate  
42 determined for the preceding year in accordance with (1), (2), (3) or  
43 (4), whichever shall have been applicable.

44 (E) (1) Prior to July 1 of each calendar year the controller shall  
45 determine the amount of the State disability benefits fund as of  
46 December 31 of the preceding calendar year, increased by the

1 contributions paid thereto during January of the current calendar year  
2 with respect to employment occurring in the preceding calendar year.  
3 If such amount exceeds the net amount withdrawn from the  
4 unemployment trust fund pursuant to section 23 of the "Temporary  
5 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
6 amount at the end of such preceding calendar year of the  
7 unemployment disability account (as defined in section 22 of said law  
8 (C.43:21-46)), such excess shall be expressed as a percentage of the  
9 wages on which contributions were paid to the State disability benefits  
10 fund on or before January 31 with respect to employment in the  
11 preceding calendar year.

12 (2) The controller shall then make a final determination of the  
13 rates of contribution for the 12 months commencing July 1 of such  
14 year for employers whose preliminary rates are determined as provided  
15 in (D) hereof, as follows:

16 (i) If the percentage determined in accordance with paragraph  
17 (E)(1) of this subsection equals or exceeds  $1\frac{1}{4}\%$ , the final employer  
18 rates shall be the preliminary rates determined as provided in (D)  
19 hereof, except that if the employer's preliminary rate is determined as  
20 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
21 the preliminary employer rate decreased by such percentage of excess  
22 taken to the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate  
23 be less than  $\frac{1}{10}$  of 1%.

24 (ii) If the percentage determined in accordance with paragraph  
25 (E)(1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1% and is less than  
26  $1\frac{1}{4}$  of 1%, the final employer rates shall be the preliminary employer  
27 rates.

28 (iii) If the percentage determined in accordance with paragraph  
29 (E)(1) of this subsection is less than  $\frac{3}{4}$  of 1%, but in excess of  $\frac{1}{4}$  of  
30 1%, the final employer rates shall be the preliminary employer rates  
31 determined as provided in (D) hereof increased by the difference  
32 between  $\frac{3}{4}$  of 1% and such percentage taken to the nearest  $\frac{5}{100}$  of  
33 1%; provided, however, that no such final rate shall be more than  $\frac{1}{4}$   
34 of 1% in the case of an employer whose preliminary rate is determined  
35 as provided in (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
36 employer whose preliminary rate is determined as provided in (D)(1)  
37 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
38 whose preliminary rate is determined as provided in (D)(4) hereof.

39 (iv) If the amount of the State disability benefits fund determined  
40 as provided in paragraph (E)(1) of this subsection is equal to or less  
41 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
42 employer whose preliminary rate is determined as provided in (D)(2)  
43 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
44 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
45 case of an employer whose preliminary rate is determined as provided  
46 in (D)(4) hereof. Notwithstanding any other provision of law or any

1 determination made by the controller with respect to any 12-month  
2 period commencing on July 1, 1970, the final rates for all employers  
3 for the period beginning January 1, 1971, shall be as set forth herein.  
4 (cf: P.L.1997, c.263, s.12)

5  
6 14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read  
7 as follows:

8 3. Counseling shall be made available by the Department of Labor  
9 to each individual who meets the requirements indicated in subsections  
10 a. and b. of section 4 of this act. The department may provide the  
11 counseling or obtain the counseling from a service provider, if the  
12 service provider is different from and not affiliated with any service  
13 provider offering any employment and training services to the worker  
14 other than the counseling. The purpose of the counseling is to assist  
15 the individual in obtaining the employment and training services most  
16 likely to provide the worker with the greatest opportunity for  
17 long-range career advancement with high levels of productivity and  
18 earning power. The counseling shall include:

19 a. Testing and assessment of the individual's job skills and  
20 aptitudes, including the individual's literacy skills and other basic skills.  
21 Basic skills testing and assessment shall be provided to the individual  
22 unless information is provided regarding the individual's educational  
23 background and occupational or professional experience which clearly  
24 demonstrates that the individual's basic skill level meets the standards  
25 indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the  
26 individual is already participating in a remedial education program  
27 which meets those standards;

28 b. An evaluation by a qualified job counselor of:

29 (1) Whether the individual is eligible for the additional benefits  
30 indicated in section 5 of this act; and

31 (2) What remedial education, if any, is determined to be necessary  
32 for the individual to advance in his current occupation or succeed in  
33 any particular vocational training which the individual would  
34 undertake in connection with additional benefits indicated in section  
35 4 of this act, provided that the remedial education shall be at a level  
36 not lower than that needed to meet the standards indicated in section  
37 14 of P.L.1989, c.293 (C.34:15C-11);

38 c. The provision of information to the individual regarding any of  
39 the labor demand occupations for which training meets the  
40 requirements of subsection e. of section 4 of this act in the claimant's  
41 case, including **[the]** information about the wage levels in those  
42 occupations **[which is available to the Department of Labor and any**  
43 **information available to the department regarding]**, the effectiveness  
44 of any particular provider of training for any of those occupations  
45 which the claimant is considering using, and the long-term success of  
46 former trainees of the provider in obtaining permanent employment

1 and increasing earnings;

2 d. The provision of information to the individual regarding the  
3 services and benefits available to the individual under the provisions  
4 of this act and employment and training programs provided or funded  
5 pursuant to [P.L.1983, c.328 (C.34:15B-11 et seq.),] the "1992 New  
6 Jersey Employment and Workforce Development Act," P.L.1992, c.43  
7 (C.34:15D-1 et al.) and the ["Job Training Partnership Act," Pub.L.  
8 97-300 (29 U.S.C.s.1501 et seq.)] Workforce Investment Act of  
9 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.). and regarding the  
10 tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1  
11 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

12 e. Discussion with the counselor of the results of the testing and  
13 evaluation and, based on those results, the development of a written  
14 Employability Development Plan, consistent with the requirements of  
15 subsections e., f. and g. of section 4 of this act, for the individual  
16 describing any remedial education and the vocational training that the  
17 individual will undertake in connection with benefits provided pursuant  
18 to the provisions of this act.

19 All information regarding an individual applicant or trainee which  
20 is obtained or compiled in connection with the testing, assessment and  
21 evaluation and which may be identified with the individual shall be  
22 confidential and shall be released to an entity other than the individual,  
23 the counselor or the department only if: the individual provides written  
24 permission to the department for the release of the information; or the  
25 information is used solely for program evaluation.

26 (cf: P.L.1992, c.47, s.3)

27

28 15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read  
29 as follows:

30 4. Except as provided in section 8 of this act, the additional  
31 benefits indicated in section 5 of this act shall be provided to any  
32 individual who:

33 a. Has received a notice of a permanent termination of  
34 employment by the individual's employer or has been laid off and is  
35 unlikely to return to his previous employment because work  
36 opportunities in the individual's job classification are impaired by a  
37 substantial reduction of employment at the worksite;

38 b. Is, at the time of the layoff or termination, eligible, pursuant to  
39 the "unemployment compensation law," R.S.43:21-1 et seq., for [not  
40 less than 26 weeks of] unemployment benefits;

41 c. Enters into the counseling made available pursuant to section  
42 3 of this act as soon as possible following notification by the  
43 Department of Labor of its availability;

44 d. (1) Notifies the department of the individual's intention to enter  
45 into the education and training identified in the Employability  
46 Development Plan developed pursuant to section 3 of this act, not



1 later than 60 days after the date of the individual's termination or  
2 layoff ~~[or]~~, not later than 30 days after the department provides notice  
3 to the individual pursuant to section 6 of this act or not later than 30  
4 days after the Employability Development Plan is developed,  
5 whichever occurs ~~[later]~~ last;

6 (2) Enters into the education and training identified in the  
7 Employability Development Plan as soon as possible after giving the  
8 notice required by paragraph (1) of this subsection d.; and

9 (3) Maintains satisfactory progress in the education and training;

10 e. Enrolls in vocational training which:

11 (1) Is training for a labor demand occupation;

12 (2) Is likely to facilitate a substantial enhancement of the  
13 individual's marketable skills and earning power;

14 (3) Is provided by a service provider approved by the  
15 Commissioner of Labor, which approval shall be made, if the "1992  
16 New Jersey Employment and Workforce Development Act," P.L.1992,  
17 c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of  
18 section 8 of that act; and

19 (4) Does not include on the job training or other training under  
20 which the individual is paid by an employer for work performed by the  
21 individual during the time that the individual receives additional  
22 benefits pursuant to the provisions of section 5 of this act;

23 f. Enrolls in vocational training, remedial education or a  
24 combination of both on a full-time basis; and

25 g. Reasonably can be expected to successfully complete the  
26 vocational training and any needed remedial education, either during  
27 or after the period of additional benefits.

28 If the requirements of this section are met, the division shall not  
29 deny an individual unemployment benefits pursuant to the  
30 "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970,  
31 c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in  
32 section 5 of this act for any of the following reasons: the training  
33 includes remedial education needed by the individual to succeed in the  
34 vocational component of the training; the individual has identifiable  
35 vocational skills but the training services are needed to enable the  
36 individual to develop skills necessary to attain at least the level of self-  
37 sufficiency; the training is part of a program under which the individual  
38 may obtain any college degree enhancing the individual's marketable  
39 skills and earning power; the individual has previously received a  
40 training grant; the length of the training period under the program; or  
41 the lack of a prior guarantee of employment upon completion of the  
42 training. If the requirements of this section are met, the division shall  
43 regard a training program as approved for the purposes of paragraph  
44 (4) of subsection (c) of R.S.43:21-4.

45 (cf: P.L.1992, c.47, s.4)

1       16. This act shall take effect immediately.

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6       Revises law concerning employment and training services.

## CHAPTER 152

**AN ACT** concerning basic skills training, reemployment services and training programs and revising various parts of the statutory law.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

C.34:15D-21 "Supplemental Workforce Fund for Basic Skills."

