

43:21-7 ET AL.

LEGISLATIVE HISTORY CHECKLIST

NJSA. 43:21-7 et al. (Extended benefits-temporary disability)

Laws of 1970 Chapter 324

Bill No. A1315

Sponsor(s) Parker & others

Date Introduced December 7, 1970

Committee: Assembly Labor Relations

Senate -

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CHAPTER 324 LAWS OF N. J. 1970

APPROVED 12/22/70

ASSEMBLY, No. 1315

STATE OF NEW JERSEY

INTRODUCED DECEMBER 7, 1970

By Assemblymen PARKER, FAY, HAELIG, IRWIN and HORN

Referred to Committee on Labor Relations

AN ACT concerning unemployment compensation and temporary disability benefits, amending R. S. 43:21-7 and sections 22 and 24 of chapter 110 of the laws of 1948 (C. 43:21-46 and 43:21-48), repealing section 1 of chapter 28 of the laws of 1960 (C. 43:21-7.1), providing for the payment of extended benefits under the Federal-State extended benefit program, and supplementing chapter 21 of Title 43 of the Revised Statutes.

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

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

2 43:21-7. (a) Payment.

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

12 (2) In the payment of any contributions, a fractional part of a  
13 cent shall be disregarded unless it amounts to  $\frac{1}{2}$  cent or more, in  
14 which case it shall be increased to \$0.01.

15 (b) Rate of contributions. Each employer shall pay the follow-  
16 ing contributions:

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

20 (2) The "wages" of any individual, with respect to any one

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

21 employer as the term is used in this subsection (b) and in subsec-  
22 tions (c), (d) and (e) of this section 7, shall include the first  
23 \$3,000.00 paid during each calendar year prior to January 1, 1968  
24 and the first \$3,600.00 paid during each calendar year commencing  
25 on or after January 1, 1968, for services performed either within  
26 or without this State; provided, that no contribution shall be re-  
27 quired by this State with respect to services performed in another  
28 State if such other State imposes contribution liability with respect  
29 thereto. If an employer (hereinafter referred to as a successor em-  
30 ployer) during any calendar year acquires substantially all the  
31 property used in a trade or business of another employer (here-  
32 inafter referred to as a predecessor), or used in a separate unit  
33 of a trade or business of a predecessor, and immediately after the  
34 acquisition employs in his trade or business an individual who  
35 immediately prior to the acquisition was employed in the trade or  
36 business of such predecessor, then, for the purpose of determining  
37 whether the successor employer has paid wages with respect to  
38 employment equal to \$3,000.00 to such individual during any  
39 calendar year prior to January 1, 1968, or equal to \$3,600.00 during  
40 any calendar year commencing on or after January 1, 1968, any  
41 wages paid to such individual by such predecessor during such  
42 calendar year and prior to such acquisition shall be considered  
43 as having been paid by such successor employer.

44 (c) Future rates based on benefit experience:

45 (1) A separate account for each employer shall be maintained  
46 and this shall be credited with all the contributions which he has  
47 paid on his own behalf on or before January 31 of any calendar  
48 year with respect to employment occurring in preceding calendar  
49 years; provided, however, that if January 31 of any calendar year  
50 falls on a Saturday or Sunday, an employer's account shall be  
51 credited as of January 31 of such calendar year with all the con-  
52 tributions which he has paid on or before the next succeeding day  
53 which is not a Saturday or Sunday. But nothing in this chapter  
54 (R. S. 43:21-1 et seq.) shall be construed to grant any employer or  
55 individuals in his service prior claims or rights to the amounts  
56 paid by him into the fund either on his own behalf or on behalf of  
57 such individuals. Benefits paid with respect to benefit years com-  
58 mencing on and after January 1, 1953, to any individual on or before  
59 December 31 of any calendar year with respect to unemployment in  
60 such calendar year and in preceding calendar years shall be charged  
61 against the account or accounts of the employer or employers in  
62 whose employment such individual established base weeks con-  
63 stituting the basis of such benefits. Benefits paid under a given

64 benefit determination shall be charged against the account of the  
65 employer to whom such determination relates. When each benefit  
66 payment is made the division shall promptly send either a copy of  
67 the benefit check or other form of notification to the employer  
68 against whose account the benefits are to be charged. Such copy or  
69 notification shall identify the employer against whose account the  
70 amount of such payment is being charged, shall show at least the  
71 name and social security account number of the claimant and shall  
72 specify the period of unemployment to which said check applies.  
73 If the total amount of benefits paid to a claimant and charged to  
74 the account of the appropriate employer exceeds 50% of the total  
75 base-year base week wages paid to the claimant by that employer,  
76 then such employer may apply to the division to have canceled from  
77 his account such excess benefit charges as specified above. Any  
78 such application for the cancellation of excess charges shall be sub-  
79 mitted by the employer within 6 months from the date of the benefit  
80 check, payment of which creates such charges. In no event will the  
81 erasure of such charges affect a contribution rate already assigned  
82 to the employer with respect to any fiscal year commencing prior  
83 to the date the application is received by the division.

84 The division shall furnish to each employer an annual summary  
85 statement of benefits charged to his account.

86 (2) The Division of Employment Security may prescribe regu-  
87 lations for the establishment, maintenance, and dissolution of joint  
88 accounts by two or more employers, and shall, in accordance with  
89 such regulations and upon application by two or more employers to  
90 establish such an account, or to merge their several individual  
91 accounts in a joint account, maintain such joint account as if it con-  
92 stituted a single employer's account.

93 (3) Each employer's rate shall be 2 $\frac{8}{10}$ %, except as otherwise  
94 provided in the following provisions: No employer's rate shall be  
95 other than 2 $\frac{8}{10}$ % unless and until there shall have been 3 calendar  
96 years throughout which any individual in his employ could have  
97 received benefits if eligible. No employer's rate shall be lower  
98 than 2 $\frac{7}{10}$ % unless assignment of such lower rate is consistent with  
99 the conditions applicable to additional credit allowance for such  
100 year under section 3303 (a) (1) of the Internal Revenue Code  
101 (U. S. Code Title 26, section 3303 (a) (1)), any other provision  
102 of this section to the contrary notwithstanding.

