

43:21-24.18 and 43:21-24.19

LEGISLATIVE HISTORY CHECKLIST

NJSA 43:21-24.18 and 43:21-24.19 (Unemployment compensation--extended benefits
--conform to Federal law)

LAWS 1981 CHAPTER 90

Bill No. A3166

Sponsor(s) Patero

Date Introduced Feb. 23, 1981

Committee: Assembly Labor

Senate -----

Amended during passage Yes No Amendments during passage denoted by asterisks

Date of Passage: Assembly March 23, 1981

Senate March 23, 1981

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Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate ~~Yes~~ No

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports Yes No

Hearings ~~Yes~~ No

For background on similar provision in "Unemployment compensation" see:

- 974.90 New Jersey. Legislature. Joint Economic Committee.
- E19 A program to improve the business climate of New
- 1980e Jersey... May 1, 1980. Trenton, 1980.
(pp.9-11; 82-83)

(over)

6/22/81

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974.90 New Jersey. Employment Security Council.
E55 Final report on the unemployment
1979 b compensation program. March, 1979.
 Trenton, 1979.

See also: newspaper clippings (attached)

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ASSEMBLY, No. 3166

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 23, 1981

By Assemblyman PATERO

Referred to Committee on Labor

A SUPPLEMENT to the "Extended Benefits Law," approved December 22, 1970, P. L. 1970, c. 324 (C. 43:21-24.11 et seq.) ***[** and amending R. S. 43:21-4**]**.*

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. (New section) Cessation of extended benefits when paid under
2 an interstate claim in a state where an extended benefit period is
3 not in effect.

4 a. Except as provided in paragraph b. of this section, an in-
5 dividual shall not be eligible for extended benefits for any week if:

6 (1) Extended benefits are payable for such week pursuant to an
7 interstate claim filed in any state under the interstate benefit pay-
8 ment plan, and

9 (2) No extended benefit period is in effect for such week in such
10 state.

11 b. Paragraph a. shall not apply with respect to the first 2 weeks
12 for which extended benefits are payable (determined without regard
13 to this section) pursuant to an interstate claim filed under the
14 interstate benefit payment plan to the individual from the extended
15 benefit account established for the individual with respect to the
16 benefit year.

1 2. (New section) a. Notwithstanding the provisions of section 6
2 of P. L. 1970, c. 324 (C. 43:21-24.12) an individual shall be in-
3 eligible for payment of extended benefits for any week of unem-
4 ployment in his eligibility period if it is determined during such
5 period:

6 (1) The individual failed to accept any offer of suitable work as
7 defined in paragraph c. or failed to apply for any suitable work to
8 which the individual was referred to by the employment service or
9 the director; 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.

10 (2) The individual failed to actively engage in seeking work as
11 prescribed under paragraph e.

12 b. Any individual who has been found ineligible for extended
13 benefits by reason of the provisions in paragraph a. of this section
14 shall also be denied benefits beginning with the first day of the
15 week following the week in which such failure occurred and until
16-17 such individual has been employed in each of 4 subsequent weeks
18 (whether or not consecutive) and has earned remuneration equal
19 to not less than 4 times the individual's weekly extended benefit rate.

20 c. For purposes of this section the term suitable work means,
21 with respect to any individual, any work which is within such in-
22 dividual's capabilities

23 (1) If the gross average weekly remuneration payable for the
24 work exceeds the sum of: the individual's weekly extended benefit
25 rate as determined under section 8 of P. L. 1970, c. 324 (C.
26 43:21-24.14), plus the amount, if any, of supplemental unemploy-
27 ment benefits (as defined in Section 501(c)(17) of the Internal
28 Revenue Code of 1954) payable to such individual for such week;

29 (2) If the position pays wages not less than the higher of

30 (a) The minimum wage provided by Section 6(a)(1) of the Fair
31 Labor Standards Act of 1938 (29 U. S. C. § 206), without regard to
32 any exemption; or

33 (b) The applicable state or local minimum wage;

34 (3) Provided, however, that no individual shall be denied ex-
35 tended benefits for failure to accept an offer of or apply for any job
36 which meets the definition of suitable work as described above if:

37 (a) The position was not offered to such individual in writing
38 and was not listed with the employment service;

39 (b) Such failure could not result in a denial of benefits under the
40 definition of suitable work for regular benefits as provided under
41 subsection (c) of R. S. 43:21-5 to the extent that the criteria of
42 suitability in that section are not inconsistent with the provisions
43 of this paragraph c.

