

43:21-24.11

LEGISLATIVE HISTORY CHECKLIST

NJSA 43:21-24.11 (Unemployment--extended benefits program--State Conformity with Federal amendments of 1976)

Laws of 1977 Chapter 151

Bill No. A3361

Sponsor(s) Jackman, Perkins

Date Introduced June 20, 1977

Committee: Assembly Labor
Senate -----

Amended during passage Yesx No

Date of passage: Assembly June 20, 1977

Senate June 27, 1977

Date of approval July 11, 1977

Following statements are attached if available:

Sponsor statement Yes xNo

Committee Statement: Assembly Yesx No

Senate Yesx No

Fiscal Note Yesx No

Veto message Yesxx No

Message on signing Yes Nox

Following were printed:

Reports Yesx No

Hearings Yesx No

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10/4/76

ASSEMBLY, No. 3361

STATE OF NEW JERSEY

INTRODUCED JUNE 20, 1977

By Assemblymen JACKMAN and PERKINS

Referred to Committee on Labor

AN ACT concerning unemployment compensation and extended benefits, and amending section 5 of P. L. 1970, c. 324.

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

1 1. Section 5 of P. L. 1970, c. 324 (C. 43:21-24.11) is amended to
2 read as follows:

3 5. Definitions. For the purposes of the extended benefit program
4 and as used in this act, unless the context clearly requires other-
5 wise:

6 a. "Extended benefit period" means a period which

7 (1) Begins with the third week after whichever of the following
8 weeks occurs first:

9 (a) A week for which there is a national "on" indicator, or

10 (b) A week for which there is a state "on" indicator; and

11 (2) Ends with either of the following weeks, whichever occurs
12 later:

13 (a) The third week after the first week for which there is
14 both a national "off" indicator and a state "off" indicator; or

14a (b) The thirteenth consecutive week of such period;

15 Provided, that no extended benefit period may begin by reason
16 of a state "on" indicator before the fourteenth week after the
17 close of a prior extended benefit period which was in effect with
18 respect to this State; and

19 Provided further, that no extended benefit period may become
20 effective in this State prior to the effective date of this act, and
21 that, within the period beginning on the effective date of this act
22 and ending on December 31, 1971, an extended benefit period shall
23 be determined solely by reason of a state "on" and a state "off"
24 indicator.

25 b. There is a "national 'on' indicator" for a week if the United
26 States Secretary of Labor determines that for [each of the 3 most

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

27 recent completed calendar months ending before such week] *the*
28 *period consisting of such week and the immediately preceding*
29 *12 weeks*, the rate of insured unemployment (seasonally adjusted)
30 for all states equaled or exceeded 4.5% (determined by reference
31 to the average monthly covered employment for the first 4 of
32 the most recent 6 calendar quarters ending before the [month in
33 question] *close of such period*).

34 c. There is a "national 'off' indicator" for a week if the United
35 States Secretary of Labor determines that for [each of the 3 most
36 recent completed calendar months ending before such week] *the*
37 *period consisting of such week and the immediately preceding*
38 *12 weeks*, the rate of insured unemployment (seasonally adjusted)
39 for all states was less than 4.5% (determined by reference to the
40 average monthly covered employment for the first 4 of the most
41 recent 6 calendar quarters ending before the [month in question]
42 *close of such period*).

43 d. There is a "state 'on' indicator" for this State for a week if
44 the division determines, in accordance with the regulations of the
45 United States Secretary of Labor, that for the period consisting of
46 such week and the immediately preceding 12 weeks, the rate of
47 insured unemployment (not seasonally adjusted) under the
48 Unemployment Compensation Law (R. S. 43:21-1 et seq.)

49 (1) Equaled or exceeded 120% of the average of such rates for
50 the corresponding 13-week period during in each of the preceding
51 2 calendar years, and [(2)] equaled or exceeded 4%; or

52 (2) *With respect to benefits for weeks of unemployment begin-*
53 *ning after March 30, 1977, equaled or exceeded 5%.*

54 e. There is a "state 'off' indicator" for this State for a week if
55 the division determines, in accordance with the regulations of the
56 United States Secretary of Labor, that for the period consisting of
57 such week and the immediately preceding 12 weeks, [either] *neither*
58 subparagraph (1) or (2) of paragraph d. was [not] satisfied.

59 f. "Rate of insured unemployment," for purposes of subsec-
60 tions d. and e. means the percentage derived by dividing

60A (1) The average weekly number of individuals filing claims in
61 this State for weeks of unemployment with respect to the most
62 recent 13-consecutive-week period, as determined by the division
63 on the basis of its reports to the United States Secretary of Labor,
64 by

65 (2) The average monthly covered employment for the specified
66 period.

67 g. "Regular benefits" means benefits payable to an individual
68 under the Unemployment Compensation Law (R. S. 43:21-1 et seq.)
69 or under any other State law (including benefits payable to Federal
70 civilian employees and to ex-servicemen pursuant to 5 U.S.C.
71 chapter 85) other than extended benefits.

72 h. "Extended benefits" means benefits (including benefits pay-
73 able to Federal civilian employees and to ex-servicemen pursuant
74 to 5 U.S.C. chapter 85) payable to an individual under the pro-
75 visions of this act for weeks of unemployment in his eligibility
76 period.