103 (4) (A) Each employer's rate for the 12 months commencing  
104 July 1 of any calendar year shall be determined on the basis of his  
105 record up to the beginning of such calendar year. If, at the begin-  
106 ning of such calendar year, the total of all his contributions, paid

107 on his own behalf, for all past years exceed the total benefits  
108 charged to his account for all such years, his contribution rate  
109 shall be:

- 110 (1)  $2\frac{1}{10}\%$ , if such excess equals or exceeds 4%, but less  
111 than 5% of his average annual payroll (as defined in para-  
112 graph (2), subsection (a) of section 43:21-19 of this Title);  
113 (2)  $2\frac{3}{10}\%$ , if such excess equals or exceeds 5%, but is less  
114 than 6%, of his average annual payroll;  
115 (3)  $1\frac{1}{10}\%$ , if such excess equals or exceeds 6%, but is less  
116 than 7%, of his average annual payroll;  
117 (4)  $1\frac{1}{10}\%$ , if such excess equals or exceeds 7%, but is less  
118 than 8%, of his average annual payroll;  
119 (5)  $1\frac{3}{10}\%$ , if such excess equals or exceeds 8%, but is less  
120 than 9%, of his average annual payroll;  
121 (6) 1%, if such excess equals or exceeds 9%, but is less than  
122 10%, of his average annual payroll;  
123 (7)  $\frac{7}{10}$  of 1%, if such excess equals or exceeds 10%, but is  
124 less than 11%, of his average annual payroll;  
125 (8)  $\frac{4}{10}$  of 1%, if such excess equals or exceeds 11%, of his  
126 average annual payroll.

127 (B) If the total of an employer's contributions, paid on his own  
128 behalf, for all past periods for the purposes of this paragraph (4),  
129 is less than the total benefits charged against his account during  
130 the same period, his rate shall be  **$3\frac{3}{10}\%$** :

- 131 (1)  *$3\frac{7}{10}\%$ , if such excess is less than 10% of his average*  
132 *annual payroll;*  
133 (2) *4%, if such excess equals or exceeds 10%, but is less than*  
134 *20%, of his average annual payroll;*  
135 (3)  *$4\frac{3}{10}\%$ , if such excess equals or exceeds 20% of his*  
136 *average annual payroll.*

137 provided, however, if the total of the contributions of such an em-  
138 ployer for the past 120 consecutive calendar months is more than  
139 the total benefits charged against his account during the same  
140 period, his rate shall be  $2\frac{8}{10}\%$ .

141 (C) The contribution rates prescribed by subparagraphs (A)  
142 and (B) of this paragraph (4) shall be increased or decreased in  
143 accordance with the provisions of paragraph (5) of this subsection  
144 (c).

145 (5) (A) If on March 31 of any calendar year the balance in the  
146 Unemployment Trust Fund equals or exceeds 4% but is less than  
147 7% of the total taxable wages reported to the division as of that  
148 date in respect to employment during the preceding calendar year,  
149 the contribution rate, effective July 1 following, of each employer

150 eligible for a contribution rate calculation based upon benefit  
151 experience, shall be increased by  $\frac{3}{10}$  of 1% over the contribution  
152 rate otherwise established under the provisions of paragraphs (3)  
153 or (4) of this subsection. If on March 31 of any calendar year the  
154 balance of the Unemployment Trust Fund is less than 4% of the  
155 total taxable wages reported to the Division of Employment  
156 Security as of that date in respect to employment during the pre-  
157 ceding calendar year, the contribution rate, effective July 1 follow-  
158 ing, of each employer eligible for a contribution rate calculation  
159 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
160 the contribution rate otherwise established under the provisions of  
161 paragraphs (3) or (4) of this subsection; provided, that if on such  
162 March 31, such balance is less than  $2\frac{1}{2}\%$  of such total taxable  
163 wages, the contribution rate so effective, of any employer, shall be  
164 not less than  $2\frac{3}{10}\%$ ; provided further, that the contribution rate  
165 of any employer increased pursuant to the provisions of this sub-  
166 paragraph, when so increased, shall not exceed  **$4\frac{3}{10}\%$**   $4\frac{6}{10}\%$ .

167 (B) If on March 31 of any calendar year the balance in the Un-  
168 employment Trust Fund equals or exceeds 10% but is less than  
169  $12\frac{1}{2}\%$  of the total taxable wages reported to the Division of Em-  
170 ployment Security as of that date in respect to employment during  
171 the preceding calendar year, the contribution rate, effective July 1  
172 following, of each employer eligible for a contribution rate calcula-  
173 tion based upon benefit experience, shall be reduced by  $\frac{3}{10}$  of 1%  
174 under the contribution rate otherwise established under the pro-  
175 visions of paragraphs (3) and (4) of this subsection; provided, that  
176 in no event shall the contribution rate of any employer be reduced  
177 to less than  $\frac{1}{10}$  of 1%. If on March 31 of any calendar year the  
178 balance in the Unemployment Trust Fund equals or exceeds  $12\frac{1}{2}\%$   
179 of the total taxable wages reported to the division as of that date in  
180 respect to employment during the preceding calendar year, the  
181 contribution rate, effective July 1 following, of each employer  
182 eligible for a contribution rate calculation based upon benefit  
183 experience, shall be reduced by  $\frac{6}{10}$  of 1% if his account for all past  
184 periods reflects an excess of contributions paid over total benefits  
185 charged of 3% or more of his average annual payroll, otherwise by  
186  $\frac{3}{10}$  of 1% under the contribution rate otherwise established under  
187 the provisions of paragraphs (3) and (4) of this subsection; pro-  
188 vided, that in no event shall the contribution rate of any employer  
189 be reduced to less than  $\frac{1}{10}$  of 1%.

190 (C) The "balance" in the unemployment trust fund as the term  
191 is used in subparagraphs (A) and (B) above shall not include  
192 moneys credited to the State's account under section 903 of the

193 *Social Security Act, as amended (Title 42, U. S. Code, section 1103),*  
194 *during any period in which such moneys are appropriated for the*  
195 *payment of expenses incurred in the administration of the Unem-*  
196 *ployment Compensation Law.*

197 (6) Additional contributions.

