

# 43:21-47

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2003                    **CHAPTER:** 109  
**NJSA:** 43:21-47                (Withdrawal from state disability benefits fund)  
**BILL NO:** A3704                (Substituted for S2583)  
**SPONSOR(S):** Cohen

**DATE INTRODUCED:** June 12, 2003

**COMMITTEE:**                    **ASSEMBLY:** Budget

**SENATE:** ----

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**            **ASSEMBLY:** June 23, 2003

**SENATE:** June 30, 2003

**DATE OF APPROVAL:** July 1, 2003

### FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

#### A3704

[SPONSORS STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    [ASSEMBLY:](#) [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### S2583

[SPONSORS STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

Bill and Sponsors Statement identical to A3704

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

[SENATE:](#) [Yes](#)

Identical to Assembly Statement for A3704

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2003, CHAPTER 109, *approved July 1, 2003*

Assembly, No. 3704

1 **AN ACT** authorizing the withdrawal of \$30 million from the State  
2 disability benefits fund and amending P.L.1948, c.110.

3

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

6

7 1. Section 23 of P.L.1948, c.110 (C.43:21-47) is amended to read  
8 as follows:

9 23. Withdrawal from Federal Treasury. (a) The State Treasurer  
10 is hereby authorized and directed to requisition and withdraw on or  
11 before December 31, 1948, the sum of \$50,000,000.00 from the  
12 amount of worker contributions heretofore accumulated in the State  
13 unemployment compensation fund and deposited in and credited to the  
14 account of this State in the unemployment trust fund of the United  
15 States of America, established and maintained pursuant to section 904  
16 of the Social Security Act, as amended (42 U.S.C. s.1104), and to  
17 deposit such sums in the State disability benefits fund, established  
18 under the "Temporary Disability Benefits Law." The State Treasurer  
19 is further authorized and empowered to make such requisitions or  
20 withdrawals in accordance with such regulations relating thereto as  
21 may be prescribed by the United States Secretary of the Treasury. No  
22 portion of the amount requisitioned or withdrawn from the Federal  
23 Treasury shall be expended for the purpose of administering the  
24 "Temporary Disability Benefits Law."

25 (b) The State Treasurer is hereby authorized and directed to  
26 requisition and withdraw within 90 days of this enactment, an  
27 additional sum of \$50,000,000.00 from the amount of worker  
28 contributions heretofore accumulated in the State unemployment  
29 compensation fund and deposited in and credited to the account of this  
30 State in the unemployment trust fund of the United States of America,  
31 established and maintained pursuant to section 904 of the Social  
32 Security Act, as amended (42 U.S.C. s.1104), and to deposit such  
33 sums in the State disability benefits fund, established under the  
34 "Temporary Disability Benefits Law." The State Treasurer is further  
35 authorized and empowered to make such requisitions or withdrawals  
36 in accordance with such regulations relating thereto as may be  
37 prescribed by the United States Secretary of the Treasury. If the  
38 balance in the State disability benefits fund as of December 31 of any  
39 calendar year, increased by the contributions credited thereto on or  
40 before, or as of January 31 immediately thereafter is in excess of  
41 \$75,000,000.00, the excess shall be withdrawn from the State  
42 disability benefits fund and deposited to the account of this State in the

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

Matter underlined thus is new matter.

1 unemployment trust fund until the entire \$50,000,000.00 requisitioned  
2 and withdrawn under this subsection (b) has been returned and  
3 deposited to the account of this State in the unemployment trust fund  
4 pursuant to the provisions of this subsection (b) and subsection (c)  
5 hereof. Such repayment to the unemployment trust fund shall be  
6 considered in determining contribution rates by employers to the State  
7 disability benefits fund under R.S.43:21-7(e). No portion of the  
8 amount requisitioned or withdrawn from the Federal Treasury shall be  
9 expended for the purpose of administering the "Temporary Disability  
10 Benefits Law."