1. a. A restricted, nonlapsing, revolving "Supplemental Workforce Fund for Basic Skills," to be managed and invested by the State Treasurer, is hereby established in the Department of Labor to provide basic skills training. All moneys appropriated to the fund, all interest accumulated on balances in the fund and all cash received for the fund from any other source shall be allocated by the Commissioner of Labor as follows:

(1) 24% shall be deposited in an account reserved to support basic skills training delivered by the State's One-Stop Career Centers to qualified displaced, disadvantaged and employed workers pursuant to Employability Development Plans developed pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7);

(2) 28% shall be deposited in an account reserved for Workforce Investment Boards to provide grants for basic skills training for qualified displaced, disadvantaged and employed workers pursuant to Employability Development Plans developed pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7) and for other individuals with learning disabilities or otherwise in need of vocational rehabilitation services;

(3) 38% shall be deposited in an account reserved for grants to consortia including one or more of any of the following: eligible individual employers, employer organizations, labor organizations, community-based organizations or educational institutions to provide basic skills training to qualified displaced, disadvantaged or employed workers or to other individuals seeking to enter apprenticeship training; and

(4) 10% shall be deposited in an account to be used, at the discretion of the commissioner, for any of the purposes indicated in this subsection a. and any administrative costs incurred by the Department of Labor in connection with the fund.

b. Any grant provided in connection with paragraph (3) of subsection a. of this section directly to an employer or to an employer through a consortium shall be regarded as a customized training grant and shall be administered by the Office of Customized Training and the employer and consortium shall comply with all requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), except that any grants provided directly or indirectly to an employer for use in connection with any program which includes apprenticeship training or activities or preparation for entry into apprenticeship training shall be exempt from the requirement of this subsection b. to be administered by the Office of Customized Training and be subject to the requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the Apprenticeship Policy Committee, as defined in section 3 of P.L.1993, c.268 (C.34:15E-3), and the employer complies with the provisions of subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Any grant provided in connection with paragraph (b) of subsection a. of this section directly to an individual shall be regarded as an individual training grant and shall be subject to the requirements of subsections a., c. and d. of section 6 of P.L.1992, c.43 (C.34:15D-6).

c. Any employment and training services funded by the Supplemental Workforce Fund for Basic Skills shall be provided in a manner which complies with the provisions of subsections b., c., f., g., h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the extent that those subsections pertain to remedial education. Any service provider receiving moneys from the Supplemental Workforce Fund for Basic Skills shall be subject to the provisions of section 8 of P.L.1992, c.43 (C.34:15D-8) and section 8 of P.L.1992, c.44 (C.34:15D-19).

d. All staff located at any One Stop Career Center supported by funds provided from the Supplemental Workforce Fund for Basic Skills shall be hired and employed by the State pursuant to Title 11A, Civil Service, of the New Jersey Statutes.

e. Beginning July 1, 2002, and for any subsequent fiscal year, if the unexpended cash balance in any of the accounts indicated in subsection a. of this section, less any amount awarded in grants but not yet disbursed from the account, is determined to exceed 20% of the amount of contributions collected for deposit in the account pursuant to this subsection during the fiscal year then ended, the excess shall be regarded as an unemployment compensation contribution and deposited into the unemployment compensation fund within seven business days of the date

that the determination is made.

f. The Commissioner of Labor shall establish standards of performance for providers of basic skills training pursuant to this act. The standards shall include, but not be limited to, standards for the curriculum or training to be furnished, qualifications for persons who will provide the training under the act, and standards for establishing what constitutes successful completion of the training program. The commissioner shall establish means of determining the ability of enrollees to gain or maintain employment following the successful completion of a training program established pursuant to this section. In the event that the commissioner determines that a provider has not conducted its training program in accordance with the standards of performance, he may take that action necessary to correct the deficiencies of the provider, or terminate the contract with the provider of basic skills services if the provider fails to respond to remedial action.

g. The State Employment and Training Commission shall review and evaluate the operations of programs supported by the Supplemental Workforce Fund for Basic Skills established pursuant to this section, with special consideration to how those programs assist in the implementation of the goals of the Strategic Five-Year State Plan for New Jersey's Workforce Investment System, and shall consult with the Commissioner of Labor regarding its findings.

h. For the purpose of this section:

"Basic skills training" means basic mathematics, reading comprehension, basic computer literacy, English proficiency and work-readiness skills and shall be regarded as a form of "remedial education" for the purposes of section 3 of P.L.1992, c.43 (C.34:15D-3);

"One Stop Career Center" means one of the centers established in local areas to coordinate a variety of State and local programs providing employment and training services, including job placement services, or any other similar State or local government-sponsored center providing employment and training services as may be developed at any later time; and

"Qualified disadvantaged worker," "qualified displaced worker," "qualified employed worker," and "employment and training services" have the meanings given to them by section 3 of P.L.1992, c.43 (C.34:15D-3).

#### C.34:15D-22 Contributions to fund.

2. Beginning on January 1, 2002, each worker shall contribute to the Supplemental Workforce Fund for Basic Skills an amount equal to 0.0175% of the worker's wages as determined in accordance with paragraph (3) of subsection (b) of R.S.43:21-7 regarding the worker's employment with an employer.

Beginning on July 1, 2001, each employer shall contribute to the Supplemental Workforce Fund for Basic Skills an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.

#### C.34:15D-23 Refund of excess employee contributions.

3. If an employee receives wages from more than one employer during any calendar year, and the sum of the employee's contributions deposited in the Supplemental Workforce Fund for Basic Skills exceeds an amount equal to 0.0175% of the wages determined in accordance with the provisions of paragraph (3) of subsection (b) of R.S.43:21-7 during the calendar year beginning January 1, 2002 or any subsequent calendar year, the employee shall be entitled to a refund of the excess if a claim establishing the employee's right to the refund is made within two years after the end of the respective calendar year in which the wages are received and are the subject of the claim. The commissioner shall refund any overpayment from the fund without interest.

Any employee who is a taxpayer and entitled, pursuant to the provisions of this section, to a refund of contributions deducted during a tax year from his wages shall, in lieu of the refund, be entitled to a credit in the full amount thereof against the tax otherwise due on his New Jersey gross income for that tax year if he submits his claim for the credit and accompanies that claim with evidence of his right to the credit in the manner provided by regulation by the Director of the Division of Taxation. In any case in which the amount, or any portion thereof, of any credit allowed hereunder results in or increases an excess of income tax payment over income tax

liability, the amount of the new or increased excess shall be considered an overpayment and shall be refunded to the taxpayer in the manner provided by subsection (a) of N.J.S.54A:9-7.

4. Section 1 of P.L.1992, c.48 (C.34:15B-35) is amended to read as follows:

C.34:15B-35 Definitions relative to job training.

1. As used in this act:

"Approved service provider" means a service provider approved pursuant to section 6 of this act.

"Apprenticeship Policy Committee" means the New Jersey Apprenticeship Policy Committee established by an agreement between the Bureau of Apprenticeship and Training in the United States Department of Labor, the State Department of Labor and the State Department of Education and consisting of a representative of the Commissioner of the State Department of Education, a representative of the Commissioner of the State Department of Labor, the Director of Region II of the Bureau of Apprenticeship and Training in the United States Department of Labor, and a representative of the New Jersey State AFL-CIO.

"Commissioner" means the Commissioner of Labor.

"Department" means the Department of Labor.

"Employment and training services" means:

- a. Counseling provided pursuant to section 4 of this act;
- b. Vocational training; or
- c. Remedial education.

"Federal job training funds" means any moneys expended to obtain employment and training services, pursuant to the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.). except that, to the extent that the application of any specific provision of this act would cause the amount of federal job training funds provided to the State to be reduced, that provision shall not apply.

"Labor demand occupation" means an occupation for which there is or is likely to be an excess of demand over supply for adequately trained workers, including, but not limited to, an occupation designated as a labor demand occupation by the New Jersey Occupational Information Coordinating Committee pursuant to section 7 of this act.

"Office of Customized Training" means the Office of Customized Training established pursuant to section 5 of P.L.1992, c.43 (C.34:15D-5).

"Permanent employment" means full-time employment unsubsidized by government training funds which provides a significant opportunity for career advancement and long-term job security and is in the occupation for which a worker receives vocational training pursuant to this act.

"Qualified job counselor" means a job counselor whose qualifications meet standards established by the commissioner.

"Remedial education" means any literacy or other basic skills training or education which may not be directly related to a particular occupation but is needed to facilitate success in vocational training or work performance, including training or education in basic mathematics, reading comprehension, basic computer literacy, English proficiency and work-readiness skills.

"Service provider" or "provider" means a provider of employment and training services including but not limited to a private or public school or institution of higher education, a business, a labor organization or a community-based organization.

"Vocational training" means training or education which is related to an occupation and is designed to enhance the marketable skills and earning power of a worker or job seeker.

5. Section 2 of P.L.1992, c.48 (C.34:15B-36) is amended to read as follows:

C.34:15B-36 Funding of vocational training.

2. a. All vocational training funded with federal job training funds shall be training which is likely to substantially enhance the trainee's marketable skills and earning power and is for a labor demand occupation.

b. Federal job training funds shall not be used for job training or any related activities which induce, encourage or assist: any displacement or partial displacement of currently employed workers by trainees by means such as reduced hours of currently employed workers; any replacement of laid off workers by trainees; or any relocation of operations resulting in a loss of employment at a previous workplace, except in cases of multi-establishment employers consolidating establishments. No federal job training funds shall be used for job training in any case in which an employer relocates within the State and does not offer each affected employee the equivalent benefits, pay and working conditions if the employee moves to the new location and into a job or position involving comparable skills, responsibilities, experience and seniority to the prior job or position.

c. Federal job training funds shall not be used for job training or any related activities which impair existing contracts for services or collective bargaining agreements, except that job training or any related activities which are inconsistent with the terms of a collective bargaining agreement may be undertaken with the written concurrence of the collective bargaining unit and employer who are parties to the agreement.

d. Any federal job training funds which are provided directly to an employer or indirectly to an employer through a consortium shall be regarded as customized training grants and be administered by the Office of Customized Training and the employer and any consortium shall comply with all requirements of section 5 of P.L.1992, c.43 (C.34:15D-5), except that federal job training funds provided directly or indirectly to an employer for use in connection with any program which includes apprenticeship training or activities shall be exempt from the requirement of this subsection d. to be administered by the Office of Customized Training and be subject to the requirements of section 5 of P.L.1992, c.43 (C.34:15D-5) if it is approved by the Apprenticeship Policy Committee, as defined in section 3 of P.L.1993, c.268 (C.34:15E-3) and the employer complies with the provisions of subsection e. of section 5 of P.L.1993, c.268 (C.34:15E-5). Employment and training services funded by federal job training funds shall not replace, supplant, compete with or duplicate any approved apprenticeship program.