198 Notwithstanding any other provision of law, any employer who  
199 has been assigned a contribution rate pursuant to subsection (c)  
200 of this section for the year commencing July 1, 1948, and for any  
201 year commencing July 1 thereafter, may voluntarily make payment  
202 of additional contributions, and upon such payment shall receive  
203 a recomputation of the experience rate applicable to such employer  
204 including in the calculation the additional contribution so made.  
205 Any such additional contribution shall be made during the 30-day  
206 period following the date of the mailing to the employer of the  
207 notice of his contribution rate as prescribed in this section, unless,  
208 for good cause, the time for payment has been extended by the  
209 director for not to exceed an additional 60 days; provided, that in  
210 no event may such payments which are made later than 120 days  
211 after the beginning of the year for which such rates are effective be  
212 considered in determining the experience rate for the year in which  
213 the payment is made. Any employer receiving any extended period  
214 of time within which to make such additional payment and failing  
215 to make such payment timely shall pay, in addition to the required  
216 amount of additional payment, a penalty of 5% thereof or \$5.00,  
217 whichever is greater, not to exceed \$50.00. Any adjustment under  
218 this subsection shall be made only in the form of credits against  
219 accrued or future contributions.

220 (7) Transfers.

221 (A) Upon the transfer of the organization, trade or business, or  
222 substantially all the assets of an employer to a successor in interest,  
223 whether by merger, consolidation, sale, transfer, descent or other-  
224 wise, the Division of Employment Security shall transfer the em-  
225 ployment experience of the predecessor employer to the successor  
226 in interest, including credit for past years, contributions paid,  
227 annual payrolls, benefit charges, et cetera, applicable to such  
228 predecessor employer, pursuant to regulations adopted by the  
229 division, if the division finds that the employment experience of the  
230 predecessor employer with respect to the organization, trade, assets  
231 or business, which has been transferred, may be considered in-  
232 dicative of the future employment experience of the successor in  
233 interest. Unless the predecessor employer was owned or controlled  
234 (by legally enforceable means or otherwise), directly or indirectly,  
235 by the successor in interest, or the predecessor employer and the

236 successor in interest were owner or controlled (by legally en-  
237 forcible means or otherwise), directly or indirectly, by the same  
238 interest or interests, the transfer of the employment experience  
239 of the predecessor shall not be effective if such successor in interest,  
240 within 4 months of the date of such transfer of the organization,  
241 trade, assets or business, or thereafter upon good cause shown,  
242 files a written notice with the division protesting the transfer of  
243 the employment experience of the predecessor employer.

244 (B) An employer, who transfers part of his or its organization,  
245 trade, assets or business to a successor in interest, whether by  
246 merger, consolidation, sale, transfer, descent or otherwise, may  
247 jointly make application with such successor in interest for trans-  
248 fer of that portion of the employment experience of the predeces-  
249 sor employer relating to the portion of the organization, trade,  
250 assets, or business transferred to the successor in interest, includ-  
251 ing credit for past years, contributions paid, annual payrolls,  
252 benefits charges, et cetera, applicable to such predecessor employer.  
253 The Division of Employment Security may allow such transfer of  
254 employment experience pursuant to regulations adopted by the  
255 division, only if it finds that the employment experience of the  
256 predecessor employer with respect to the portion of the organiza-  
257 tion, trade, assets or business which has been transferred may be  
258 considered indicative of the future employment experience of the  
259 successor in interest. Credit shall be given to the successor in  
260 interest only for the years during which contributions were paid  
261 by the predecessor employer with respect to that part of the or-  
262 ganization, trade, assets or business transferred.

263 (C) A transfer of the employment experience in whole or in  
264 part having become final, the predecessor employer thereafter  
265 shall not be entitled to consideration for an adjusted rate based  
266 upon his or its experience or the part thereof, as the case may be,  
267 which has thus been transferred. A successor in interest to whom  
268 employment experience or a part thereof is transferred pursuant  
269 to this subsection shall, as of the date of the transfer of the organi-  
270 zation, trade, assets or business, or part thereof, immediately  
271 become an employer if not theretofore an employer subject to this  
272 chapter (R. S. 43:21-1 et seq.).

273 (d) (1) Contribution of workers; transfers to temporary dis-  
274 ability benefit fund.

275 Each worker shall contribute to the fund  $\frac{3}{4}$  of 1% of his wages  
276 paid by an employer with respect to his employment which occurs  
277 on and after January 1, 1953, and prior to January 1, 1971, and 1%  
278 of his wages with respect to his employment which occurs on and



279 *after January 1, 1971*, and after such employer has satisfied  
280 the conditions set forth in subsection (h) of section 43:21-19 of this  
281 Title with respect to becoming an employer; provided, however,  
282 that such contribution shall be at the rate of  $\frac{1}{4}$  of 1% of wages  
283 paid with respect to employment while the worker is covered by an  
284 approved private plan under the Temporary Disability Benefits  
285 Law or while the worker is exempt from the provisions of the  
286 Temporary Disability Benefits Law under section 7 of that law  
287 (C. 34:21-31). Each employer shall, notwithstanding any provisions  
288 of law in this State to the contrary, withhold in trust the amount of  
289 his workers' contributions from their wages at the time such wages  
290 are paid, shall show such deduction on his payroll records, shall  
291 furnish such evidence thereof to his workers as the division may  
292 prescribe, and shall transmit all such contributions, in addition  
293 to his own contributions, to the office of the Division of Employ-  
294 ment Security in such manner and at such times as may be pre-  
295 scribed. If any employer fails to deduct the contributions of any of  
296 his workers at the time their wages are paid, or fails to make a de-  
297 duction therefor at the time wages are paid for the next succeeding  
298 payroll period, he alone shall thereafter be liable for such con-  
299 tributions, and for the purpose of section 43:21-14 of this Title,  
300 such contributions shall be treated as employer's contributions  
301 required from him. As used in this chapter (R. S. 43:21-1 et seq.),  
302 except when the context clearly requires otherwise, the term "con-  
303 tributions" shall include the contributions of workers pursuant to  
304 this section.

305 (2) (A) There shall be deposited in and credited to the State  
306 Disability Benefits Fund, as established by law,  $\frac{3}{4}$  of all worker  
307 contributions, received by the Division of Employment Security  
308 with respect to wages paid prior to January 1, 1953, and upon  
309 which the rate of contributions is 1%.