11 (c) The State Treasurer shall transfer from the State disability  
12 benefits fund to the clearing account of the unemployment  
13 compensation fund, as established under R.S.43:21-9, the sum of  
14 \$25,000,000.00. Such transfer may be made at such times and in such  
15 installments as the State Treasurer may deem proper, except that the  
16 total sum shall have been transferred by no later than April 30, 1971.  
17 Amounts transferred to the clearing account of the unemployment  
18 compensation fund under this subsection shall be clear immediately  
19 and shall be deposited with the Secretary of the Treasury of the United  
20 States of America in accordance with the provisions of  
21 R.S.43:21-9(b).

22 (d) The State Treasurer is hereby authorized and directed to  
23 requisition and withdraw on or before December 31, 1985 a minimum  
24 of \$50,000,000.00, at the discretion of the Commissioner of Labor,  
25 from the State disability benefits fund established under section 22 of  
26 P.L.1948, c.110 (C.43:21-46) and to deposit such sum in the clearing  
27 account of the State unemployment compensation fund established  
28 under R.S.43:21-9. The amount transferred under this subsection (d)  
29 shall be cleared immediately and shall be deposited with the Secretary  
30 of the Treasury of the United States of America, in accordance with  
31 the provisions of R.S.43:21-9(b).

32 (e) The State Treasurer is hereby authorized and directed to  
33 requisition and withdraw on or after July 1, 1992 an amount not  
34 greater than \$25,000,000 from revenues received pursuant to  
35 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the  
36 Commissioner of Labor, from the State disability benefits fund  
37 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)  
38 and to deposit that amount in the New Jersey Workforce Development  
39 Partnership Fund created pursuant to section 9 of P.L.1992, c.43  
40 (C.34:15D-9).

41 (f) The State Treasurer, in consultation with the Commissioner of  
42 Labor, is hereby authorized and directed to requisition and withdraw  
43 on or after July 1, 1994 from revenues received pursuant to paragraph  
44 (1) of subsection (e) of R.S.43:21-7, an amount from the State  
45 disability benefits fund not greater than 25% of the balance in that fund  
46 as of June 30, 1994 and to deposit that amount in the clearing account  
47 of the unemployment compensation fund established under

1 R.S.43:21-9. The amount transferred under this subsection (f) shall be  
2 cleared immediately and shall be deposited with the Secretary of the  
3 Treasury of the United States of America, in accordance with the  
4 provisions of R.S.43:21-9(b).

5 (g) To the extent that funds from the General Fund are also  
6 deposited into the clearing account subsequent to July 1, 1994 but  
7 before October 2, 1994, such amount shall be reimbursed to the  
8 General Fund from amounts collected pursuant to  
9 R.S.43:21-7(d)(1)(G) and R.S.43:21-7(e) for quarterly periods ending  
10 on or after September 30, 1994.

11 (h) The amount transferred from the State disability benefits fund  
12 to the clearing account of the unemployment compensation fund under  
13 subsection (f) of this section plus any amount reimbursed to the  
14 General Fund in accordance with subsection (g) shall be repaid to the  
15 State disability benefits fund from general State revenues with interest  
16 at the rate earned by the investments made with moneys remaining in  
17 the State disability benefits fund. The repayment period shall not  
18 exceed ten years. The amount repaid each year shall be not less than  
19 one tenth of the total amount transferred from the State disability  
20 benefits fund to the clearing account of the unemployment  
21 compensation fund under subsection (f) of this section, plus not less  
22 than one tenth of the amount reimbursed to the General Fund in  
23 accordance with subsection (g), plus accrued interest. The State  
24 Treasurer shall, on or before the thirty-first day of January in 1995 and  
25 in each subsequent year determine what amount shall be repaid to the  
26 State disability benefits fund in the next commencing fiscal year, which  
27 amount shall be consistent with the provisions of this subsection (h).  
28 The Legislature shall appropriate that amount from the General Fund  
29 to the State disability benefits fund. For purposes of determining the  
30 balance in the State disability benefits fund as prescribed pursuant to  
31 subparagraph (1) of subparagraph (E) of paragraph (3) of subsection  
32 (e) of R.S.43:21-7, the amount transferred from the State disability  
33 benefits fund to the unemployment compensation fund pursuant to  
34 subsection (f) of this section and reimbursed to the General Fund  
35 pursuant to subsection (g) of this section less repayments or other  
36 reductions, plus accrued interest shall be included therein.