77 i. "Eligibility period" of an individual means the period con-
78 sisting of the weeks in his benefit year which begin in an extended
79 benefit period and, if his benefit year ends within such extended
80 benefit period, any weeks thereafter which begin in such period.

81 j. "Exhaustee" means an individual who, with respect to any
82 week of unemployment in his eligibility period:

83 (1) Has received prior to such week, all of the regular benefits
84 that were available to him under the Unemployment Compensation
85 Law or any other State law (including dependents' allowances and
86 benefits payable to Federal civilian employees and ex-servicemen
87 under 5 U.S.C. chapter 85) in his current benefit year that includes
88 such week;

89 Provided, that for the purposes of this subparagraph, as indi-
90 vidual shall be deemed to have received all of the regular benefits
91 that were available to him although as a result of a pending appeal
92 with respect to wages and/or employment that were not considered
93 in the original monetary determination in his benefit year, he may
94 subsequently be determined to be entitled to added regular benefits;
95 or

96 (2) His benefit year having expired prior to such week, has no, or
97 insufficient, wages and/or employment on the basis of which he
98 could establish a new benefit year that would include such week;
99 and

100 (3) (a) Has no right to unemployment benefits or allowances, as
101 the case may be, under the Railroad Unemployment Insur-
102 ance Act, the Trade Expansion Act of 1962, the Automotive
103 Products Trade Act of 1965 and such other Federal laws as
104 are specified in regulations issued by the United States
105 Secretary of Labor; and

106 (b) Has not received and is not seeking unemployment bene-
107 fits under the unemployment compensation law of the Virgin
108 Islands or of Canada; but if he is seeking such benefits and

109 the appropriate agency finally determines that he is not
110 entitled to benefits under such law he is considered an
111 exhaustee.

112 k. "State law" means the unemployment insurance law of any
113 state approved by the United States Secretary of Labor under
114 section 3304 of the Internal Revenue Code of 1954.

1 2. This act shall take effect immediately and shall apply to bene-
2 fits for weeks of unemployment beginning after March 30, 1977.

STATEMENT

This bill would ensure continuation of the extended benefits program by amending the State unemployment compensation law to conform with the Federal Unemployment Compensation Amendments of 1976. Enactment of this bill will prevent a reduction of over \$90 million in benefits to over 130,000 unemployed individuals during the remainder of 1977.

The extended benefits program provides a maximum of 13 weeks of additional unemployment benefits to individuals who have exhausted their rights to benefits under the regular 26-week program. Extended benefits are funded on a 50/50 Federal-State matching basis. The State's share is paid from the State Unemployment Insurance Fund.

Under existing law the State is eligible for participation in the Federal extended benefits program if (1) the national insured unemployment rate ("IUR") exceeds 4.5% or (2) the State IUR exceeds 4% and is 20% higher than the State's average IUR during corresponding quarters in the 2 preceding years. The Federal government forecasts that the seasonally adjusted national IUR may drop below 4.5% as early as June 1977, terminating State eligibility under alternative (1). New Jersey does not meet the requirements of alternative (2) because the State IUR of 6.86% is not 20% higher than the State's average IUR in the preceding 2 years. The Federal Unemployment Compensation Amendments eliminate the latter requirement provided the state IUR exceeds 5% and appropriate state enabling legislation is enacted.

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JULY 11, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

Governor Brendan Byrne today signed into law the following bills:

A-3006 - sponsored by Assemblyman Daniel F. Newman, D-Ocean, which provides for "minimum aid" to county vocational school districts in the same fashion as minimum aid is provided to local school districts.

Minimum aid for county vocational schools is included in the FY 78 budget. The amount involved is \$240,000.

A-3361 - sponsored by Assemblyman Christopher J. Jackman, D-Hudson, which amends the state unemployment compensation law to conform with the Federal Unemployment Compensation Amendments of 1976.

Enactment of this bill prevents a reduction of over \$90 million in benefits to over 130,000 unemployed individuals during the remainder of 1977.

The extended benefits program provides a maximum of 13 weeks of additional unemployment benefits to individuals who have exhausted their rights to benefits under the regular 26-week program. Extended benefits are funded on a 50/50 federal-state matching basis. The state's share is paid from the State Unemployment Insurance Fund.

Prior to this legislation, the state was eligible for participation in the federal extended benefits program if (1) the national insured unemployment rate (IUR) exceeded 4.5 per cent or (2) the state IUR exceeded 4 per cent and was 20 per cent higher than the state's average IUR during corresponding quarters in the two preceding years.

The federal government has forecasted that the seasonally adjusted national IUR may drop below 4.5 per cent during this summer, thus ending the state eligibility under that alternative. The state does not meet the requirement of the second alternative because the state IUR of 6.86 per cent is not 20 per cent higher than the state's average in the past two years.

(more)

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The Federal Unemployment Compensation Amendments of 1976 waive the second requirement provided the state IUR exceeds 5 per cent and appropriate state enabling legislation is enacted.

The bill involves no new costs to the state.

A-3439 - sponsored by Assemblyman Thomas Gallo, D-Hudson, which permits school boards to use current-year appropriations to eliminate prior-year deficits in teacher summer payment plans.

The bill requires that all deficits must be eliminated within 5 years.

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