310 (B) There shall be deposited in and credited to the State Dis-  
311 ability Benefits Fund, as established by law,  $\frac{2}{3}$  of all worker con-  
312 tributions, received by the Division of Employment Security [pur-  
313 suant to paragraph (1) above after December 31, 1952,] with  
314 respect to wages paid on and after January 1, 1953, *and prior to*  
315 *January 1, 1971*, and upon which the rate of contributions is  $\frac{3}{4}$   
316 of 1%.

317 (C) *There shall be deposited in and credited to the State Dis-*  
318 *ability Benefits Fund, as established by law,  $\frac{3}{4}$  of all worker con-*  
319 *tributions, received by the Division of Employment Security with*  
320 *respect to wages paid on or after January 1, 1971, and upon which*  
321 *the rate of contributions is 1%.*

322 (3) If an employee receives wages from more than one employer  
323 during any calendar year, and either the sum of his contributions  
324 deposited in and credited to the State Disability Benefits Fund  
325 (in accordance with subparagraph (B) of paragraph (2) of this  
326 subsection) plus the amount of his contributions, if any, required  
327 towards the cost of benefits under one or more approved private  
328 plans under the provisions of section 9 of the Temporary Disability  
329 Benefits Law (*C. 43:21-33*) and deducted from his wages, or the  
330 sum of such latter contributions if the employee is covered during  
331 such calendar year, only by two or more private plans, exceeds  
332 **[\$15.00 in any calendar year prior to January 1, 1968, or] \$18.00**  
333 *in any calendar year prior to January 1, 1971, or \$27.00 in any*  
334 *calendar year commencing on or after January 1, 1971, [commenc-*  
335 *ing on or after January 1, 1968,]* the employee shall be entitled to  
336 a refund of the excess if he makes claim to the Division of Employ-  
337 ment Security within 2 years after the end of the calendar year in  
338 which the wages are received with respect to which the refund is  
339 claimed and establishes his right to such refund. Such refund shall  
340 be made by the Division of Employment Security from the State  
341 Disability Benefits Fund. No interest shall be allowed or paid with  
342 respect to any such refund. The division shall, in accordance with  
343 prescribed regulations, determine the portion of the aggregate  
344 amount of such refunds made during any calendar year which is ap-  
345 plicable to private plans for which deductions were made under sec-  
346 tion 9 of the "Temporary Disability Benefits Law," such determina-  
347 tion to be based upon the ratio of the amount of such wages exempt  
348 from contributions to such fund as provided in subparagraph (B) of  
349 paragraph (1) of this subsection with respect to coverage under pri-  
350 vate plans to the total wages so exempt plus the amount of such  
351 wages subject to contributions to the disability benefits fund as pro-  
352 vided in subparagraph (B) of paragraph (2) of this subsection. The  
353 division shall, in accordance with prescribed regulations, prorate the  
354 amount so determined among the applicable private plans in the  
355 proportion that the wages covered by each plan bears to the total  
356 private plan wages involved in such refunds, and shall assess  
357 against and recover from the employer, or the insurer if the in-  
358 surer has indemnified the employer with respect thereto, the amount  
359 so prorated. The provisions of R. S. 43:21-14, with respect to  
360 collection of employer contributions shall apply to such assess-  
361 ments. The amounts so recovered by the division shall be paid into  
362 the State Disability Benefits Fund.

363 (4) If an individual does not receive any wages from the em-  
364 ploying unit which for the purposes of this chapter (R. S. 43:21-1

365 et seq.) is treated as his employer, or receives his wages from  
366 some other employing unit, such employer shall nevertheless be  
367 liable for such individual's contributions in the first instance; and  
368 after payment thereof such employer may deduct the amount of  
369 such contributions from any sums payable by him to such employ-  
370 ing unit, or may recover the amount of such contributions from  
371 such employing unit, or, in the absence of such an employing unit,  
372 from such individual, in a civil action; provided, proceedings  
373 therefor are instituted within 3 months after the date on which  
374 such contributions are payable. General rules shall be prescribed  
375 whereby such an employing unit may recover the amount of such  
376 contributions from such individuals in the same manner as if it  
377 were the employer.

378 (5) Every employer who has elected to become an employer sub-  
379 ject to this chapter (R. S. 43:21-1 et seq.), or to cease to be an  
380 employer subject to this chapter (R. S. 43:21-1 et seq.), pursuant  
381 to the provisions of section 43:21-8 of this Title, shall post and  
382 maintain printed notices of such election on his premises, of such  
383 design, in such numbers, and at such places as the director may  
384 determine to be necessary to give notice thereof to persons in his  
385 service.

386 (6) Contributions by workers, payable to the Division of Employ-  
387 ment Security as herein provided, shall be exempt from garnish-  
388 ment, attachment, execution, or any other remedy for the collection  
389 of debts.

390 (e) Contributions by employers to State Disability Benefits  
391 Fund.

392 (1) Except as hereinafter provided, each employer shall, in  
393 addition to the contributions required by subsections (a), (b), and  
394 (c) of this section, contribute ~~1/4~~ 1/2 of 1% of the wages paid  
395 by such employer to workers with respect to employment ~~after~~  
396 January 1, 1949. Such contributions shall become due and be paid  
397 by each employer to the Division of Employment Security for the  
398 State Disability Benefits Fund as established by law, in accordance  
399 with such regulations as may be prescribed, and shall not be  
400 deducted, in whole or in part, from the remuneration of individuals  
401 in his employ. In the payment of any contributions, a fractional  
402 part of a cent shall be disregarded unless it amounts to 1/2 cent or  
403 more, in which case it shall be increased to \$0.01.

404 (2) During the continuance of coverage of a worker by an ap-  
405 proved private plan of disability benefits under the Temporary  
406 Disability Benefits Law, the employer shall be exempt from the

407 contribution required by subparagraph (1) above with respect to  
408 wages paid to such worker.

409 (3) (A) The rates of contribution as specified in subparagraph  
410 (1) above shall be subject to modification as provided herein with  
411 respect to employer contributions due on and after July 1,  
412 1951.