44 (c) The individual furnishes satisfactory evidence to the division
45 that his prospects for obtaining work in his customary occupation
46 within a reasonably short period are good. If such evidence is
47 deemed satisfactory for this purpose, the determination of whether
48 any work is suitable with respect to such individual shall be made in
49 accordance with the definition of suitable work for regular benefit
50 claimants as provided under subsection (c) of R. S. 43:21-5 without
51 regard to the definition specified by this paragraph c.

52 d. Notwithstanding the provisions of section 6 of P. L. 1970, c. 324
53 (C. 43:21-24.12) to the contrary, no work shall be deemed to be

54 suitable work for an individual which does not accord with the labor
 55 standard provisions required by Section 3304(a)(5) of the Internal
 56 Revenue Code of 1954 and subsection (c) of R. S. 43:21-5.

57 e. For the purposes of subparagraph (2) of paragraph a. of this
 58 section, an individual shall be treated as actively engaged in seeking
 59 work during any week if

60 (1) The individual has engaged in a systematic and sustained
 61 effort to obtain work during such week, and

62 (2) The individual furnishes tangible evidence that he has en-
 63 gaged in such effort during such week.

64 f. The employment service shall refer any claimant entitled to
 65 extended benefits under this act to any suitable work which meets
 66 the criteria prescribed in paragraph c.

67 ***[g.** An individual shall not be eligible to receive extended bene-
 68 fits with respect to any week of unemployment in his eligibility
 69 period if such individual has been disqualified for regular benefits
 70 under the Unemployment Compensation Law (R. S. 43:21-1 et seq.)
 71 because he voluntarily left work, was discharged for misconduct or
 72 failed to accept an offer of or apply for suitable work unless the dis-
 73 qualification imposed for such reasons has been terminated in
 74 accordance with specific conditions established under the Unem-
 75 ployment Compensation Law (R. S. 43:21-1 et seq.) requiring the
 76 individual to perform services for remuneration subsequent to the
 77 date of such disqualifications.]*

78 **g. An individual who has been disqualified for regular benefits*
 79 *under the provisions of subsections (b) or (c) of R. S. 43:21-5 will*
 80 *not meet the eligibility requirements for the payment of extended*
 81 *benefits unless such individual has had employment subsequent to*
 82 *the effective date of disqualification for regular benefits and has*
 83 *earned in employment remuneration equal to not less than four*
 84 *times the individual's weekly benefit rate.*

85 *h. (1) An individual claiming extended benefits who is an exhaus-*
 86 *tee, as defined under paragraph j. of section 5 of P. L. 1970, c. 324*
 87 *(C. 43:21-24.11), and who is subsequently discharged or suspended*
 88 *for misconduct connected with his work as provided in subsection*
 89 *(b) of R. S. 43:21-5, shall be disqualified for extended benefits for*
 90 *the week in which such separation occurs and for each week there-*
 91 *after until he has earned in employment remuneration equal to at*
 92 *least four times his weekly extended benefit rate, notwithstanding*
 93 *the disqualifying period for regular benefits for such misconduct*
 94 *imposed under the provisions of subsection (b) of R. S. 43:21-5.*

95 *(2) An individual claiming extended benefits who is an exhaustee,*
 96 *as defined under paragraph j. of section 5 of P. L. 1970, c. 324*

97 (C. 43:21-24.11), but has satisfied the requirements of subparagraph
 98 c. (3) (c) of this section concerning prospects for employment, and
 99 who subsequently fails without good cause either to apply for
 100 available, suitable work when so directed by the employment office
 101 or the director or to accept suitable work as defined in subsection
 102 (c) of R. S. 43:21-5 when offered to him, or to return to his custo-
 103 mary self-employment when directed by the director, shall be dis-
 104 qualified for extended benefits. The disqualification shall be only
 105 for the week in which such refusal occurs and for each week there-
 106 after, until he has earned in employment remuneration equal to at
 107 least four times his weekly extended benefit rate, notwithstanding
 108 the disqualifying period for regular benefits for such refusal norm-
 109 ally imposed under the provisions of subsection (c) of R. S. 43:21-5
 110 or the disqualification imposed in paragraph b. of this section for
 111 individuals who have not satisfied the requirements of subparagraph
 112 c. (3) (c) of this section.*

1 ***[**3. R. S. 43:21-4 is amended to read as follows:

2 43:21-4. Benefit eligibility conditions. An unemployed individual
 3 shall be eligible to receive benefits with respect to any week only if
 4 it appears that:

5 (a) The individual has registered for work at, and thereafter
 6 continued to report at, an employment office in accordance with such
 7 regulations as the division may prescribe, except that the division
 8 may, by regulation, waive or alter either or both of the require-
 9 ments of this subsection as to individuals attached to regular jobs,
 10 and as to such other types of cases or situations with respect to
 11 which the division finds that compliance with such requirements
 12 would be oppressive, or would be inconsistent with the purpose of
 13 this act; provided, that no such regulation shall conflict with sub-
 14 section (a) of R. S. 43:21-3.