37 (i) The State Treasurer is hereby authorized and directed to  
38 requisition and withdraw on or after July 1, 1996 an amount not  
39 greater than \$250,000,000 from the State disability benefits fund and  
40 to deposit that amount in the General Fund. For purposes of  
41 determining the balance in the State disability benefits fund as  
42 prescribed pursuant to subparagraph (1) of subparagraph (E) of  
43 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred  
44 from the State disability benefits fund to the General Fund pursuant to  
45 this subsection (i) shall be included therein.

46 (j) To ensure that the provisions of subsection (i) of this section do  
47 not reduce or delay benefits payable pursuant to the "Temporary

1 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),  
2 whenever the amount in the State disability benefits fund is less than  
3 the amount required to pay the benefits provided under that law and  
4 the necessary costs of administering those benefits, the additional  
5 amount required to pay the benefits and the administrative costs shall  
6 be paid from the General Fund. The amounts paid from the General  
7 Fund for benefits and administrative costs pursuant to this subsection  
8 shall be repaid to the General Fund from the State disability benefits  
9 fund at such time as the Treasurer determines that the repayment may  
10 be made without reducing or delaying benefits payable pursuant to the  
11 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
12 seq.). The repayment to the General Fund from the State disability  
13 benefits fund pursuant to this subsection (j) shall not effect an increase  
14 in employee or employer contributions under subsection (d) or (e) of  
15 R.S.43:21-7.

16 (k) The State Treasurer is hereby authorized and directed to  
17 requisition and withdraw, in addition to the \$33,000,000 appropriated  
18 from the State disability benefits fund pursuant to section 61 of  
19 P.L.2001, c.130 for transfer to the General Fund, before July 1, 2002  
20 an amount not greater than \$50,000,000 from the State disability  
21 benefits fund and to deposit that amount in the General Fund, and in  
22 addition, is hereby authorized and directed to requisition and withdraw  
23 on or after July 1, 2003 an amount not greater than \$30,000,000 from  
24 the State disability benefits fund and to deposit that amount in the  
25 General Fund. For purposes of determining the balance in the State  
26 disability benefits fund as prescribed pursuant to subparagraph (1) of  
27 subparagraph (E) of paragraph (3) of subsection (e) of R.S.43:21-7,  
28 the amount transferred from the State disability benefits fund to the  
29 General Fund pursuant to this subsection (k) shall be regarded as being  
30 included in the State disability benefits fund.

31 (l) The State Treasurer is authorized to utilize funds from the State  
32 disability benefits fund to purchase insurance, excess insurance or  
33 reinsurance for the fund and to enter into whatever contracts are  
34 needed to ensure that the provisions of subsection (k) of this section  
35 do not reduce or delay benefits payable pursuant to the "Temporary  
36 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).  
37 (cf: P.L.2002, c.7)

38

39 2. This act shall take effect immediately.

40

41

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#### STATEMENT

43

44 This bill authorizes and directs the State Treasurer, on or after July  
45 1, 2003, to transfer an amount not greater than \$30,000,000 from the  
46 State disability benefits fund to the General Fund, without resulting in

1 an increase in the employer temporary disability insurance contribution  
2 rate.

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6

7 Withdraws \$30 million from the State disability benefits fund for  
8 deposit in the General Fund.

# ASSEMBLY, No. 3704

## STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JUNE 12, 2003

**Sponsored by:**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Co-Sponsored by:**

**Senator Lesniak**

**SYNOPSIS**

Withdraws \$30 million from the State disability benefits fund for deposit in the General Fund.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 7/1/2003)**



1 AN ACT authorizing the withdrawal of \$30 million from the State  
2 disability benefits fund and amending P.L.1948, c.110.