413 (B) A separate disability benefits account shall be maintained  
414 for each employer required to contribute to the State Disability  
415 Benefits Fund and such account shall be credited with contribu-  
416 tions deposited in and credited to such fund with respect to em-  
417 ployment occurring on and after January 1, 1949. Each employer's  
418 account shall be credited with all contributions paid on or before  
419 January 31 of any calendar year on his own behalf and on behalf  
420 of individuals in his service with respect to employment occurring  
421 in preceding calendar years; provided, however, that if January  
422 31, of any calendar year falls on a Saturday or Sunday an em-  
423 ployer's account shall be credited as of January 31 of such calendar  
424 year with all the contributions which he has paid on or before  
425 the next succeeding day which is not a Saturday or Sunday. But  
426 nothing in this act shall be construed to grant any employer or  
427 individuals in his service prior claims or rights to the amounts  
428 paid by him to the fund either on his own behalf or on behalf of  
429 such individuals. Benefits paid to any covered individual in ac-  
430 cordance with Article III of the Temporary Disability Benefits  
431 Law on or before December 31 of any calendar year with respect  
432 to disability in such calendar year and in preceding calendar  
433 years shall be charged against the account of the employer by  
434 whom such individual was employed at the commencement of such  
435 disability or by whom he was last employed if out of employment.

436 (C) The division may prescribe regulations for the establish-  
437 ment, maintenance, and dissolution of joint accounts by two or more  
438 employers, and shall, in accordance with such regulations and upon  
439 application by two or more employers to establish such an account,  
440 or to merge their several individual accounts in a joint account,  
441 maintain such joint account as if it constituted a single employer's  
442 account.

443 (D) Prior to July 1 of each calendar year, the Division of Em-  
444 ployment Security shall make a preliminary determination of the  
445 rate of contribution for the 12 months commencing on such July  
446 1 for each employer subject to the contribution requirements of  
447 this subsection (e).

448 (1) Such preliminary rate shall be  $\frac{1}{4}$  1/2 of 1% unless on the  
449 preceding January 31 of such year such employer shall have been a

450 covered employer who has paid contributions to the State Dis-  
451 ability Benefits Fund with respect to employment in the 3 calendar  
452 years immediately preceding such year.

453 (2) If the minimum requirements in (1) above have been ful-  
454 filled and the credited contributions exceed the benefits charged  
455 by more than \$500.00, such preliminary rate shall be as follows:

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

459 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or ex-  
460 ceeds  $1\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual pay-  
461 roll;

462 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds  
463  $1\frac{1}{2}$ % of his average annual payroll.

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

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

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

474 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or ex-  
475 ceeds  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual  
476 payroll;

477 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or ex-  
478 ceeds  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual  
479 payroll;

480 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or ex-  
481 ceeds  $\frac{3}{4}$  of 1% but is less than 1% of his average annual pay-  
482 roll;

483 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or ex-  
484 ceeds 1% of his average annual payroll.

485 (5) Determination of the preliminary rate as specified in (2),  
486 (3) and (4) above shall be subject, however, to the condition that  
487 it shall in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages  
488 or increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary  
489 rate determined for the preceding year in accordance with (1),  
490 (2), (3) or (4), whichever shall have been applicable.

491 (E) (1) Prior to July 1 of each calendar year the Division of  
492 Employment Security shall determine the amount of the State

493 Disability Benefits Fund as of December 31 of the preceding  
494 calendar year increased by the contributions paid thereto during  
495 January of the current calendar year with respect to employment  
496 occurring in preceding calendar years. If such amounts exceeds  
497 the total of the amounts withdrawn from the unemployment trust  
498 fund pursuant to section 23 of the Temporary Disability Benefits  
499 Law plus the amount at the end of such preceding calendar year  
500 of the unemployment disability account (as defined in section 22  
501 of said law), such excess shall be expressed as a percentage of the  
502 wages on which contributions were paid to the State Disability  
503 Benefits Fund on or before January 31 with respect to employment  
504 in the preceding calendar year.

505 (2) The Division of Employment Security shall then make a final  
506 determination of the rates of contribution for the 12 months com-  
507 mencing July 1 of such year for employers whose preliminary rates  
508 are determined as provided in (D) hereof, as follows:

509 (i) If the percentage determined in accordance with para-  
510 graph (E) (1) of this subsection equals or exceeds  $1\frac{1}{4}\%$  the  
511 final employer rates shall be the preliminary rates determined  
512 as provided in (D) hereof, except that if the employer's pre-  
513 liminary rate is determined as provided in (D) (2) or (D) (3)  
514 hereof, the final employer rate shall be the preliminary em-  
515 ployer rate decreased by such percentage of excess taken to  
516 the nearest  $\frac{5}{100}$  of 1%, but in no case shall such final rate be  
517 less than  $\frac{1}{10}$  of 1%.

518 (ii) If the percentage determined in accordance with para-  
519 graph (E) (1) of this subsection equals or exceeds  $\frac{3}{4}$  of 1%  
520 and is less than  $1\frac{1}{4}$  of 1%, the final employer rates shall be the  
521 preliminary employer rates.

522 (iii) If the percentage determined in accordance with para-  
523 graph (E) (1) of this subsection is less than  $\frac{3}{4}$  of 1%, *but in*  
524 *excess of  $\frac{1}{4}$  of 1%*, the final employer rates shall be the pre-  
525 liminary employer rates determined as provided in (D) hereof  
526 increased by the difference between  $\frac{3}{4}$  of 1% and such per-  
527 centage taken to the nearest  $\frac{5}{100}$  of 1%; provided, however,  
528 that no such final rate shall be more than  $\frac{1}{4}$  of 1% in the case  
529 of an employer whose preliminary rate is determined as pro-  
530 vided in (D) (2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
531 employer whose preliminary rate is determined as provided  
532 in (D) (1) and (D) (3) hereof, nor more than  $\frac{3}{4}$  of 1% in the  
533 case of an employer whose preliminary rate is determined as  
534 provided in (D) (4) hereof.