15 (b) The individual has made a claim for benefits in accordance
 16 with the provisions of subsection (a) of R. S. 43:21-6.

17 (c) The individual is able to work, and is available for work,
 18 and has demonstrated to be actively seeking work, except as herein-
 19 after provided in this subsection or in subsection (f) of this section:

20 The director may modify the requirement of actively seeking
 21 work if such modification of this requirement is warranted by
 22 economic conditions.

23 No individual, who is otherwise eligible, shall be deemed ineligi-
 24 ble, or unavailable for work, because the individual is on vacation,
 25 without pay, during said week, if said vacation is not the result of
 26 the individual's own action as distinguished from any collective

27 action of a collective bargaining agent or other action beyond the
28 individual's control.

29 Subject to such limitations and conditions as the division may
30 prescribe, an individual, who is otherwise eligible, shall not be
31 deemed unavailable for work or ineligible because the individual is
32 attending a training program approved for the individual by the
33 division to enhance the individual's employment opportunities or
34 because the individual failed or refused to accept work while
35 attending such program. An unemployed individual, who is other-
36 wise eligible, shall not be deemed unavailable for work or ineligible
37 solely by reason of the individual's attendance before a court in
38 response to a summons for service on a jury.

39 (d) The individual has been totally or partially unemployed for
40 a waiting period of 1 week in the benefit year which includes that
41 week. [When benefits become payable with respect to the third
42 consecutive week next following the waiting period, the individual
43 shall be eligible to receive benefits as appropriate with respect to the
44 waiting period.] No week shall be counted as a week of unemploy-
45 ment for the purposes of this subsection:

46 (1) If benefits have been paid, or are payable with respect
47 thereto; [provided, that the requirements of this paragraph shall
48 be waived with respect to any benefits paid or payable for a waiting
49 period as provided in this subsection;]

50 (2) If it has constituted a waiting period week under temporary
51 disability benefits law;

52 (3) Unless the individual fulfills the requirements of subsections
53 (a) and (c) of this section;

54 (4) If with respect thereto, claimant was disqualified for benefits
55 in accordance with the provisions of subsection (d) of R. S. 43:21-5.

56 (e) With respect to a base year as defined in subsection (c) of
57 R. S. 43:21-19 the individual has established at least 20 base weeks
58 as defined in subsection (t) of R. S. 43:21-19, or, in the alternative,
59 has earned \$2,200.00 or more in the individual's base year, except
60 that with respect to benefit years commencing on or after January
61 1, 1978, an individual's base week wages in the base year shall in-
62 clude wages paid for previously uncovered services. For the
63 purposes of this subsection, the term "previously uncovered
64 services" means services—

65 (1) Which were not employment as defined in R. S. 43:21-19
66 (i)(1) and were not services covered pursuant to R. S. 43:21-8 at
67 any time during the 1-year period ending December 31, 1975; and

68 (2) Which—

69 (A) Are agricultural labor (as defined in R. S. 43:21-19(i)(1)(I))
70 or domestic service (as defined in R. S. 43:21-19(i)(1)(J)), or

71 (B) Are services performed by an employee of a governmental
72 unit or instrumentality in employment as defined in R. S. 43:21-19
73 (i)(1)(B)(ii), or by an employee of a nonprofit educational institu-
74 tion which is not an institution of higher education, as provided in
75 R. S. 43:21-19(i)(1)(D)(iii):

76 expect to the extent that assistance under Title II of the Emergency
77 Jobs and Unemployment Assistance Act of 1974 was paid on the
78 basis of such services. To the extent that the unemployment com-
79 pensation fund is reimbursed pursuant to Section 121 of the
80 Federal Unemployment Compensation Amendments of 1976 (Public
81 Law 94-566), an employer's account shall not be charged for that
82 portion of benefits paid to any individual attributable to base year
83 wages for previously uncovered services, nor shall any nonprofit
84 organization or governmental unit or instrumentality which elects
85 to make payments in lieu of contributions into the unemployment
86 fund be liable to make payments with respect to that portion of
87 benefits paid to any individual attributable to base year wages for
88 previously uncovered services as defined herein.