3

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

6

7 1. Section 23 of P.L.1948, c.110 (C.43:21-47) is amended to read  
8 as follows:

9 23. Withdrawal from Federal Treasury. (a) The State Treasurer  
10 is hereby authorized and directed to requisition and withdraw on or  
11 before December 31, 1948, the sum of \$50,000,000.00 from the  
12 amount of worker contributions heretofore accumulated in the State  
13 unemployment compensation fund and deposited in and credited to the  
14 account of this State in the unemployment trust fund of the United  
15 States of America, established and maintained pursuant to section 904  
16 of the Social Security Act, as amended (42 U.S.C. s.1104), and to  
17 deposit such sums in the State disability benefits fund, established  
18 under the "Temporary Disability Benefits Law." The State Treasurer  
19 is further authorized and empowered to make such requisitions or  
20 withdrawals in accordance with such regulations relating thereto as  
21 may be prescribed by the United States Secretary of the Treasury. No  
22 portion of the amount requisitioned or withdrawn from the Federal  
23 Treasury shall be expended for the purpose of administering the  
24 "Temporary Disability Benefits Law."

25 (b) The State Treasurer is hereby authorized and directed to  
26 requisition and withdraw within 90 days of this enactment, an  
27 additional sum of \$50,000,000.00 from the amount of worker  
28 contributions heretofore accumulated in the State unemployment  
29 compensation fund and deposited in and credited to the account of this  
30 State in the unemployment trust fund of the United States of America,  
31 established and maintained pursuant to section 904 of the Social  
32 Security Act, as amended (42 U.S.C. s.1104), and to deposit such  
33 sums in the State disability benefits fund, established under the  
34 "Temporary Disability Benefits Law." The State Treasurer is further  
35 authorized and empowered to make such requisitions or withdrawals  
36 in accordance with such regulations relating thereto as may be  
37 prescribed by the United States Secretary of the Treasury. If the  
38 balance in the State disability benefits fund as of December 31 of any  
39 calendar year, increased by the contributions credited thereto on or  
40 before, or as of January 31 immediately thereafter is in excess of  
41 \$75,000,000.00, the excess shall be withdrawn from the State  
42 disability benefits fund and deposited to the account of this State in the  
43 unemployment trust fund until the entire \$50,000,000.00 requisitioned  
44 and withdrawn under this subsection (b) has been returned and

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

**Matter underlined thus is new matter.**

1 deposited to the account of this State in the unemployment trust fund  
2 pursuant to the provisions of this subsection (b) and subsection (c)  
3 hereof. Such repayment to the unemployment trust fund shall be  
4 considered in determining contribution rates by employers to the State  
5 disability benefits fund under R.S.43:21-7(e). No portion of the  
6 amount requisitioned or withdrawn from the Federal Treasury shall be  
7 expended for the purpose of administering the "Temporary Disability  
8 Benefits Law."

9 (c) The State Treasurer shall transfer from the State disability  
10 benefits fund to the clearing account of the unemployment  
11 compensation fund, as established under R.S.43:21-9, the sum of  
12 \$25,000,000.00. Such transfer may be made at such times and in such  
13 installments as the State Treasurer may deem proper, except that the  
14 total sum shall have been transferred by no later than April 30, 1971.  
15 Amounts transferred to the clearing account of the unemployment  
16 compensation fund under this subsection shall be clear immediately  
17 and shall be deposited with the Secretary of the Treasury of the United  
18 States of America in accordance with the provisions of  
19 R.S.43:21-9(b).

20 (d) The State Treasurer is hereby authorized and directed to  
21 requisition and withdraw on or before December 31, 1985 a minimum  
22 of \$50,000,000.00, at the discretion of the Commissioner of Labor,  
23 from the State disability benefits fund established under section 22 of  
24 P.L.1948, c.110 (C.43:21-46) and to deposit such sum in the clearing  
25 account of the State unemployment compensation fund established  
26 under R.S.43:21-9. The amount transferred under this subsection (d)  
27 shall be cleared immediately and shall be deposited with the Secretary  
28 of the Treasury of the United States of America, in accordance with  
29 the provisions of R.S.43:21-9(b).