535 (iv) If the amount of the State Disability Benefits Fund  
 536 determined as provided in paragraph (E) (1) of this subsec-  
 537 tion is equal to or less than  $1/4$  of 1% [the total of the  
 538 amounts withdrawn from the Unemployment Trust Fund  
 539 pursuant to Section 23 of the Temporary Disability Benefits  
 540 Law plus the amount at the end of the preceding calendar year  
 541 of the unemployment disability account], then the final rate  
 542 shall be [ $3/4$  of 1% for all employers.]  $2/5$  of 1% in the case  
 543 of an employer whose preliminary rate is determined as pro-  
 544 vided in (D) (2) hereof,  $7/10$  of 1% in the case of an employer  
 545 whose preliminary rate is determined as provided in (D) (1)  
 546 and (D) (3) hereof, and 1.1% in the case of an employer whose  
 547 preliminary rate is determined as provided in (D) (4) hereof.  
 548 Notwithstanding any other provision of law or any determina-  
 549 tion made by the Division of Employment Security with  
 550 respect to any twelve-month period commencing on July 1,  
 551 1970, the final rates for all employers for the period beginning  
 552 January 1, 1971, shall be as set forth herein.

1 2. P. L. 1948, chapter 110, section 22 (C. 43:21-46) is amended  
 2 to read as follows:

3 22. State disability benefits fund. (a) The State disability bene-  
 4 fits fund, hereinafter referred to as the fund, is hereby established.  
 5 The fund shall remain in the custody of the State Treasurer, and  
 6 to the extent of its cash requirements shall be deposited in autho-  
 7 rized public depositories in the State of New Jersey. There shall be  
 8 deposited in and credited to the fund the amount of worker and  
 9 employer contributions provided under subsections (d) and (e)  
 10 of R. S. 43:21-7, less refunds authorized by the chapter (R. S.  
 11 43:21-1 et seq.) to which this act is a supplement, and the entire  
 12 amount of interest and earnings from investments of the fund,  
 13 and all assessments, fines and penalties collected under this act.  
 14 The fund shall be held in trust for the payment of disability benefits  
 15 pursuant to this act, for the payment of benefits pursuant to sub-  
 16 section (f) of R. S. 43:21-4, and for the payment of any authorized  
 17 refunds of contributions. All warrants for the payment of benefits  
 18 shall be issued by and bear only the signature of the Director of  
 19 the Division of Employment Security or his duly authorized agent  
 20 for that purpose. All other moneys withdrawn from the fund shall  
 21 be upon warrant signed by the State Treasurer and countersigned  
 22 by the Director of the Division of Employment Security of the  
 23 Department of Labor and Industry of the State of New Jersey.  
 24 The Treasurer shall maintain books, records and accounts for the  
 25 fund, appoint personnel and fix their compensation within the limits

26 of available appropriations. The expenses of the treasurer in ad-  
27 ministering the fund and its accounts shall be charged against the  
28 administration account, as hereinafter established. A separate ac-  
29 count, to be known as the administration account, shall be main-  
30 tained in the fund, and there shall be credited to such account an  
31 amount determined to be sufficient for proper administration, not  
32 to exceed, however,  $\frac{8}{100}$  of 1% of the wages with respect to which  
33 current contributions are payable into the fund, and the entire  
34 amount of any assessments against covered employers, as herein-  
35 after provided, for costs of administration prorated among ap-  
36 proved private plans. The costs of administration of this act  
37 including R. S. 43:21-4 (f) shall be charged to the administration  
38 account.

39 (b) A further separate account, to be known as the unemploy-  
40 ment disability account, shall be maintained in the fund. Such ac-  
41 count shall be charged with all benefit payments under R. S.  
42 43:21-4 (f).

43 Prior to July 1 of each calendar year, [commencing with the cal-  
44 endar year 1949,] the Division of Employment Security of the De-  
45 partment of Labor and Industry of the State of New Jersey shall  
46 determine the average rate of interest and other earnings on all  
47 investments of the State disability benefits fund for the preceding  
48 calendar year. An amount equal to the sum of the amounts with-  
49 drawn from the unemployment trust fund pursuant to section 23  
50 hereof multiplied by such average rate shall be determined by the  
51 division and credited to the unemployment disability account as of  
52 the end of the preceding calendar year.

53 If the unemployment disability account shall show an accumu-  
54 lated deficit in excess of \$200,000.00 at the end of any calendar year  
55 after interest and other earnings have been credited as provided  
56 hereinabove, the division shall determine the ratio of such deficit to  
57 the total of all taxable wages paid during [that] *the preceding calen-*  
58 *dar year*[. Prior to July 1 of the calendar year following each calen-  
59 dar year when the unemployment disability account shows such a  
60 deficit, the division], and shall make an assessment against [the re-  
61 spective] *all* employers in an amount equal to the taxable wages  
62 paid by them during such preceding calendar year to employees  
63 [while covered under private plans], multiplied by such ratio, but  
64 in no event shall any such assessment exceed [ $\frac{2}{100}$ ]  $\frac{1}{10}$  of 1% of  
65 such wages. Such amounts shall be collectible by the division in the  
66 same manner as provided for the collection of employer contribu-  
67 tions under [the] *this* chapter (R. S. 43:21-1 et seq.) [to which this  
68 act is a supplement]. In making this assessment, the division shall



69 furnish to each affected employer a brief summary of the deter-  
70 mination thereof. The amount of such assessments collected by the  
71 division shall be credited to the unemployment disability account.

72 [At the same time as an assessment is made as hereinabove pro-  
73 vided, the division shall determine an amount equal to the taxable  
74 wages paid during the preceding calendar year to employees while  
75 covered under the State plan, multiplied by the aforementioned  
76 ratio, but in no event shall such amount exceed  $\frac{1}{100}$  of 1% of such  
77 wages. The amount so determined shall be credited to the unem-  
78 ployment disability account.]

79 As used in this section, "taxable wages" shall mean wages with  
80 respect to which employer contributions have been paid or are pay-  
81 able pursuant to subsections (a), (b) and (c) of R. S. 43:21-7.

82 (c) A board of trustees, consisting of the State Treasurer, the  
83 Secretary of State, the Commissioner of Labor and Industry, the  
84 director of the division, and the State Comptroller, is hereby  
85 created. The board shall invest and reinvest all moneys in the fund  
86 in excess of its cash requirements, and such investments shall be  
87 made in obligations legal for savings banks; provided, however,  
88 that the provisions of this subsection shall in all respects be subject  
89 to the provisions of chapter 270 of the laws of 1950.