6. Section 3 of P.L.1992, c.48 (C.34:15B-37) is amended to read as follows:

C.34:15B-37 Funding of on the job training.

3. a. On the job training shall not be paid for with federal job training funds for any employment found by the commissioner to be of a level of skill and complexity too low to merit training.

b. The duration of on the job training for any individual shall not exceed the duration indicated by the Specific Vocational Preparation code developed by the United States Department of Labor for the occupation for which the training is provided and shall in no case exceed 26 weeks. The department shall set the duration of on the job training for an individual for less than the indicated maximum, when training for the maximum duration is not warranted because of the level of the individual's previous training, education or work experience.

c. On the job training shall not be paid for with federal job training funds unless it is accompanied, concurrently or otherwise, by whatever amount of classroom-based vocational training, remedial education or both, is deemed appropriate for the worker by the commissioner.

d. Each employer receiving federal job training funds for on the job training shall retain in permanent employment each trainee who successfully completes the training. The commissioner may, for a time period he deems appropriate, provide for the withholding of whatever portion he deems appropriate of the funding as a final payment for training, contingent upon the retention of a program completer as required pursuant to this section.

e. On the job training shall not be paid for with federal job training funds unless the trainee is provided benefits, pay and working conditions at a level and extent not less than the benefits and working conditions of other trainees or employees of the trainee's employer with comparable skills, responsibilities, experience and seniority.

7. Section 5 of P.L.1992, c.48 (C.34:15B-39) is amended to read as follows:

C.34:15B-39 Eligibility for employment, training services.

5. An otherwise qualified individual shall not be denied employment and training services included in the Employability Development Plan developed for the individual pursuant to section 4 of this act for any of the following reasons: the employment and training services include remedial education needed by the individual to advance in the individual's current employment or occupation or to succeed in the vocational component of the training; the qualified displaced worker or other individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the individual may obtain a college degree enhancing the individual's marketable skills and earning power; the individual has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training, except for on the job training. This section shall not be construed as requiring that federal job training funds be used to pay for employment and training services for which other assistance, such as State or federal student financial aid, is provided.

8. Section 3 of P.L.1992, c.43 (C.34:15D-3) is amended to read as follows:

C.34:15D-3 Definitions relative to workforce development.

3. As used in this act:

"Administrative costs" means any costs incurred by the department to administer the program, including any cost required to collect information and conduct evaluations of service providers pursuant to section 8 of this act and conduct surveys of occupations pursuant to section 12 of this act, to the extent that funding is not available from federal or other sources.

"Apprenticeship Policy Committee" means the New Jersey Apprenticeship Policy Committee established by an agreement between the Bureau of Apprenticeship and Training in the United States Department of Labor, the State Department of Labor and the State Department of Education and consisting of a representative of the Commissioner of the State Department of Education, a representative of the Commissioner of the State Department of Labor, the Director of Region II of the Bureau of Apprenticeship and Training in the United States Department of Labor and a representative of the New Jersey State AFL-CIO.

"Approved service provider" means a service provider approved pursuant to section 8 of this act.

"Commission" means the State Employment and Training Commission.

"Commissioner" means the Commissioner of Labor or the commissioner's designees.

"Customized training services" means employment and training services which are provided by the Office of Customized Training pursuant to section 5 of this act.

"Department" means the State Department of Labor.

"Employer" or "business" means any employer subject to the provisions of R.S.43:21-1 et seq.

"Employment and training services" means:

- a. Counseling provided pursuant to section 7 of this act;
- b. Vocational training;
- c. Remedial education; or
- d. Occupational safety and health training.

"Fund" means the Workforce Development Partnership Fund established pursuant to section 9 of this act.

"Labor Demand Occupation" means an occupation for which there is or is likely to be an excess of demand over supply for adequately trained workers, including, but not limited to, an occupation designated as a labor demand occupation by the New Jersey Occupational Information Coordinating Committee pursuant to section 12 of this act.

"Occupational safety and health training" means training or education which is designed to assist in the recognition and prevention of potential health and safety hazards related to an occupation.

"Office" means the Office of Customized Training established pursuant to section 5 of this

act.

"Permanent employment" means full-time employment unsubsidized by government training funds which provides a significant opportunity for career advancement and long-term job security and is in the occupation for which a worker receives vocational training pursuant to this act.

"Program" means the Workforce Development Partnership Program created pursuant to this act.

"Qualified disadvantaged worker" means a worker who is not a qualified displaced worker or a qualified employed worker but who otherwise meets the following criteria:

- a. Is unemployed;
- b. Is working part-time and actively seeking full-time work or is working full-time but is earning wages substantially below the median salary for others in the labor force with similar qualifications and experience; or
- c. Is certified by the Department of Human Services as:
  - (1) Currently receiving public assistance;
  - (2) Having been recently removed from the public assistance rolls because of gross income exceeding the grant standard for assistance; or
  - (3) Being eligible for public assistance but not receiving the assistance because of a failure to apply for it.

"Qualified displaced worker" means a worker who:

- a. Is unemployed, and:
  - (1) Is currently receiving unemployment benefits pursuant to R.S.43:21-1 et seq. or any federal or State unemployment benefit extension; or
  - (2) Has exhausted eligibility for the benefits or extended benefits during the preceding 52 weeks; or
- b. Meets the criteria set by the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.), to be regarded as a "dislocated worker" pursuant to that act.

"Qualified employed worker" means a worker who is employed by an employer participating in a customized training program, or other employed worker who is in need of remedial education.

"Qualified job counselor" means a job counselor whose qualifications meet standards established by the commissioner.

"Remedial education" means any literacy or other basic skills training or education which may not be directly related to a particular occupation but is needed to facilitate success in vocational training or work performance, including training or education in mathematics, reading comprehension, computer literacy, English proficiency and work-readiness skills.

"Service provider" or "provider" means a provider of employment and training services including but not limited to a private or public school or institution of higher education, a business, a labor organization or a community-based organization.

"Supplemental Workforce Fund for Basic Skills" means the fund established pursuant to section 1 of P.L.2001, c.152 (C.34:15D-21).

"Total revenues dedicated to the program during any one fiscal year" means all moneys received for the fund during any fiscal year, including moneys withdrawn from the State disability benefits fund pursuant to section 3 of P.L.1992, c.44 (C.34:15D-14), minus any repayment made during that fiscal year from the fund to the State disability benefits fund pursuant to that section.

"Training grant" means a grant provided to fund vocational training and any needed remedial education for a qualified displaced or disadvantaged worker pursuant to section 6 of this act, or to fund needed remedial education for a qualified employed worker pursuant to section 1 of P.L.2001, c.152 (C.34:15D-21).

"Vocational training" means training or education which is related to an occupation and is designed to enhance the marketable skills and earning power of a worker or job seeker.

9. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read as follows:



C.34:15D-4 Workforce Development Partnership Program established.

4. a. The Workforce Development Partnership Program is hereby established in the Department of Labor and shall be administered by the Commissioner of Labor. The purpose of the program is to provide qualified displaced, disadvantaged and employed workers with the employment and training services most likely to provide the greatest opportunity for long-range career advancement with high levels of productivity and earning power. To implement that purpose, the program shall provide those services by means of training grants or customized training services, to the extent that funding for the services is not available from federal or other sources. The commissioner is authorized to expend moneys from the Workforce Development Partnership Fund to provide the training grants or customized training services and provide for each of the following:

(1) The cost of counseling required pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for counseling is not available from federal or other sources;

(2) Reasonable administrative costs, which shall not exceed 10% of the revenues collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) during any fiscal year ending before July 1, 2001, except for additional start-up administrative costs approved by the Director of the Office of Management and Budget during the first year of the program's operation;

(3) Reasonable costs, which shall not exceed 0.5% of the revenues collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) during any fiscal year ending before July 1, 2001, as required by the State Employment and Training Commission to design criteria and conduct an annual evaluation of the program; and

(4) The cost of reimbursement to individuals for excess contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

b. Not more than 10% of the moneys received by any service provider pursuant to this act shall be expended on anything other than direct costs to the provider of providing the employment and training services, which direct costs shall not include any administrative or overhead expense of the provider.

c. Training and employment services shall be provided to a worker who receives counseling pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7) only if the counselor who evaluates the worker pursuant to that section determines that the worker can reasonably be expected to successfully complete the training and education identified in the Employability Development Plan developed pursuant to that section for the worker.

d. All vocational training provided under this act:

(1) Shall be training which is likely to substantially enhance the individual's marketable skills and earning power; and

(2) Shall be training for a labor demand occupation, except for:

(a) Customized training provided to the present employees of a business which the commissioner deems to be in need of the training to prevent job loss caused by obsolete skills, technological change or national or global competition; or

(b) Customized training provided to employees at a facility which is being relocated from another state into New Jersey; or

(c) Entrepreneurial training and technical assistance supported by training grants provided pursuant to subsection b. of section 6 of P.L.1992, c.43 (C.34:15D-6).

e. During any fiscal year ending before July 1, 2001, not less than 25% of the total revenues dedicated to the program during any one fiscal year shall be reserved to provide employment and training services for qualified displaced workers; not less than six percent of the total revenues dedicated to the program during any one fiscal year shall be reserved to provide employment and training services for qualified disadvantaged workers; not less than 45% of the total revenues dedicated to the program during any one fiscal year shall be reserved for and appropriated to the Office of Customized Training; not less than 3% of the total revenues dedicated to the program during any one fiscal year shall be reserved for occupational safety and health training; and 5% of the total revenues dedicated to the program during any one fiscal year shall be reserved for and appropriated to the Youth Transitions to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-1 et seq.).