89 (f) (1) The individual has suffered any accident or sickness not
90 compensable under the Workers' Compensation Law (Title 34 of
91 the Revised Statutes) and resulting in the individual's total dis-
92 ability to perform any work for remuneration, and would be eligible
93 to receive benefits under this chapter (R. S. 43:21-1 et seq.)
94 (without regard to the maximum amount of benefits payable during
95 any benefit year) except for the inability to work and has furnished
96 notice and proof of claim to the division, in accordance with its
97 rules and regulations, and payment is not precluded by the pro-
98 visions of R. S. 43:21-3 (d); provided, however, that benefits paid
99 under this subsection (f) shall be computed on the basis of only
100 those base year wages earned by the claimant as a "covered in-
101 dividual" as defined in R. S. 43:21-27 (b); provided further, that
102 no benefits shall be payable under this subsection to any individual:

103 (A) For any period during which such individual is not under
104 the care of a legally licensed physician, dentist, podiatrist or
105 chiropractor;

106 (B) (Deleted by amendment, P. L. 1980, c. 90.)

106A (C) For any period of disability due to willfully or intention-
107 ally self-inflicted injury, or to injuries sustained in the perpetration
108 by the individual of a high misdemeanor;

109 (D) For any week with respect to which or a part of which the
110 individual has received or is seeking benefits under any unemploy-

111 ment compensation or disability benefit law of any other state or
112 of the United States; provided, that if the appropriate agency of
113 such other state or of the United States finally determines that the
114 individual is not entitled to such benefits, this disqualification shall
115 not apply;

116 (E) For any week with respect to which or part of which the
117 individual has received or is seeking disability benefits under the
118 temporary disability benefits law;

119 (F) For any period of disability commencing while such indi-
120 vidual is a "covered individual" as defined in subsection 3 (b) of the
121 temporary disability benefits law (P. L. 1948, c. 110).

122 (2) Benefit payments under this subsection shall be charged to
123 and paid from the State disability benefits fund established by the
124 temporary disability benefits law, and shall not be charged to any
125 employer account in computing any employer's experience rate
126 for contributions payable under this chapter.

127 (g) Benefits based on service in employment defined in sub-
128 paragraphs (B) and (C) of R. S. 43:21-19 (i) (1) shall be payable
129 in the same amount and on the terms and subject to the same
130 conditions as benefits payable on the basis of other service subject
131 to the Unemployment Compensation Law; except that notwith-
132 standing any other provisions of the Unemployment Compensa-
133 tion Law:

134 (1) With respect to service performed after December 31, 1977,
135 in an instructional, research, or principal administrative capacity
136 for an educational institution, benefits shall not be paid based on
137 such services for any week of unemployment commencing during
138 the period between 2 successive academic years, or during a sim-
139 ilar period between two regular terms, whether or not successive,
140 or during a period of paid sabbatical leave provided for in the
141 individual's contract, to any individual if such individual performs
142 such services in the first of such academic years (or terms) and if
143 there is a contract or a reasonable assurance that such individual
144 will perform services in any such capacity for any educational in-
145 stitution in the second of such academic years or terms;

146 (2) With respect to service performed after December 31, 1977,
147 in any other capacity for an educational institution (other than an
148 institution of higher education as defined in R. S. 43:21-19 (y) (2))
149 benefits shall not be paid on the basis of such services to any in-
150 dividual for any week which commences during a period between 2
151 successive academic years or terms if such individual performs
152 such services in the first of such academic years or terms and there
153 is a reasonable assurance that such individual will perform such
154 services in the second of such academic years or terms;

155 (3) With respect to those services described in paragraphs (1)
156 and (2) above, benefits shall not be paid on the basis of such services
157 to any individual for any week which commences during an estab-
158 lished and customary vacation period or holiday recess if such in-
159 dividual performs such services in the period immediately before
160 such vacation period or holiday recess, and there is a reasonable
161 assurance that such individual will perform such services in the
162 period immediately following such period or holiday recess.

163 (h) Benefits shall not be paid to any individual on the basis of
164 any services, substantially all of which consist of participating in
165 sports or athletic events or training or preparing to so participate,
166 for any week which commences during the period between two
167 successive sport seasons (or similar periods) if such individual
168 performed such services in the first of such seasons (or similar
169 periods) and there is a reasonable assurance that such individual
170 will perform such services in the later of such seasons (or similar
171 periods).