90 (d) There is hereby appropriated, to be paid out of the fund,  
91 such amounts as may from time to time be required for the payment  
92 of disability benefits, and such amounts as may be required each  
93 year, as contained in the annual appropriation act, for the admin-  
94 istration of this act including R. S. 43:21-4 (f).

1 3. P. L. 1948, chapter 110, section 24 (C. 43:21-48) is amended  
2 to read as follows:

3 24. Assessment of costs of administration. (a) If officers or  
4 employees of the Division of Employment Security perform duties  
5 in part related to the administration of this act and of the unem-  
6 ployment compensation law, or if there be expenses otherwise  
7 incurred jointly in connection with administration of such acts,  
8 the division shall make an equitable apportionment to determine  
9 the portion of total expense to be charged to administration of  
10 this act including R. S. 43:21-4 (f). So far as possible such appor-  
11 tionment shall be based upon records to be maintained with the  
12 respect to activities undertaken in administering this act.

13 (b) The Division of Employment Security shall, at the end of  
14 each fiscal year, determine the total amount expended by it for  
15 administrative cost directly attributable to the supervision and  
16 operation of approved private plans, together with a proportionate  
17 part of the administrative cost of R. S. 43:21-4 (f), and such total

18 amount shall be prorated among the approved private plans in  
 19 effect during that year on the basis of the total amount of taxable  
 20 wages that were paid to all employees covered under such private  
 21 plans. The prorated amounts shall be assessed against the respec-  
 22 tive employers but shall not exceed ~~2/100~~ 1/20 of 1% of such  
 23 wages, and such amounts shall be collectible by the division in the  
 24 same manner as provided for the collection of employer contribu-  
 25 tions under the chapter to which this act is a supplement. In making  
 26 this assessment, the division shall furnish to each affected employer  
 27 a brief summary of the apportionment of expense to be charged  
 28 to administration of this act, and of the facts upon which the calcu-  
 29 lation of the assessment is based. The amounts of such assessments  
 30 shall be credited to the administration account.

31 (c) The division shall, at the end of each fiscal year, determine  
 32 the total amount expended by it for administrative cost directly  
 33 attributable to maintaining separate disability benefits accounts  
 34 for employers required to contribute to the State disability benefits  
 35 fund and assigning modified rates of contribution to such employers  
 36 in accordance with the provisions of R. S. 43:21-7 (e) (3). Such  
 37 total amount of administrative costs shall be prorated among such  
 38 employer accounts on the basis of the total amount of taxable wages  
 39 paid to all employees during the preceding calendar year with  
 40 respect to which contributions were payable to the State disability  
 41 benefits fund. The prorated amounts shall be assessed against the  
 42 respective employers, and such amounts shall be collectible by the  
 43 division in the same manner as provided for the collection of em-  
 44 ployer contributions in R. S. 43:21-14. The amounts of such assess-  
 45 ments shall be credited to the administration account.

1 4. P. L. 1960, chapter 28, section 1 (C. 43:21-7.1) is hereby  
 2 repealed.

1 5. Definitions. For the purposes of the extended benefit program  
 2 and as used in this act, unless the context clearly requires other-  
 2A wise:

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

4 (1) begins with the third week after whichever of the following  
 5 weeks occurs first:

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

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

8 (2) ends with either of the following weeks, whichever occurs  
 9 later:

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

12 (b) the thirteenth consecutive week of such period;

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

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

23 b. There is a "national 'on' indicator" for a week if the United  
24 States Secretary of Labor determines that for each of the 3 most  
25 recent completed calendar months ending before such week, the  
26 rate of insured unemployment (seasonally adjusted) for all states  
27 equaled or exceeded 4.5% (determined by reference to the average  
28 monthly covered employment for the first four of the most recent  
29 six calendar quarters ending before the month in question).

30 c. There is a "national 'off' indicator" for a week if the United  
31 States Secretary of Labor determines that for each of the 3 most  
32 recent completed calendar months ending before such week, the  
33 rate of insured unemployment (seasonally adjusted) for all states  
34 was less than 4.5% (determined by reference to the average  
35 monthly covered employment for the first four of the most recent  
36 six calendar quarters ending before the month in question).

37 d. There is a "state 'on' indicator" for this State for a week if  
38 the division determines, in accordance with the regulations of the  
39 United States Secretary of Labor, that for the period consisting of  
40 such week and the immediately preceding 12 weeks, the rate of in-  
41 sured unemployment (not seasonally adjusted) under the Unem-  
42 ployment Compensation Law (R. S. 43:21-1 et seq.)—

43 (1) equaled or exceeded 120% of the average of such rates for  
44 the corresponding 13-week period ending in each of the preceding  
45 2 calendar years, and

46 (2) equaled or exceeded 4%.

47 e. There is a "state 'off' indicator" for this State for a week if  
48 the division determines, in accordance with the regulations of the  
49 United States Secretary of Labor, that for the period consisting of  
50 such week and the immediately preceding 12 weeks, either sub-  
51 paragraph (1) or (2) of paragraph d. was not satisfied.

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

54 (1) the average weekly number of individuals filing claims in this

55 State for weeks of unemployment with respect to the most recent  
56 13-consecutive-week period, as determined by the division on the  
57 basis of its reports to the United States Secretary of Labor, by  
58 (2) the average monthly covered employment for the specified  
59 period.

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

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

70 i. "Eligibility period" of an individual means the period con-  
71 sisting of the weeks in his benefit year which begin in an extended  
72 benefit period and, if his benefit year ends within such extended  
73 benefit period, any weeks thereafter which begin in such period.

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

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

82 Provided, That for the purposes of this subparagraph, an in-  
83 dividual shall be deemed to have received all of the regular benefits  
84 that were available to him although as a result of a pending appeal  
85 with respect to wages and/or employment that were not considered  
86 in the ordinal monetary determination in his benefit year, he may  
87 subsequently be determined to be entitled to added regular benefits;  
88 or

89 (2) his benefit year having expired prior to such week, has no, or  
90 insufficient, wages and/or employment on the basis of which he  
91 could establish a new benefit year that would include such week;  
92 and

93 (3) (a) has no right to unemployment benefits or allowances, as  
94 the case may be, under the Railroad Unemployment Insur-  
95 ance Act, the Trade Expansion Act of 1962, the Automotive  
96 Products Trade Act of 1965 and such other Federal laws as

97 are specified in regulations issued by the United States  
98 Secretary of Labor; and

99 (b) has not received and is not seeking unemployment bene-  
100 fits under the unemployment compensation law of the Virgin  
101 Islands or of Canada; but if he is seeking such benefits and  
102 the appropriate agency finally determines that he is not en-  
103 titled to benefits under such law he is considered an  
104 exhaustee.