f. Funds available under the program shall not be used for activities which induce, encourage or assist: any displacement of currently employed workers by trainees, including partial displacement by means such as reduced hours of currently employed workers; any replacement of laid off workers by trainees; or any relocation of operations resulting in a loss of employment at a previous workplace located in the State.

g. On-the-job training shall not be funded by the program for any employment found by the commissioner to be of a level of skill and complexity too low to merit training. The duration of on-the-job training funded by the program for any worker shall not exceed the duration indicated by the Specific Vocational Preparation Code developed by the United States Department of Labor for the occupation for which the training is provided and shall in no case exceed 26 weeks. The department shall set the duration of on-the-job training for a worker for less than the indicated maximum, when training for the maximum duration is not warranted because of the level of the individual's previous training, education or work experience. On-the-job training shall not be funded by the program unless it is accompanied, concurrently or otherwise, by whatever amount of classroom-based vocational training, remedial education or both, is deemed appropriate for the worker by the commissioner. On-the-job training shall not be funded by the program unless the trainee is provided benefits, pay and working conditions at a level and extent not less than the benefits and working conditions of other trainees or employees of the trainee's employer with comparable skills, responsibilities, experience and seniority.

h. Employment and training services funded by the program shall not replace, supplant, compete with or duplicate in any way approved apprenticeship programs.

i. No activities funded by the program shall impair existing contracts for services or collective bargaining agreements, except that activities which would be inconsistent with the terms of a collective bargaining agreement may be undertaken with the written concurrence of the collective bargaining unit and employer who are parties to the agreement.

10. Section 6 of P.L.1992, c.43 (C.34:15D-6) is amended to read as follows:

C.34:15D-6 Training grants.

6. a. The Workforce Development Partnership Program shall, to the extent that resources available in the fund permit, provide, for each qualified displaced or disadvantaged worker who undergoes counseling pursuant to section 7 of this act, a training grant to pay for employment and training services which are identified in the Employability Development Plan developed pursuant to that section for that worker. No training grant made pursuant to this subsection during the first 12 months following July 1, 1992 shall exceed the amount deemed reasonable by the commissioner for the particular training, which amount shall not exceed \$4,000, except that the commissioner may permit an additional amount, if he deems it necessary to provide remedial education identified in the Employability Development Plan.

b. The Workforce Development Partnership Program may provide, for any individual who is selected to receive a self-employment assistance allowance pursuant to section 4 of P.L.1995, c.394 (C.43:21-70), a training grant to pay for entrepreneurial training and technical assistance deemed necessary and appropriate by the commissioner to help the individual to become self-employed. A training grant made pursuant to this subsection shall be in an amount deemed reasonable by the commissioner for the particular training, but, during the first 12 months following January 1, 1996, shall not be in an amount which exceeds \$400, or, if the grant is for training provided by any public institution of higher education indicated in N.J.S.18A:62-1, shall not be in an amount which exceeds \$1,500.

c. The maximum amounts permitted for training grants made pursuant to subsection a. or b. of this section may be adjusted annually thereafter by the commissioner, taking into consideration changes in the prevailing costs of services and the availability of alternative sources of funding for the services. Any cost for employment and training services which exceeds the amount of a training grant shall be the responsibility of the worker receiving the grant. The cost of counseling provided pursuant to section 7 of this act shall not be charged against the training grant. No portion of a training grant may be expended on wage subsidies.

d. If the requirements of this section and sections 4 and 7 of this act are met, a qualified

displaced, disadvantaged or employed worker shall not be denied a training grant for any of the following reasons: the training includes remedial education needed by the worker to advance in his current employment or occupation or to succeed in the vocational component of the training; the qualified displaced worker or other individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the worker may obtain any college degree enhancing the worker's marketable skills and earning power; the worker has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training.

11. Section 7 of P.L.1992, c.43 (C.34:15D-7) is amended to read as follows:

C.34:15D-7 Counseling.

7. Counseling shall be made available by the department to each qualified displaced or disadvantaged worker applying to participate in the program. Counseling may also be made available to a qualified employed worker who seeks remedial education or is selected to participate in a customized training program, if the worker's employer requests the counseling. The department may itself provide the counseling or obtain the counseling from a service provider, if the service provider is different from and not affiliated with any service provider offering any employment and training services to the worker other than the counseling, except that the department may obtain testing and assessment services provided pursuant to subsection a. of this section from a provider which also offers employment and training services to the worker other than the counseling. The purpose of any counseling made available pursuant to this section is to assist each worker in obtaining the employment and training services most likely to provide the worker with the greatest opportunity for long-range career advancement with high levels of productivity and earning power. Whether provided by the department or a service provider, the counseling shall include:

a. Testing and assessment of the worker's job skills and aptitudes, including the worker's literacy skills and other basic skills. Basic skills testing and assessment shall be provided to the worker unless information is provided regarding the worker's educational background and occupational or professional experience which clearly demonstrates that the worker's basic skill level meets the standards established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the worker is already participating in a remedial education program which meets those standards;

b. An evaluation by a qualified job counselor of what remedial education, if any, is determined to be necessary for the worker to advance in his current employment or occupation or to succeed in any particular vocational training which the worker would undertake under the program, provided that the remedial education shall be at a level not lower than that needed to meet the standards established pursuant to section 14 of P.L.1989, c.293 (C.34:15C-11);

c. The provision of information to the worker regarding any of the labor demand occupations for which training meets the requirements of section 4 of this act in the worker's case, including information about the wage levels in those occupations, the effectiveness of approved service providers of vocational training in occupations which the worker is considering and the long-term success of former trainees of each provider in obtaining permanent employment and increasing earnings;

d. The provision of information to the worker regarding the services and benefits available to the worker under the provisions of this act and P.L.1992, c.47 (C.43:21-57 et al.); and

e. Discussion with the counselor of the results of the testing and evaluation and, based on those results, the development of a written Employability Development Plan identifying the training and employment services, including any needed remedial education, to be provided to the worker pursuant to this act.

Counseling made available at the request of an employer participating in a customized training program may include only those components requested by the employer.

All information regarding a worker applicant or trainee which is obtained or compiled in connection with the testing, assessment and evaluation and which may be identified with the

worker shall be confidential and shall be released to an entity other than the worker, the counselor or the department only if the worker provides written permission to the department for the release of the information or the information is used solely for program evaluation.

12. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read as follows:

C.34:15D-9 Workforce Development Partnership Fund.

9. a. A restricted, nonlapsing, revolving Workforce Development Partnership Fund, to be managed and invested by the State Treasurer, is hereby established to: provide employment and training services to qualified displaced, disadvantaged and employed workers by means of training grants or customized training services; provide for the other costs indicated in subsection a. of section 4 of this act; and facilitate the provision of education and training to youth by means of grants provided by the Youth Transitions to Work Partnership pursuant to the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All appropriations to the fund, all interest accumulated on balances in the fund and all cash received for the fund from any other source shall be used solely for the purposes specifically delineated by this act.

b. During any fiscal year beginning after June 30, 2001, of the total revenues dedicated to the program during any one fiscal year: 25% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified displaced workers; 6% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified disadvantaged workers; 45% shall be deposited in an account of the Workforce Development Partnership Fund reserved for and appropriated to the Office of Customized Training; 3% shall be deposited in an account of the Workforce Development Partnership Fund reserved for occupational safety and health training; 5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the Youth Transitions to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-1 et seq.); 10% shall be deposited in an account of the Workforce Development Partnership Fund reserved for administrative costs as defined in section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the State Employment and Training Commission to design criteria and conduct an annual evaluation of the program; and 5.5% shall be deposited in an account of the Workforce Development Partnership Fund to be used, at the discretion of the commissioner, for any of the purposes indicated in subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

c. Beginning January 1, 1995, through June 30, 2002, the balance in the fund as of the previous December 31, as determined in accordance with generally accepted accounting principles, shall not exceed 1.5 times the amount of contributions deposited for the calendar year then ended. If the balance exceeds this amount, the excess shall be deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

d. Beginning July 1, 2002, and for any subsequent fiscal year, if the unexpended cash balance in any of the accounts indicated in subsection b. of this section, less any amount awarded in grants but not yet disbursed from the account, is determined to exceed 20% of the amount of contributions collected for deposit in the account pursuant to this subsection during the fiscal year then ended, the excess shall be regarded as an unemployment compensation contribution and deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

13. R.S.43:21-7 is amended to read as follows:

Contributions.

43:21-7. Contributions.

Employers other than governmental entities, whose benefit financing provisions are set forth in section 4 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations liable for payment in lieu of contributions on the basis set forth in section 3 of P.L.1971, c.346

(C.43:21-7.2), shall pay to the controller for the unemployment compensation fund, contributions as set forth in subsections (a), (b) and (c) hereof, and the provisions of subsections (d) and (e) shall be applicable to all employers, consistent with the provisions of the "unemployment compensation law" and the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

(a) Payment.

(1) Contributions shall accrue and become payable by each employer for each calendar year in which he is subject to this chapter (R.S.43:21-1 et seq.), with respect to having individuals in his employ during that calendar year, at the rates and on the basis hereinafter set forth. Such contributions shall become due and be paid by each employer to the controller for the fund, in accordance with such regulations as may be prescribed, and shall not be deducted, in whole or in part, from the remuneration of individuals in his employ.

(2) In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

(b) Rate of contributions. Each employer shall pay the following contributions:

(1) For the calendar year 1947, and each calendar year thereafter, 2 7/10% of wages paid by him during each such calendar year, except as otherwise prescribed by subsection (c) of this section.

(2) The "wages" of any individual, with respect to any one employer, as the term is used in this subsection (b) and in subsections (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid during calendar year 1975, for services performed either within or without this State; provided that no contribution shall be required by this State with respect to services performed in another state if such other state imposes contribution liability with respect thereto. If an employer (hereinafter referred to as a successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessors, then, for the purpose of determining whether the successor employer has paid wages with respect to employment equal to the first \$4,800.00 paid during calendar year 1975, any wages paid to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer.