172 (i) (1) Benefits shall not be paid on the basis of services per-
173 formed by an alien unless such alien is an individual who has been
174 lawfully admitted for permanent residence or otherwise is per-
175 manently residing in the United States under color of law (includ-
176 ing an alien who is lawfully present in the United States as a result
177 of the application of the provisions of section 203 (a)(7) or section
178 212 (d)(5) of the Immigration and Nationality Act); provided,
179 that any modifications of the provisions of section 3304 (a)(14)
180 of the Federal Unemployment Tax Act as provided by Public Law
181 94-566 which specify other conditions or other effective dates than
182 stated herein for the denial of benefits based on services performed
183 by aliens and which modifications are required to be implemented
184 under State law as a condition for full tax credit against the tax
185 imposed by the Federal Unemployment Tax Act, shall be deemed
186 applicable under the provisions of this section.

187 (2) Any data or information required of individuals applying for
188 benefits to determine whether benefits are not payable to them be-
189 cause of their alien status shall be uniformly required from all
190 applicants for benefits.

191 (3) In the case of an individual whose application for benefits
192 would otherwise be approved, no determination that benefits to
193 such individual are not payable because of alien status shall be
194 made except upon a preponderance of the evidence.

195 (j) Notwithstanding any other provision of this chapter, the
196 director may, to the extent that it may be deemed efficient and
197 economical, provide for consolidated administration by one or more

198 representatives or deputies of claims made pursuant to subsection
199 (f) of this section with those made pursuant to Article III (State
200 plan) of the Temporary Disability Benefits Law.]*

1 *~~4.~~* *3.* This act shall take effect immediately and shall apply
2 to weeks of unemployment beginning after March 31, 1981*~~4.~~, except
3 for section 3 which shall apply to any individual's benefit year com-
4 mencing on or after July 1, 1981]*.

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ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3166

STATE OF NEW JERSEY

DATED: MARCH 23, 1981

The Assembly Labor Committee reports favorably on this bill and endorses the statement appended to and printed with the bill. Federal legislation on unemployment compensation (P. L. 96-364 and P. L. 96-499) enacted in late 1980, for all practical purposes mandated swift enactment by State legislatures of certain new restrictions in our State's Extended Benefits Law. Extended benefits (EB) are awarded after the exhaustion of 26 weeks of regular benefits and are being paid now to more than 30,000 claimants in New Jersey in equal shares from the State's Unemployment Compensation Fund and the Federal Government.

Failure to enact the first section of the bill by June 1 and the second section by March 31, 1981 would jeopardize an estimated \$500 million in annual Federal tax credits to New Jersey's employers and \$60 million in Federal grants to the State for administration of its unemployment compensation and Job Service programs. The Federal amendments incorporated in the bill are expected to result in a reduction in the number of workers entitled to the 27-39th week of benefits and, therefore, reduce the contributions of employers for their share of payments. Benefits paid in New Jersey under the Extended Benefit program—exclusive of the Federal share—just between October and December of 1980 amounted to about \$24.3 million, representing roughly 13% of the total benefit cost of the State's unemployment insurance program for regular claimants.

PROVISIONS

Section 1—Where a claimant moves from this State which, at present is paying "extended benefits", to another state which is not, (due largely to its lower rate of unemployment) he will only receive a maximum of 2 weeks of extended benefits. This past January, 6,699 weeks of extended benefits in interstate claims were charged to New Jersey employers, amounting to \$709,426.00. First-week-only payments totalled \$61,008.00 to 554 claimants.

Section 2—An extended benefit claimant who fails to apply for or to accept "suitable work" (as defined in the amendments) or who fails

to actively engage in seeking work will not be entitled to benefits for the week in which such failure occurred, and the claimant is further ineligible for extended benefits beginning "with the week following the week in which such failure occurs" and until the individual has been employed during at least 4 weeks and has earned a total of four times the individual's extended benefit amount.

"Suitable work" for EB claimants is defined as "any work which is within such individual's capabilities" except that if the individual furnishes evidence satisfactory to the State agency that such individual's prospects for obtaining work in his customary occupation within a reasonably short period are good, the determination of whether any work is suitable work with respect to such individual shall be made in accordance with the existing provisions of State law. An individual cannot be disqualified for failing to accept any offer of suitable work, or to apply for any suitable work to which he or she was referred to by the State employment service, if the gross weekly pay of the job does not exceed the extended weekly benefit amount (maximum of \$133.00 in 1981) payable to him for a week of total unemployment (plus the amount of any supplemental unemployment benefits [SUB] payable for such week.) In other words, the offered remuneration must exceed the extended weekly benefit amount (plus any SUB payable for the week) for the disqualification to apply. Further, such jobs cannot pay less than the higher of the Federal or State minimum wage (now at \$3.35 per hour). In addition, the job must be listed with the State agency and the job offer must be in writing. The EB claimant must also make a "systematic and sustained effort" to seek work each week and must provide "tangible evidence" to the State agency that he has done so. Further, the State agency must refer EB claimants to jobs which meet the suitability requirements.