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

1 6. Effect of State law provisions relating to regular benefits on  
2 claims for, and the payment and charging of, extended benefits.—  
3 Except when the result would be inconsistent with other provisions  
4 of the Extended Benefits Law, as provided in the regulations of the  
5 division, the provisions of the Unemployment Compensation Law  
6 (R. S. 43:21-1 et seq.) which apply to claims for, and the payment  
7 and charging of, regular benefits shall apply to claims for, and the  
8 payment and charging of, extended benefits, provided, however,  
9 that no employer's account shall be charged for the payment of any  
10 extended benefits with respect to any weeks commencing prior to  
11 July 1, 1971; and provided further, that 50% of any extended bene-  
12 fits paid with respect to weeks commencing on or after July 1, 1971  
13 shall be charged to the appropriate employer's account; and pro-  
14 vided further, that when a claimant receives regular and extended  
15 benefits, the State's share of the extended benefits shall be charged  
16 first against unused base-year base week earnings of employers  
17 within the base year of the claimant in the inverse chronological  
18 order, and any amount not so charged shall then be charged against  
19 the most recent employers in the same manner and under the same  
20 conditions provided in the Unemployment Compensation Law  
21 (R. S. 43:21-1 et seq.), notwithstanding the charges made for  
22 regular benefits, and where the account of any employer is charged  
23 in excess of 62½% of the total base-year base week wages paid to  
24 the claimant by any employer, such employer may apply to the  
25 Division of Employment Security to have such excess charges  
26 canceled from his account if the application is made within 6 months  
27 of the benefit check creating such charges. Any cancellation of such  
28 charges shall not affect a contribution rate already assigned with  
29 respect to any fiscal year commencing prior to the date the applica-  
30 tion for cancellation is received by the division.

1 7. Eligibility requirements for extended benefits.—An individual  
2 shall be eligible to receive extended benefits with respect to any

3 week of unemployment in his eligibility period only if the division  
4 finds that with respect to such week:

5 a. he is an "exhaustee" as defined in paragraph j. of section 5;

6 b. he has satisfied the requirements of this act for the receipt of  
7 regular benefits that are applicable to individuals claiming extended  
8 benefits, including not being subject to a disqualification for the  
9 receipt of benefits.

1 8. Weekly extended benefit rate.—The weekly extended benefit  
2 rate payable to an individual for a week of total unemployment in  
3 his eligibility period shall be an amount equal to the weekly benefit  
4 rate payable to him during his applicable benefit year.

1 9. Total extended benefit amount.—The total extended benefit  
2 amount payable to any eligible individual with respect to his  
3 applicable benefit year shall be the lesser of the following amounts:

4 a. 50% of the total of regular benefits which were payable to him  
5 under the Unemployment Compensation Law (R. S. 43:21-1 et seq.)  
6 in his applicable benefit year; or

7 b. thirteen times his weekly benefit amount which was payable to  
8 him under the Unemployment Compensation Law (R. S. 43:21-1  
9 et seq.) for a week of total unemployment in the applicable benefit  
10 year.

1 10. a. Beginning and termination of extended benefit period.—  
2 Whenever an extended benefit period is to become effective in this  
3 State (or in all states) as a result of a state or a national "on"  
4 indicator, or an extended benefit period is to be terminated in this  
5 State as a result of a state "off" indicator or state and national  
6 "off" indicators, the division shall make an appropriate public  
7 announcement.

8 b. Computations required by the provisions of paragraph f. of  
9 section one shall be made by the division, in accordance with regula-  
10 tions prescribed by the United States Secretary of Labor.

1 11. Short title. Sections 5 through 11 of this act shall be known  
2 and may be cited as the "Extended Benefits Law."

1 12. Sections 1 through 4 of this act shall take effect on January 1,  
2 1971 but the increase in unemployment compensation rates pre-  
3 scribed by R. S. 43:21-7 (c), as amended herein in section 1 of this  
4 act, shall be inoperative until July 1, 1971; and the Division of Em-  
5-6 ployment Security shall take such immediate administrative action  
7 as may be necessary to implement the provisions hereof. Sections  
8 5 through 12 of this act shall take effect on the first day of the  
9 calendar month next following enactment.

## STATEMENT

This bill will strengthen the Temporary Disability Benefits Fund by increasing both employer and worker contributions for temporary disability benefits, and by providing for maximum assessments not exceeding  $\frac{1}{10}$  of 1% of the taxable wage for the unemployment disability account. The bill modifies the merit rating provision for temporary disability, clarifies assessment procedures and lessens or prevents the accrual of deficits in the Temporary Disability Benefits Fund.

The maximum contribution by the worker under this bill would be \$27.00 per year for temporary disability benefit coverage, and the rates for employers would be dependent upon the merit rating formula set out herein.

The bill also increases the unemployment experience rates for those employers whose benefit experience show benefits paid in excess of contributions.

Section 1 of chapter 28 of the laws of 1968 (C. 43:21-7.1) repealed by section 4 of this bill, is being reenacted as 43:21-7 (c) (5) (C) of this bill.

The Federal-State extended benefit program established by the Federal Employment Security Amendments of 1970 (P. L. 91-373) provides for the payment of extended benefits up to 13 weeks to workers who exhaust their regular benefits during period of high unemployment. The enactment of a bill of this type is required for the allowance of employer credits against the Federal tax imposed by the Federal Unemployment Tax Act not later than January 1, 1972, but the states can implement the program at an earlier date.

Any extended benefits paid under the program are shared equally between the State and the Federal Governments. The State is not required to participate until January 1, 1972, but it can implement the program prior to that date, and the Federal Government will reimburse the State for  $\frac{1}{2}$  of the benefits.

Upon enactment of this bill, New Jersey claimants will receive the benefits of the program before 1972, and the Federal Government will pay  $\frac{1}{2}$  of the costs thereof.