(3) For calendar years beginning on and after January 1, 1976, the "wages" of any individual, as defined in the preceding paragraph (2) of this subsection (b), shall be established and promulgated by the Commissioner of Labor on or before September 1 of the preceding year and shall be 28 times the Statewide average weekly remuneration paid to workers by employers, as determined under R.S.43:21-3(c), raised to the next higher multiple of \$100.00 if not already a multiple thereof, provided that if the amount of wages so determined for a calendar year is less than the amount similarly determined for the preceding year, the greater amount will be used; provided, further, that if the amount of such wages so determined does not equal or exceed the amount of wages as defined in subsection (b) of section 3306 of the Federal Unemployment Tax Act, Chapter 23 of the Internal Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined in this paragraph in any calendar year shall be raised to equal the amount established under the Federal Unemployment Tax Act for that calendar year.

(c) Future rates based on benefit experience.

(1) A separate account for each employer shall be maintained and this shall be credited with all the contributions which he has paid on his own behalf on or before January 31 of any calendar year with respect to employment occurring in the preceding calendar year; provided, however, that if January 31 of any calendar year falls on a Saturday or Sunday, an employer's account shall be credited as of January 31 of such calendar year with all the contributions which he has paid on or before the next succeeding day which is not a Saturday or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by him into the fund either on his own behalf or on behalf of such individuals. Benefits paid with respect to benefit years commencing on and after January 1, 1953, to any individual on or before December 31 of any

calendar year with respect to unemployment in such calendar year and in preceding calendar years shall be charged against the account or accounts of the employer or employers in whose employment such individual established base weeks constituting the basis of such benefits, except that, with respect to benefit years commencing after January 4, 1998, an employer's account shall not be charged for benefits paid to a claimant if the claimant's employment by that employer was ended in any way which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5, would have disqualified the claimant for benefits if the claimant had applied for benefits at the time when that employment ended. Benefits paid under a given benefit determination shall be charged against the account of the employer to whom such determination relates. When each benefit payment is made, either a copy of the benefit check or other form of notification shall be promptly sent to the employer against whose account the benefits are to be charged. Such copy or notification shall identify the employer against whose account the amount of such payment is being charged, shall show at least the name and social security account number of the claimant and shall specify the period of unemployment to which said check applies. If the total amount of benefits paid to a claimant and charged to the account of the appropriate employer exceeds 50% of the total base year, base week wages paid to the claimant by that employer, then such employer shall have canceled from his account such excess benefit charges as specified above.

Each employer shall be furnished an annual summary statement of benefits charged to his account.

(2) Regulations may be prescribed for the establishment, maintenance, and dissolution of joint accounts by two or more employers, and shall, in accordance with such regulations and upon application by two or more employers to establish such an account, or to merge their several individual accounts in a joint account, maintain such joint account as if it constituted a single employer's account.

(3) No employer's rate shall be lower than 5.4% unless assignment of such lower rate is consistent with the conditions applicable to additional credit allowance for such year under section 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.s.3303(a)(1)), any other provision of this section to the contrary notwithstanding.

(4) Employer Reserve Ratio. (A) Each employer's rate shall be 2 8/10%, except as otherwise provided in the following provisions. No employer's rate for the 12 months commencing July 1 of any calendar year shall be other than 2 8/10%, unless as of the preceding January 31 such employer shall have paid contributions with respect to wages paid in each of the three calendar years immediately preceding such year, in which case such employer's rate for the 12 months commencing July 1 of any calendar year shall be determined on the basis of his record up to the beginning of such calendar year. If, at the beginning of such calendar year, the total of all his contributions, paid on his own behalf, for all past years exceeds the total benefits charged to his account for all such years, his contribution rate shall be:

(1) 2 5/10%, if such excess equals or exceeds 4%, but less than 5%, of his average annual payroll (as defined in paragraph (2), subsection (a) of R.S.43:21-19);

(2) 2 2/10%, if such excess equals or exceeds 5%, but is less than 6%, of his average annual payroll;

(3) 1 9/10%, if such excess equals or exceeds 6%, but is less than 7%, of his average annual payroll;

(4) 1 6/10%, if such excess equals or exceeds 7%, but is less than 8%, of his average annual payroll;

(5) 1 3/10%, if such excess equals or exceeds 8%, but is less than 9%, of his average annual payroll;

(6) 1%, if such excess equals or exceeds 9%, but is less than 10%, of his average annual payroll;

(7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less than 11%, of his average annual payroll;

(8) 4/10 of 1%, if such excess equals or exceeds 11% of his average annual payroll.

(B) If the total of an employer's contributions, paid on his own behalf, for all past periods for the purposes of this paragraph (4), is less than the total benefits charged against his account during the same period, his rate shall be:

- (1) 4%, if such excess is less than 10% of his average annual payroll;
- (2)  $4\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than 20%, of his average annual payroll;
- (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average annual payroll.

(C) Specially assigned rates. If no contributions were paid on wages for employment in any calendar year used in determining the average annual payroll of an employer eligible for an assigned rate under this paragraph (4), the employer's rate shall be specially assigned as follows:

(i) if the reserve balance in its account is positive, its assigned rate shall be the highest rate in effect for positive balance accounts for that period, or 5.4%, whichever is higher, and (ii) if the reserve balance in its account is negative, its assigned rate shall be the highest rate in effect for deficit accounts for that period.

(D) The contribution rates prescribed by subparagraphs (A) and (B) of this paragraph (4) shall be increased or decreased in accordance with the provisions of paragraph (5) of this subsection (c) for experience rating periods through June 30, 1986.

(5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds 4% but is less than 7% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be increased by  $\frac{3}{10}$  of 1% over the contribution rate otherwise established under the provisions of paragraph (3) or (4) of this subsection. If on March 31 of any calendar year the balance of the unemployment trust fund exceeds  $2\frac{1}{2}\%$  but is less than 4% of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the provisions of paragraph (3) or (4) of this subsection.

If on March 31 of any calendar year the balance of the unemployment trust fund is less than  $2\frac{1}{2}\%$  of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer (1) eligible for a contribution rate calculation based upon benefit experience, shall be increased by (i)  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and (ii) an additional amount equal to 20% of the total rate established herein, provided, however, that the final contribution rate for each employer shall be computed to the nearest multiple of  $\frac{1}{10}\%$  if not already a multiple thereof; (2) not eligible for a contribution rate calculation based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the provisions of paragraph (4) of this subsection. For the period commencing July 1, 1984 and ending June 30, 1986, the contribution rate for each employer liable to pay contributions under R.S.43:21-7 shall be increased by a factor of 10% computed to the nearest multiple of  $\frac{1}{10}\%$  if not already a multiple thereof.

(B) If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds 10% but is less than  $12\frac{1}{2}\%$  of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be reduced by  $\frac{3}{10}$  of 1% under the contribution rate otherwise established under the provisions of paragraphs (3) and (4) of this subsection; provided that in no event shall the contribution rate of any employer be reduced to less than  $\frac{4}{10}$  of 1%. If on March 31 of any calendar year the balance in the unemployment trust fund equals or exceeds  $12\frac{1}{2}\%$  of the total taxable wages reported to the controller as of that date in respect to employment during the preceding calendar year, the contribution rate, effective July 1 following, of each employer eligible for a contribution rate calculation based upon benefit experience, shall be reduced by  $\frac{6}{10}$  of 1% if his account for all past periods reflects an excess of contributions paid over total benefits charged of 3% or more of his average annual payroll, otherwise by  $\frac{3}{10}$  of 1% under the contribution rate otherwise established under the provisions of paragraphs (3) and (4) of this subsection; provided that in no event shall the contribution rate of any employer

be reduced to less than 4/10 of 1%.

(C) The "balance" in the unemployment trust fund, as the term is used in subparagraphs (A) and (B) above, shall not include moneys credited to the State's account under section 903 of the Social Security Act, as amended (42 U.S.C.s.1103), during any period in which such moneys are appropriated for the payment of expenses incurred in the administration of the "unemployment compensation law."

(D) Prior to July 1 of each calendar year the controller shall determine the Unemployment Trust Reserve Ratio, which shall be calculated by dividing the balance of the unemployment trust fund as of the prior March 31 by total taxable wages reported to the controller by all employers as of March 31 with respect to their employment during the last calendar year.

(E) (Deleted by amendment, P.L.1997, c.263).

(ii) (Deleted by amendment, P.L.2001, c.152).

(iii) With respect to experience rating years beginning on or after July 1, 1998, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears in the column headed by the Unemployment Trust Fund Reserve Ratio as of the applicable calculation date and on the line with the Employer Reserve Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE  
Fund Reserve Ratio<sup>1</sup>

Employer Reserve Ratio <sup>2</sup>	4.50% and Over A	3.50% to 4.49% B	3.00% to 3.49% C	2.50% to 2.99% D	2.49% and Under E
<b>Positive Reserve Ratio:</b>					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
<b>Deficit Reserve Ratio:</b>					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0



New Employer Rate	2.8	2.8	2.8	3.1	3.4
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<sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

<sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

(F)(i) (Deleted by amendment, P.L.1997, c.263).

(ii) With respect to experience rating years beginning on or after July 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior March 31, is less than 1.00%, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be increased by a factor of 10% computed to the nearest multiple of 1/10% if not already a multiple thereof.

(G) On or after January 1, 1993, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by 0.1%, except that, during any experience rating year starting before January 1, 1998 in which the fund reserve ratio is equal to or greater than 7.00% or during any experience rating year starting on or after January 1, 1998, in which the fund reserve ratio is equal to or greater than 3.5%, there shall be no decrease pursuant to this subparagraph (G) in the contribution of any employer who has a deficit reserve ratio of negative 35.00% or under.