30 (e) The State Treasurer is hereby authorized and directed to  
31 requisition and withdraw on or after July 1, 1992 an amount not  
32 greater than \$25,000,000 from revenues received pursuant to  
33 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the  
34 Commissioner of Labor, from the State disability benefits fund  
35 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)  
36 and to deposit that amount in the New Jersey Workforce Development  
37 Partnership Fund created pursuant to section 9 of P.L.1992, c.43  
38 (C.34:15D-9).

39 (f) The State Treasurer, in consultation with the Commissioner of  
40 Labor, is hereby authorized and directed to requisition and withdraw  
41 on or after July 1, 1994 from revenues received pursuant to paragraph  
42 (1) of subsection (e) of R.S.43:21-7, an amount from the State  
43 disability benefits fund not greater than 25% of the balance in that fund  
44 as of June 30, 1994 and to deposit that amount in the clearing account  
45 of the unemployment compensation fund established under  
46 R.S.43:21-9. The amount transferred under this subsection (f) shall be  
47 cleared immediately and shall be deposited with the Secretary of the

1 Treasury of the United States of America, in accordance with the  
2 provisions of R.S.43:21-9(b).

3 (g) To the extent that funds from the General Fund are also  
4 deposited into the clearing account subsequent to July 1, 1994 but  
5 before October 2, 1994, such amount shall be reimbursed to the  
6 General Fund from amounts collected pursuant to  
7 R.S.43:21-7(d)(1)(G) and R.S.43:21-7(e) for quarterly periods ending  
8 on or after September 30, 1994.

9 (h) The amount transferred from the State disability benefits fund  
10 to the clearing account of the unemployment compensation fund under  
11 subsection (f) of this section plus any amount reimbursed to the  
12 General Fund in accordance with subsection (g) shall be repaid to the  
13 State disability benefits fund from general State revenues with interest  
14 at the rate earned by the investments made with moneys remaining in  
15 the State disability benefits fund. The repayment period shall not  
16 exceed ten years. The amount repaid each year shall be not less than  
17 one tenth of the total amount transferred from the State disability  
18 benefits fund to the clearing account of the unemployment  
19 compensation fund under subsection (f) of this section, plus not less  
20 than one tenth of the amount reimbursed to the General Fund in  
21 accordance with subsection (g), plus accrued interest. The State  
22 Treasurer shall, on or before the thirty-first day of January in 1995 and  
23 in each subsequent year determine what amount shall be repaid to the  
24 State disability benefits fund in the next commencing fiscal year, which  
25 amount shall be consistent with the provisions of this subsection (h).  
26 The Legislature shall appropriate that amount from the General Fund  
27 to the State disability benefits fund. For purposes of determining the  
28 balance in the State disability benefits fund as prescribed pursuant to  
29 subparagraph (1) of subparagraph (E) of paragraph (3) of subsection  
30 (e) of R.S.43:21-7, the amount transferred from the State disability  
31 benefits fund to the unemployment compensation fund pursuant to  
32 subsection (f) of this section and reimbursed to the General Fund  
33 pursuant to subsection (g) of this section less repayments or other  
34 reductions, plus accrued interest shall be included therein.

35 (i) The State Treasurer is hereby authorized and directed to  
36 requisition and withdraw on or after July 1, 1996 an amount not  
37 greater than \$250,000,000 from the State disability benefits fund and  
38 to deposit that amount in the General Fund. For purposes of  
39 determining the balance in the State disability benefits fund as  
40 prescribed pursuant to subparagraph (1) of subparagraph (E) of  
41 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred  
42 from the State disability benefits fund to the General Fund pursuant to  
43 this subsection (i) shall be included therein.