→ This section would also deny extended benefits to an individual during a period of unemployment for which, under State law, he or she was disqualified from receiving regular benefits because of having voluntarily left employment, having been discharged or suspended for misconduct, or having refused suitable employment. The disqualification could only be lifted through reemployment for remuneration. Under the present law, however, the disqualification for "misconduct" or refusing "suitable work" merely results in a postponement of benefits, and does not require reemployment for "remuneration." Therefore, under the new Federal provisions, a claimant with such a recent work history would have been unable to collect any extended benefits whatsoever.

COMMITTEE AMENDMENTS

To soften that penalty, the committee adopted amendments which will enable such a claimant to eventually become eligible for extended benefits despite the aforementioned disqualification. A regular benefit claimant would need to earn four times his weekly benefit rate in employment to qualify. Also, if a claimant has already exhausted his regular benefits, is reemployed and is subsequently discharged or suspended for misconduct he could qualify for EB under the committee's amendments if he earned at least four times his extended benefit rate in new employment. Similarly, any such exhaustee whose job prospects were good within a reasonably short period of time and who failed to accept or apply for available suitable work could qualify for extended benefits under the same conditions.

Any exhaustee whose job prospects are not good and who has been disqualified under the provisions of section 2(a) and (b) of the bill (refusal of suitable work or failure to seek work as newly defined for EB), will still need to become reemployed for 4 weeks after having been found ineligible and earn four times his weekly extended benefit rate. Any exhaustee who fails to actively seek work regardless of his prospects would be subject to the same penalty of 4 weeks of work earning four times the weekly benefit rate.

The committee also decided to delete section 3 of the bill which would have totally eliminated the (delayed) payment of the "waiting week" i.e. the first week of unemployment. The State's unemployment compensation fund will therefore have to make up for the withdrawal of the Federal reimbursement for the first week of extended benefits, about \$7 million.

191 (3) In the case of an individual whose application for benefits
 192 would otherwise be approved, no determination that benefits to
 193 such individual are not payable because of alien status shall be
 194 made except upon a preponderance of the evidence.

195 (j) Notwithstanding any other provision of this chapter, the
 196 director may, to the extent that it may be deemed efficient and
 197 economical, provide for consolidated administration by one or more
 198 representatives or deputies of claims made pursuant to subsection
 199 (f) of this section with those made pursuant to Article III (State
 200 plan) of the Temporary Disability Benefits Law.

1 4. This act shall take effect immediately and shall apply to
 2 weeks of unemployment beginning after March 31, 1981, except for
 3 section 3 which shall apply to any individual's benefit year com-
 4 mencing on or after July 1, 1981.

STATEMENT

The extended benefits program provides for additional unemployment insurance benefits to individuals who have exhausted benefits under their regular claims. Extended benefits are payable during periods of high unemployment. The program can be triggered "on" on an individual state basis and on a national basis provided the insured unemployment rate equals or exceeds specific criteria provided under the state and the Federal extended benefits laws. Benefits are payable up to a maximum of 50% of the individual's entitlement under the regular claim. For example, if an individual is entitled to \$3,000 maximum entitlement under the regular claim, he or she can receive up to \$1,500 under the extended benefits program. The cost of benefits payable under this program is shared on a 50/50 basis by the Federal government and the individual state.

The Federal Unemployment Tax Act (FUTA, 26 U. S. C. 3301 et seq.) establishes minimum standards to which state laws must conform before they will be approved or certified by the United States Secretary of Labor. Lack of approval or certification of a state law can result in the denial of Federal tax credits to employers in that state and the withholding or suspension of administrative grants for the Unemployment Insurance and Job Services operations.

This bill makes various eligibility changes to the extended benefits law in order to comply with Federal requirements established under P. L. 96-499 (The Omnibus Reconciliation Act of 1980) and P. L. 96-364 (The Multiemployer Pension Plan Amendments Act of 1980).