(H) On or after January 1, 1993 until December 31, 1993, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 52.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after January 1, 1994 until December 31, 1995, except as provided pursuant to subparagraph (I) of this paragraph (5), notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 36.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after April 1, 1996 until December 31, 1996, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 25.0% computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On or after January 1, 1997 until December 31, 1997, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by a factor of 10.0% computed to the nearest multiple of 1/10%, except that, if an

employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%. The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

On and after January 1, 1998 until December 31, 2000, the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased each calendar year by a factor, as set out below, computed to the nearest multiple of 1/10%, except that, if an employer has a deficit reserve ratio of negative 35.0% or under, the employer's rate of contribution shall not be reduced pursuant to this subparagraph (H) to less than 5.4%:

From January 1, 1998 until December 31, 1998, a factor of 12%;

From January 1, 1999 until December 31, 1999, a factor of 10%;

From January 1, 2000 until December 31, 2000, a factor of 7%.

The amount of the reduction in the employer contributions stipulated by this subparagraph (H) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraph (G) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this subparagraph (H) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

(I) If the fund reserve ratio decreases to a level of less than 4.00% on March 31 of calendar year 1994 or calendar year 1995, the provisions of subparagraph (H) of this paragraph (5) shall cease to be in effect as of July 1 of that calendar year.

If, upon calculating the unemployment compensation fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997, March 31, 1998 or March 31, 1999, the controller finds that the fund reserve ratio has decreased to a level of less than 3.00%, the Commissioner of Labor shall notify the State Treasurer of this fact and of the dollar amount necessary to bring the fund reserve ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31, 1997, March 31, 1998 or March 31, 1999, as applicable, transfer from the General Fund to the unemployment compensation fund, revenues in the amount specified by the commissioner and which, upon deposit in the unemployment compensation fund, shall result, upon recalculation, in a fund reserve ratio used to determine employer contributions beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of at least 3.00%.

If, upon calculating the unemployment compensation fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the controller finds that the fund reserve ratio has decreased to a level of less than 3.00%, the Commissioner of Labor shall notify the State Treasurer of this fact and of the dollar amount necessary to bring the fund reserve ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31, 2000, transfer from the General Fund to the unemployment compensation fund, revenues in the amount specified by the commissioner and which, upon deposit in the unemployment compensation fund, shall result, upon recalculation, in a fund reserve ratio used to determine employer contributions beginning July 1, 2000 of at least 3.00%.

(J) On or after July 1, 2001, notwithstanding any other provisions of this paragraph (5), the contribution rate for each employer liable to pay contributions, as computed under subparagraph (E) of this paragraph (5), shall be decreased by 0.0175%, except that, during any experience rating year starting on or after July 1, 2001, in which the fund reserve ratio is equal to or greater than 3.5%, there shall be no decrease pursuant to this subparagraph (J) in the contribution of any employer who has a deficit reserve ratio of negative 35.00% or under. The amount of the reduction in the employer contributions stipulated by this subparagraph (J) shall be in addition to the amount of the reduction in the employer contributions stipulated by subparagraphs (G) and (H) of this paragraph (5), except that the rate of contribution of an employer who has a deficit reserve ratio of negative 35.0% or under shall not be reduced pursuant to this

subparagraph (J) to less than 5.4% and the rate of contribution of any other employer shall not be reduced to less than 0.0%.

(6) Additional contributions.

Notwithstanding any other provision of law, any employer who has been assigned a contribution rate pursuant to subsection (c) of this section for the year commencing July 1, 1948, and for any year commencing July 1 thereafter, may voluntarily make payment of additional contributions, and upon such payment shall receive a recomputation of the experience rate applicable to such employer, including in the calculation the additional contribution so made. Any such additional contribution shall be made during the 30-day period following the date of the mailing to the employer of the notice of his contribution rate as prescribed in this section, unless, for good cause, the time for payment has been extended by the controller for not to exceed an additional 60 days; provided that in no event may such payments which are made later than 120 days after the beginning of the year for which such rates are effective be considered in determining the experience rate for the year in which the payment is made. Any employer receiving any extended period of time within which to make such additional payment and failing to make such payment timely shall be, in addition to the required amount of additional payment, a penalty of 5% thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any adjustment under this subsection shall be made only in the form of credits against accrued or future contributions.

(7) Transfers.

(A) Upon the transfer of the organization, trade or business, or substantially all the assets of an employer to a successor in interest, whether by merger, consolidation, sale, transfer, descent or otherwise, the controller shall transfer the employment experience of the predecessor employer to the successor in interest, including credit for past years, contributions paid, annual payrolls, benefit charges, et cetera, applicable to such predecessor employer, pursuant to regulation, if it is determined that the employment experience of the predecessor employer with respect to the organization, trade, assets or business which has been transferred may be considered indicative of the future employment experience of the successor in interest. Unless the predecessor employer was owned or controlled (by legally enforceable means or otherwise), directly or indirectly, by the successor in interest, or the predecessor employer and the successor in interest were owned or controlled (by legally enforceable means or otherwise), directly or indirectly, by the same interest or interests, the transfer of the employment experience of the predecessor shall not be effective if such successor in interest, within four months of the date of such transfer of the organization, trade, assets or business, or thereafter upon good cause shown, files a written notice protesting the transfer of the employment experience of the predecessor employer.

(B) An employer who transfers part of his or its organization, trade, assets or business to a successor in interest, whether by merger, consolidation, sale, transfer, descent or otherwise, may jointly make application with such successor in interest for transfer of that portion of the employment experience of the predecessor employer relating to the portion of the organization, trade, assets or business transferred to the successor in interest, including credit for past years, contributions paid, annual payrolls, benefit charges, et cetera, applicable to such predecessor employer. The transfer of employment experience may be allowed pursuant to regulation only if it is found that the employment experience of the predecessor employer with respect to the portion of the organization, trade, assets or business which has been transferred may be considered indicative of the future employment experience of the successor in interest. Credit shall be given to the successor in interest only for the years during which contributions were paid by the predecessor employer with respect to that part of the organization, trade, assets or business transferred.

(C) A transfer of the employment experience in whole or in part having become final, the predecessor employer thereafter shall not be entitled to consideration for an adjusted rate based upon his or its experience or the part thereof, as the case may be, which has thus been transferred. A successor in interest to whom employment experience or a part thereof is transferred pursuant to this subsection shall, as of the date of the transfer of the organization, trade, assets or business, or part thereof, immediately become an employer if not theretofore an

employer subject to this chapter (R.S.43:21-1 et seq.).

(d) Contributions of workers to the unemployment compensation fund and the State disability benefits fund.

(1) (A) For periods after January 1, 1975, each worker shall contribute to the fund 1% of his wages with respect to his employment with an employer, which occurs on and after January 1, 1975, after such employer has satisfied the condition set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer; provided, however, that such contributions shall be at the rate of 1/2 of 1% of wages paid with respect to employment while the worker is in the employ of the State of New Jersey, or any governmental entity or instrumentality which is an employer as defined under R.S.43:21-19(h)(5), or is covered by an approved private plan under the "Temporary Disability Benefits Law" or while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

(B) Effective January 1, 1978 there shall be no contributions by workers in the employ of any governmental or nongovernmental employer electing or required to make payments in lieu of contributions unless the employer is covered by the State plan under the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers in the employ of any nongovernmental employer electing or required to make payments in lieu of contributions shall be required to make contributions to the fund at the same rate prescribed for workers of other nongovernmental employers.

(C) (i) Notwithstanding the above provisions of this paragraph (1), during the period starting July 1, 1986 and ending December 31, 1992, each worker shall contribute to the fund 1.125% of wages paid with respect to his employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under R.S.43:21-19(h)(6), regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection R.S.43:21-19(h) with respect to becoming an employer. Contributions, however, shall be at the rate of 0.625% while the worker is covered by an approved private plan under the "Temporary Disability Benefits Law" while the worker is exempt under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law; provided that such contributions shall be at the rate of 0.625% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions and which is covered by the State plan under the "Temporary Disability Benefits Law," except that, while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is covered for disability benefits by an approved private plan of the employer, the contributions to the fund shall be 0.125%.

(ii) (Deleted by amendment, P.L.1995, c.422.)

(D) Notwithstanding any other provisions of this paragraph (1), during the period starting January 1, 1993 and ending June 30, 1994, each worker shall contribute to the unemployment compensation fund 0.5% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer. No contributions, however, shall be made by the worker while the worker is covered by an approved private plan under the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other provision of that law; provided that the contributions shall be at the rate of 0.50% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions and which is covered by the State plan under

the "Temporary Disability Benefits Law," except that, while the worker is exempt from the provisions of the "Temporary Disability Benefits Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any other provision of that law, or is covered for disability benefits by an approved private plan of the employer, no contributions shall be made to the fund.

Each worker shall, starting on January 1, 1996 and ending March 31, 1996, contribute to the unemployment compensation fund 0.60% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 1998 and ending December 31, 1998, contribute to the unemployment compensation fund 0.10% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 1999 until December 31, 1999, contribute to the unemployment compensation fund 0.15% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 2000 until December 31, 2001, contribute to the unemployment compensation fund 0.20% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.10% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on January 1, 2002 until December 31, 2002, contribute to the unemployment compensation fund 0.1825% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or a nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in

subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.0825% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

Each worker shall, starting on and after January 1, 2003, contribute to the unemployment compensation fund 0.3825% of wages paid with respect to the worker's employment with a governmental employer electing or required to pay contributions or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit organization elects or is required to finance its benefit costs with contributions to the fund or by payments in lieu of contributions, after that employer has satisfied the conditions set forth in subsection (h) of R.S.43:21-19 with respect to becoming an employer, provided that the contributions shall be at the rate of 0.0825% of wages paid with respect to employment with the State of New Jersey or any other governmental entity or instrumentality electing or required to make payments in lieu of contributions.

(E) Each employer shall, notwithstanding any provision of law in this State to the contrary, withhold in trust the amount of his workers' contributions from their wages at the time such wages are paid, shall show such deduction on his payroll records, shall furnish such evidence thereof to his workers as the division or controller may prescribe, and shall transmit all such contributions, in addition to his own contributions, to the office of the controller in such manner and at such times as may be prescribed. If any employer fails to deduct the contributions of any of his workers at the time their wages are paid, or fails to make a deduction therefor at the time wages are paid for the next succeeding payroll period, he alone shall thereafter be liable for such contributions, and for the purpose of R.S.43:21-14, such contributions shall be treated as employer's contributions required from him.

(F) As used in this chapter (R.S.43:21-1 et seq.), except when the context clearly requires otherwise, the term "contributions" shall include the contributions of workers pursuant to this section.

(G) Each worker shall, starting on July 1, 1994, contribute to the State disability benefits fund an amount equal to 0.50% of wages paid with respect to the worker's employment with a government employer electing or required to pay contributions to the State disability benefits fund or nongovernmental employer, including a nonprofit organization which is an employer as defined under paragraph (6) of subsection (h) of R.S.43:21-19, unless the employer is covered by an approved private disability plan or is exempt from the provisions of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) under section 7 of that law (C.43:21-31) or any other provision of that law.

(2) (A) (Deleted by amendment, P.L.1984, c.24.)

(B) (Deleted by amendment, P.L.1984, c.24.)

(C) (Deleted by amendment, P.L.1994, c.112.)

(D) (Deleted by amendment, P.L.1994, c.112.)

(E) (i) (Deleted by amendment, P.L.1994, c.112.)

(ii) (Deleted by amendment, P.L.1996, c.28.)

(iii) (Deleted by amendment, P.L.1994, c.112.)

(3) If an employee receives wages from more than one employer during any calendar year, and either the sum of his contributions deposited in and credited to the State disability benefits fund plus the amount of his contributions, if any, required towards the costs of benefits under one or more approved private plans under the provisions of section 9 of the "Temporary Disability Benefits Law" (C.43:21-33) and deducted from his wages, or the sum of such latter contributions, if the employee is covered during such calendar year only by two or more private plans, exceeds an amount equal to 1/2 of 1% of the "wages" determined in accordance with the provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or after January 1, 1976, the employee shall be entitled to a refund of the excess if he makes a claim to the controller within two years after the end of the calendar year in which the wages are received with respect to which the refund is claimed and establishes his right to such refund. Such refund shall be made by the controller from the State disability benefits fund. No interest shall be allowed or paid with

respect to any such refund. The controller shall, in accordance with prescribed regulations, determine the portion of the aggregate amount of such refunds made during any calendar year which is applicable to private plans for which deductions were made under section 9 of the "Temporary Disability Benefits Law," such determination to be based upon the ratio of the amount of such wages exempt from contributions to such fund, as provided in subparagraph (B) of paragraph (1) of this subsection with respect to coverage under private plans, to the total wages so exempt plus the amount of such wages subject to contributions to the disability benefits fund, as provided in subparagraph (G) of paragraph (1) of this subsection. The controller shall, in accordance with prescribed regulations, prorate the amount so determined among the applicable private plans in the proportion that the wages covered by each plan bear to the total private plan wages involved in such refunds, and shall assess against and recover from the employer, or the insurer if the insurer has indemnified the employer with respect thereto, the amount so prorated. The provisions of R.S.43:21-14 with respect to collection of employer contributions shall apply to such assessments. The amount so recovered by the controller shall be paid into the State disability benefits fund.

(4) If an individual does not receive any wages from the employing unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is treated as his employer, or receives his wages from some other employing unit, such employer shall nevertheless be liable for such individual's contributions in the first instance; and after payment thereof such employer may deduct the amount of such contributions from any sums payable by him to such employing unit, or may recover the amount of such contributions from such employing unit, or, in the absence of such an employing unit, from such individual, in a civil action; provided proceedings therefor are instituted within three months after the date on which such contributions are payable. General rules shall be prescribed whereby such an employing unit may recover the amount of such contributions from such individuals in the same manner as if it were the employer.

(5) Every employer who has elected to become an employer subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of R.S.43:21-8, shall post and maintain printed notices of such election on his premises, of such design, in such numbers, and at such places as the director may determine to be necessary to give notice thereof to persons in his service.

(6) Contributions by workers, payable to the controller as herein provided, shall be exempt from garnishment, attachment, execution, or any other remedy for the collection of debts.

(e) Contributions by employers to State disability benefits fund.

(1) Except as hereinafter provided, each employer shall, in addition to the contributions required by subsections (a), (b), and (c) of this section, contribute 1/2 of 1% of the wages paid by such employer to workers with respect to employment unless he is not a covered employer as defined in section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)), except that the rate for the State of New Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first six months of 1981. Prior to July 1, 1981 and prior to July 1 each year thereafter, the controller shall review the experience accumulated in the account of the State of New Jersey and establish a rate for the next following fiscal year which, in combination with worker contributions, will produce sufficient revenue to keep the account in balance; except that the rate so established shall not be less than 1/10 of 1%. Such contributions shall become due and be paid by the employer to the controller for the State disability benefits fund as established by law, in accordance with such regulations as may be prescribed, and shall not be deducted, in whole or in part, from the remuneration of individuals in his employ. In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

(2) During the continuance of coverage of a worker by an approved private plan of disability benefits under the "Temporary Disability Benefits Law," the employer shall be exempt from the contributions required by subparagraph (1) above with respect to wages paid to such worker.

(3) (A) The rates of contribution as specified in subparagraph (1) above shall be subject to modification as provided herein with respect to employer contributions due on and after July 1,

1951.

(B) A separate disability benefits account shall be maintained for each employer required to contribute to the State disability benefits fund and such account shall be credited with contributions deposited in and credited to such fund with respect to employment occurring on and after January 1, 1949. Each employer's account shall be credited with all contributions paid on or before January 31 of any calendar year on his own behalf and on behalf of individuals in his service with respect to employment occurring in preceding calendar years; provided, however, that if January 31 of any calendar year falls on a Saturday or Sunday an employer's account shall be credited as of January 31 of such calendar year with all the contributions which he has paid on or before the next succeeding day which is not a Saturday or Sunday. But nothing in this act shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by him to the fund either on his own behalf or on behalf of such individuals. Benefits paid to any covered individual in accordance with Article III of the "Temporary Disability Benefits Law" on or before December 31 of any calendar year with respect to disability in such calendar year and in preceding calendar years shall be charged against the account of the employer by whom such individual was employed at the commencement of such disability or by whom he was last employed, if out of employment.

(C) The controller may prescribe regulations for the establishment, maintenance, and dissolution of joint accounts by two or more employers, and shall, in accordance with such regulations and upon application by two or more employers to establish such an account, or to merge their several individual accounts in a joint account, maintain such joint account as if it constituted a single employer's account.

(D) Prior to July 1 of each calendar year, the controller shall make a preliminary determination of the rate of contribution for the 12 months commencing on such July 1 for each employer subject to the contribution requirements of this subsection (e).

(1) Such preliminary rate shall be  $\frac{1}{2}$  of 1% unless on the preceding January 31 of such year such employer shall have been a covered employer who has paid contributions to the State disability benefits fund with respect to employment in the three calendar years immediately preceding such year.

(2) If the minimum requirements in (1) above have been fulfilled and the credited contributions exceed the benefits charged by more than \$500.00, such preliminary rate shall be as follows:

(i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less than  $1\frac{1}{4}$ % of his average annual payroll (as defined in this chapter (R.S.43:21-1 et seq.));

(ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  $1\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual payroll;

(iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds  $1\frac{1}{2}$ % of his average annual payroll.

(3) If the minimum requirements in (1) above have been fulfilled and the contributions credited exceed the benefits charged but by not more than \$500.00 plus 1% of his average annual payroll, or if the benefits charged exceed the contributions credited but by not more than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

(4) If the minimum requirements in (1) above have been fulfilled and the benefits charged exceed the contributions credited by more than \$500.00, such preliminary rate shall be as follows:

(i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of 1% of his average annual payroll;

(ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

(iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

(iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

(v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds 1% of his average annual payroll.



(5) Determination of the preliminary rate as specified in (2), (3) and (4) above shall be subject, however, to the condition that it shall in no event be decreased by more than 1/10 of 1% of wages or increased by more than 2/10 of 1% of wages from the preliminary rate determined for the preceding year in accordance with (1), (2), (3) or (4), whichever shall have been applicable.

(E) (1) Prior to July 1 of each calendar year the controller shall determine the amount of the State disability benefits fund as of December 31 of the preceding calendar year, increased by the contributions paid thereto during January of the current calendar year with respect to employment occurring in the preceding calendar year. If such amount exceeds the net amount withdrawn from the unemployment trust fund pursuant to section 23 of the "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such preceding calendar year of the unemployment disability account (as defined in section 22 of said law (C.43:21-46)), such excess shall be expressed as a percentage of the wages on which contributions were paid to the State disability benefits fund on or before January 31 with respect to employment in the preceding calendar year.

(2) The controller shall then make a final determination of the rates of contribution for the 12 months commencing July 1 of such year for employers whose preliminary rates are determined as provided in (D) hereof, as follows:

(i) If the percentage determined in accordance with paragraph (E)(1) of this subsection equals or exceeds 1 1/4%, the final employer rates shall be the preliminary rates determined as provided in (D) hereof, except that if the employer's preliminary rate is determined as provided in (D)(2) or (D)(3) hereof, the final employer rate shall be the preliminary employer rate decreased by such percentage of excess taken to the nearest 5/100 of 1%, but in no case shall such final rate be less than 1/10 of 1%.

(ii) If the percentage determined in accordance with paragraph (E)(1) of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4 of 1%, the final employer rates shall be the preliminary employer rates.

(iii) If the percentage determined in accordance with paragraph (E)(1) of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the final employer rates shall be the preliminary employer rates determined as provided in (D) hereof increased by the difference between 3/4 of 1% and such percentage taken to the nearest 5/100 of 1%; provided, however, that no such final rate shall be more than 1/4 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(2) hereof, more than 1/2 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(4) hereof.

(iv) If the amount of the State disability benefits fund determined as provided in paragraph (E)(1) of this subsection is equal to or less than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(2) hereof, 7/10 of 1% in the case of an employer whose preliminary rate is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer whose preliminary rate is determined as provided in (D)(4) hereof. Notwithstanding any other provision of law or any determination made by the controller with respect to any 12-month period commencing on July 1, 1970, the final rates for all employers for the period beginning January 1, 1971, shall be as set forth herein.