A3166 (1981)

Failure to comply with these Federal requirements by March 31, 1981 would jeopardize over \$500 million annually in Federal tax credits for New Jersey's employers under the Federal Unemployment Tax Act. In addition, the Department of Labor and Industry could be ineligible for approximately \$60 million annually in administrative grants to operate the Employment Security Program.

The bill makes the following changes to the extended benefits law:

Extended benefits are denied to an individual who was disqualified from receiving regular benefits under the state law because of voluntarily leaving work, discharge for misconduct, or refusal of suitable work unless the disqualification was lifted as a result of the individual having requalified for regular benefits based upon employment subsequent to the date of disqualification.

Extended benefits are denied to anyone who fails to accept suitable work as defined under the Federal law and to that individual who fails to engage in a systematic and sustained effort to find work. Disqualification under either of these situations would continue until the individual has been employed for at least 4 weeks and earned wages equal to 4 times the weekly benefit rate.

The bill also provides that extended benefits will be limited to a maximum of 2 weeks for any individual who files an interstate claim for benefits in another state where the extended benefits program is not triggered "on".

The Federal Omnibus Reconciliation Act of 1980, 94 Stat. 2656, P. L. 96-499, also would withdraw the Federal share, 50% of the cost, of the first week of extended benefits, in any state that does not have a non-compensable waiting week for regular benefits. New Jersey provides compensation for the waiting week, although such compensation is deferred until the worker has been unemployed for 3 weeks after the initial waiting period. Failure to treat the first week of unemployment as a non-compensable waiting period would result in a loss to the State of \$7.3 million in Federal payments, using 1980 figures. Compliance would result in additional saving to the State of \$12.3 million. Accordingly, this bill would also amend the Unemployment Compensation Law to provide that the first week of unemployment shall be non-compensable, effective for any benefit year commencing after July 1, 1981.

UT - UNEMPLOYMENT, UNEMPLOYMENT

THE STAR-LEDGER, Tuesday, March 24, 1981

ACTION IN TRENTON

Work 'mandate' approved for jobless who collect extended benefits

By DAN WEISSMAN

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Unemployed must accept positions paying minimum wage

The Legislature gave final approval yesterday to a bill that will strip the benefits of the 30,000 persons collecting extended unemployment benefits if they use a job paying the \$3.35 an hour minimum wage after March 31.

"The Governor will sign the 'suitable employment' bill before then, but he'll do reluctantly because of the possibility that unionized machinists and others will have to take jobs as dishwashers and eventually lose their skills," said Gov. Brendan Byrne's chief counsel, Daniel J. O'Hern.

have cost the Department of Labor and Industry \$60 million in federal funds for the administration of the unemployment program.

The federal government pays half the cost of the extended unemployment, which is made available to workers who have exhausted their 26-week benefit period at a time unemployment is higher than 6 per cent. According to a legislative estimate, \$24.3 million in extended benefits were paid out Oct. 1 to Dec. 31 last year. That was 13 per cent of the total unemployment cost.

The Assembly passed the measure by a 64-0 vote, while the Senate approved it by 36-0 as the Legislature raced a March 31 deadline set by the federal law enacted in the last days of the Carter administration.

Only Assemblyman Robert Littell (R-Sussex) made any comment while the legislation was racing through both houses of the Legislature. "I'm sure you

all know this is a Democratic bill (the federal law change) passed by a Democratic Congress. It is not a Reagan Administration bill."

The sponsor of the legislation, Assembly Labor, Industry and Professions Committee Chairman Joseph Paterno (D-Middlesex), said he was unhappy with the effect of the legislation. "It's something we had to do," he said. "Even the labor unions agree it is something we had to do."

Paterno said he personally opposed the concept of the legislation, but he sponsored it to prevent even more difficulties.

"What I'm afraid of is if we don't pass this bill, that then the Reagan Administration may say here's a state that owes the federal government \$600 million in unemployment loans. I just wouldn't want to have the responsibility to lose that much money in such a short period of time."

Paterno's reference was to the money the state borrowed from the federal government during the 1974-75 recession to keep up with its explosive unemployment insurance payments.

But Archer Cole, president of the state Industrial Union Council and of the International Union of Radio and Machine Workers, said: "It seems a crime the federal government can step into New Jersey and say to a machinist or a tool maker making \$10 an hour that he would have to take a \$3.35 an hour job or lose his extended benefits. That's criminal."

Cole said the federal change, even though it was imposed by the outgoing Democrats, may be a harbinger of what the Republicans plan to do. Cole pointed out the Reagan Administration has already made known its intentions to revise the regular unemployment laws to cut off benefits to jobless persons if they reject minimum-pay jobs after 13 weeks of collecting unemployment benefits.