14. Section 3 of P.L.1992, c.47 (C.43:21-59) is amended to read as follows:

C.43:21-59 Counseling, Employability Development Plan.

3. Counseling shall be made available by the Department of Labor to each individual who meets the requirements indicated in subsections a. and b. of section 4 of this act. The department may provide the counseling or obtain the counseling from a service provider, if the service provider is different from and not affiliated with any service provider offering any employment and training services to the worker other than the counseling. The purpose of the counseling is to assist the individual in obtaining the employment and training services most likely to provide the worker with the greatest opportunity for long-range career advancement

with high levels of productivity and earning power. The counseling shall include:

a. Testing and assessment of the individual's job skills and aptitudes, including the individual's literacy skills and other basic skills. Basic skills testing and assessment shall be provided to the individual unless information is provided regarding the individual's educational background and occupational or professional experience which clearly demonstrates that the individual's basic skill level meets the standards indicated in section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the individual is already participating in a remedial education program which meets those standards;

b. An evaluation by a qualified job counselor of:

(1) Whether the individual is eligible for the additional benefits indicated in section 5 of this act; and

(2) What remedial education, if any, is determined to be necessary for the individual to advance in his current occupation or succeed in any particular vocational training which the individual would undertake in connection with additional benefits indicated in section 4 of this act, provided that the remedial education shall be at a level not lower than that needed to meet the standards indicated in section 14 of P.L.1989, c.293 (C.34:15C-11);

c. The provision of information to the individual regarding any of the labor demand occupations for which training meets the requirements of subsection e. of section 4 of this act in the claimant's case, including information about the wage levels in those occupations, the effectiveness of any particular provider of training for any of those occupations which the claimant is considering using, and the long-term success of former trainees of the provider in obtaining permanent employment and increasing earnings;

d. The provision of information to the individual regarding the services and benefits available to the individual under the provisions of this act and employment and training programs provided or funded pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et al.) and the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C.s.2801 et seq.) and regarding the tuition waivers available pursuant to P.L.1983, c.469 (C.18A:64-13.1 et seq.) and P.L.1983, c.470 (C.18A:64A-23.1 et seq.); and

e. Discussion with the counselor of the results of the testing and evaluation and, based on those results, the development of a written Employability Development Plan, consistent with the requirements of subsections e., f. and g. of section 4 of this act, for the individual describing any remedial education and the vocational training that the individual will undertake in connection with benefits provided pursuant to the provisions of this act.

All information regarding an individual applicant or trainee which is obtained or compiled in connection with the testing, assessment and evaluation and which may be identified with the individual shall be confidential and shall be released to an entity other than the individual, the counselor or the department only if: the individual provides written permission to the department for the release of the information; or the information is used solely for program evaluation.

15. Section 4 of P.L.1992, c.47 (C.43:21-60) is amended to read as follows:

C.43:21-60 Requirements for provision of additional benefits.

4. Except as provided in section 8 of this act, the additional benefits indicated in section 5 of this act shall be provided to any individual who:

a. Has received a notice of a permanent termination of employment by the individual's employer or has been laid off and is unlikely to return to his previous employment because work opportunities in the individual's job classification are impaired by a substantial reduction of employment at the worksite;

b. Is, at the time of the layoff or termination, eligible, pursuant to the "unemployment compensation law," R.S.43:21-1 et seq., for unemployment benefits;

c. Enters into the counseling made available pursuant to section 3 of this act as soon as possible following notification by the Department of Labor of its availability;

d. (1) Notifies the department of the individual's intention to enter into the education and training identified in the Employability Development Plan developed pursuant to section 3 of this act, not later than 60 days after the date of the individual's termination or layoff, not later than

30 days after the department provides notice to the individual pursuant to section 6 of this act or not later than 30 days after the Employability Development Plan is developed, whichever occurs last;

(2) Enters into the education and training identified in the Employability Development Plan as soon as possible after giving the notice required by paragraph (1) of this subsection d.;

and (3) Maintains satisfactory progress in the education and training;

e. Enrolls in vocational training which:

(1) Is training for a labor demand occupation;

(2) Is likely to facilitate a substantial enhancement of the individual's marketable skills and earning power;

(3) Is provided by a service provider approved by the Commissioner of Labor, which approval shall be made, if the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et al.) is enacted, pursuant to the provisions of section 8 of that act; and

(4) Does not include on the job training or other training under which the individual is paid by an employer for work performed by the individual during the time that the individual receives additional benefits pursuant to the provisions of section 5 of this act;

f. Enrolls in vocational training, remedial education or a combination of both on a full-time basis; and

g. Reasonably can be expected to successfully complete the vocational training and any needed remedial education, either during or after the period of additional benefits.

If the requirements of this section are met, the division shall not deny an individual unemployment benefits pursuant to the "unemployment compensation law," R.S.43:21-1 et seq., P.L.1970, c.324 (C.43:21-24.11 et seq.) or the additional benefits indicated in section 5 of this act for any of the following reasons: the training includes remedial education needed by the individual to succeed in the vocational component of the training; the individual has identifiable vocational skills but the training services are needed to enable the individual to develop skills necessary to attain at least the level of self-sufficiency; the training is part of a program under which the individual may obtain any college degree enhancing the individual's marketable skills and earning power; the individual has previously received a training grant; the length of the training period under the program; or the lack of a prior guarantee of employment upon completion of the training. If the requirements of this section are met, the division shall regard a training program as approved for the purposes of paragraph (4) of subsection (c) of R.S.43:21-4.

16. This act shall take effect immediately.

Approved July 13, 2001.

PO BOX 004  
TRENTON, NJ 08625

*Office of the Governor*  
**NEWS RELEASE**

CONTACT: Rae Hutton  
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RELEASE: July 13 , 2001

Acting Governor Donald T. DiFrancesco signed the following legislation today:

**A-3154**, sponsored by Senators Andrew Ciesla (R-Monmouth/Ocean), Joseph Palaia (R-Monmouth), Diane Allen (R-Burlington/Camden) and Assembly members Jeffrey Moran (R-Atlantic/Burlington/Ocean) and Anthony Impreveduto (D-Bergen/Hudson), permits persons who are licensed professional engineers or architects in New Jersey to be licensed as home inspectors, provided they are deemed qualified to do home inspections by the New Jersey Board of Architects or the State Board of Professional Engineers and Land Surveyors.

**S-986**, sponsored by Senators Robert Martin (R-Essex/Morris/Passaic) and Kevin O'Toole (R-Essex/Union) and Assembly members Joel Weingarten (R-Essex/Union) and Rose Marie Heck (R-Bergen), permits jointure commissions to provide counseling, inclusionary and child study team service for, but not limited to disabled pupils.

**S-1736**, sponsored by Senator James Cafiero (R-Cape May/Atlantic/ Cumberland) and Assembly members Scott Garrett (R-Sussex/Hunterdon/ Morris) and Connie Myers (R-Warren/Hunterdon/Mercer), exempts certain privately owned campgrounds, hotels, motels, mobile home parks and retirement communities with swimming areas other than pools from certain Department of Health and Senior Services (DHSS) regulations establishing first aid personnel and lifeguard requirements.

**SCS-1783/S-1733**, sponsored by Senators Jack Sinagra (R-Middlesex), James Cafiero (R-Cape May/Atlantic/Cumberland), John Lynch (D-Middlesex/Somerset/ Union) and Louis Kosco (R-Bergen) and Assembly members George Geist (R-Camden/Gloucester) and Arline Friscia (D-Middlesex), establishes a Supplemental Workforce Administrative Fund for Basic Skills within the Workforce Development Partnership Fund by redirecting a portion of the employers and employee contributions from the unemployment compensation fund to the Supplemental Workforce Administrative Fund For Basic Skills.

**A-759**, sponsored by Senator Norman Robertson (R-Essex/Passaic) and Assemblyman Gerald Zecker (R-Essex/Passaic), provides that a delineated area in a municipality may be determined to be in need of rehabilitation if more than half of the housing stock in the delineated area is at least 50 years old, or a majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance.

**A-972**, sponsored by Senators Jack Sinagra (R-Middlesex) and John Adler (D-Camden) and Assemblymen Gary Stuhltrager (R-Salem/Cumberland/Gloucester) and John Wisniewski (D-Middlesex), the Athletic Training Licensure Act, requires athletic trainers

to be licensed by, rather than just registered with, the State Board of Medical Examiners (BME) in the Division of Consumer Affairs.

**A-3013**, sponsored by Senators Diane Allen (R-Burlington/Camden) and Peter Inverso (D-Mercer/Middlesex) and Assemblymen Michael Arnone (R-Monmouth) and Peter Biondi (R-Morris/Somerset), requires the Director of the Division of Local Government Services in the Department of Community Affairs to conduct a study of all municipalities, counties, school districts and regional authorities and districts to determine the number and type of all interlocal services agreements between such local units entered into between August 2, 1973, the effective date of the Interlocal Services Act, and January 1, 2001.

**S-1887**, sponsored by Senators Martha Bark (R-Atlantic/ Burlington/Camden) and Diane Allen (R-Burlington/Camden) and Assemblyman Leonard Lance (R-Warren/Hunterdon/Mercer), provides for the protection of the assets and distributions from creditors of "Roth" and "Education" individual retirement accounts (IRA) and higher education tuition savings accounts by including these trusts in the definition of "qualifying trust" under New Jersey law. This bill makes qualifying trusts non-exempt from punitive damages awarded in a civil action arising from manslaughter or murder.

**SCS-2345**, sponsored by Senators Henry McNamara (R-Bergen/Passaic) and John Adler (D-Camden) and Assemblyman Steve Corodemus (R-Monmouth), gives the state additional time to pursue legal actions against those who are responsible for contaminating sites around New Jersey. As a result of this act, responsible parties, not the taxpayers, will continue to be required to pay for the cleanup and the restoration of natural resources injured by that contamination. This bill continues the New Jersey Department of Environmental Protection's authority to require restoration of natural resources injured by a hazardous discharge as part of the remediation process.