Despite that, state AFL-CIO President Charles Marcianite said "the word was out" in organized labor that the changes in the extended benefits program had to be put through. "To resist it," he said in a prepared statement, "would have been too severe a financial impact on New Jersey employers and the Department of Labor and Industry."

There was some victory recorded by organized labor when Paterno and the Byrne administration successfully amended the legislation to continue the payment of unemployment insurance from the first week of joblessness. The federal law calls for a one-week waiting period before regular unemployment benefits are paid. But Paterno said that provision doesn't go into effect until the end of the year, which gave the Legisla-

ture some time to consider. Lewis Applegate, a member of the state Chamber of Commerce, said he would like to dispell the notion that the business community is unaware of the problems.

But he said the Commerce was supporting the extended unemployment laws because they are one of the most liberal state laws. "What we are seeking to do is to eliminate some very questionable provisions and make more realistic provisions to meet real concerns."

Assemblyman Chu (D-Union) said during the hearing that the revisions that the Legislature is making to provide a more pro-business New Jersey.

He said one of the reasons for the losing employment are the strict anti-business climate.

The legislation, which passed both the House and Assembly unanimously on emergency rules, was drafted by the Department of Labor and Industry to conform to a revised federal law under the threat of a loss of \$9 million in federal tax credits given to the state's employers to offset their unemployment insurance costs.

In addition, failure to comply could

UNEMPLOYMENT INSURANCE

Work-or-else 'edict' to hit some jobless

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The 30,000 state residents receiving extended unemployment benefits will be forced to accept any "suitable job offer" even if it only pays the minimum wage under the terms of a pending state law.

The legislation is designed to comply with new federal regulations which direct the states to adopt such a law by the end of this month or face the loss of money from Washington.

The change would affect those who are eligible to receive up to 13 weeks of extra unemployment benefits because they were unable to find a job during the 26-week period in which they collected regular unemployment compensation.

"No, I'm not happy with what we are doing," said Assembly Labor Committee Chairman Joseph Paterno (D-Middlesex), the sponsor of the legislation, which is pending before his committee. "But we

are forced to do this because of a federal mandate."

The order to stiffen the requirements of the extended benefits program, which gets half of its funding from the federal government, was issued by former President Jimmy Carter in December.

The Reagan Administration has proposed further restrictions in the entire unemployment insurance program.

Gov. Brendan Byrne's chief counsel, Daniel J. O'Hern, said the legislation was drafted reluctantly by the Governor's Office.

Administration officials and Paterno said Washington is wielding a club to force the states to go along. They said New Jersey could lose \$580 million in federal tax credits granted to employers to cover their cost of the unemployment program if the state does not comply with the new federal changes. Moreover, the state could lose \$60 million in federal money that helps pay for the administration of the unemployment program.

The legislation under consideration, in a statement, says state laws would be changed so "extended benefits are denied to anyone who fails to accept suitable work as defined under the federal law and to that individual who fails to engage in a systematic and sustained effort to find work."

Paterno said, "That means, once you go into the extended period, you have to take any suitable job, even a minimum wage job."

Under the extended benefits program, which was introduced during the recession of the '70s, the federal government pays half the cost of the additional benefits when a state's marketplace records at least a 5 per cent unemployment rate.

Last year the state received \$68 mil-

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Jobless face stricter rules

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lion from the federal government. The state's unemployment trust fund also contributed \$68 million.

Paterno said the legislation was drafted by the Governor's Office to be ready for action when the Legislature returns March 23.

"What I am afraid of is if we don't pass it by then, the Reagan Administration may say here's a state that still owes the federal government \$600 million, and we have to show them we mean business. I just wouldn't want to have that responsibility to lose that much money in so short a period of time. I don't want the Reagan Administration to use New Jersey as an example of what will happen to other states."

Paterno pointed out New Jersey still owes the federal government some \$600 million it had to borrow during the early '70s to keep the state's unemployment fund from going bankrupt because of extraordinary joblessness.

He said the debt was incurred when unemployment was so persistent, out of work people were granted extensions that allowed them to continue receiving benefits for a year.

The Reagan Administration's proposals would affect both regular unemployment and extended benefits programs. The Reagan proposals would cut off regular benefits after 13 weeks if someone rejected a job that pays only the minimum wage, would raise the "trigger" for extended benefits to 6 per cent and put new restrictions on eligibility.