44 (j) To ensure that the provisions of subsection (i) of this section do  
45 not reduce or delay benefits payable pursuant to the "Temporary  
46 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),  
47 whenever the amount in the State disability benefits fund is less than

1 the amount required to pay the benefits provided under that law and  
2 the necessary costs of administering those benefits, the additional  
3 amount required to pay the benefits and the administrative costs shall  
4 be paid from the General Fund. The amounts paid from the General  
5 Fund for benefits and administrative costs pursuant to this subsection  
6 shall be repaid to the General Fund from the State disability benefits  
7 fund at such time as the Treasurer determines that the repayment may  
8 be made without reducing or delaying benefits payable pursuant to the  
9 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
10 seq.). The repayment to the General Fund from the State disability  
11 benefits fund pursuant to this subsection (j) shall not effect an increase  
12 in employee or employer contributions under subsection (d) or (e) of  
13 R.S.43:21-7.

14 (k) The State Treasurer is hereby authorized and directed to  
15 requisition and withdraw, in addition to the \$33,000,000 appropriated  
16 from the State disability benefits fund pursuant to section 61 of  
17 P.L.2001, c.130 for transfer to the General Fund, before July 1, 2002  
18 an amount not greater than \$50,000,000 from the State disability  
19 benefits fund and to deposit that amount in the General Fund, and in  
20 addition, is hereby authorized and directed to requisition and withdraw  
21 on or after July 1, 2003 an amount not greater than \$30,000,000 from  
22 the State disability benefits fund and to deposit that amount in the  
23 General Fund. For purposes of determining the balance in the State  
24 disability benefits fund as prescribed pursuant to subparagraph (1) of  
25 subparagraph (E) of paragraph (3) of subsection (e) of R.S.43:21-7,  
26 the amount transferred from the State disability benefits fund to the  
27 General Fund pursuant to this subsection (k) shall be regarded as being  
28 included in the State disability benefits fund.

29 (l) The State Treasurer is authorized to utilize funds from the State  
30 disability benefits fund to purchase insurance, excess insurance or  
31 reinsurance for the fund and to enter into whatever contracts are  
32 needed to ensure that the provisions of subsection (k) of this section  
33 do not reduce or delay benefits payable pursuant to the "Temporary  
34 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).  
35 (cf: P.L.2002, c.7)

36

37 2. This act shall take effect immediately.

38

39

40

#### STATEMENT

41

42 This bill authorizes and directs the State Treasurer, on or after July  
43 1, 2003, to transfer an amount not greater than \$30,000,000 from the  
44 State disability benefits fund to the General Fund, without resulting in  
45 an increase in the employer temporary disability insurance contribution  
46 rate.

**SENATE, No. 2583**

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**STATE OF NEW JERSEY**  
**210th LEGISLATURE**

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INTRODUCED MAY 29, 2003

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**SYNOPSIS**

Withdraws \$30 million from the State disability benefits fund for deposit in the General Fund.

**CURRENT VERSION OF TEXT**

As introduced.



S2583 LESNIAK

2

1 AN ACT authorizing the withdrawal of \$30 million from the State  
2 disability benefits fund and amending P.L.1948, c.110.

3

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

6

7 1. Section 23 of P.L.1948, c.110 (C.43:21-47) is amended to read  
8 as follows:

9 23. Withdrawal from Federal Treasury. (a) The State Treasurer is  
10 hereby authorized and directed to requisition and withdraw on or  
11 before December 31, 1948, the sum of \$50,000,000.00 from the  
12 amount of worker contributions heretofore accumulated in the State  
13 unemployment compensation fund and deposited in and credited to the  
14 account of this State in the unemployment trust fund of the United  
15 States of America, established and maintained pursuant to section 904  
16 of the Social Security Act, as amended (42 U.S.C. s.1104), and to  
17 deposit such sums in the State disability benefits fund, established  
18 under the "Temporary Disability Benefits Law." The State Treasurer  
19 is further authorized and empowered to make such requisitions or  
20 withdrawals in accordance with such regulations relating thereto as  
21 may be prescribed by the United States Secretary of the Treasury. No  
22 portion of the amount requisitioned or withdrawn from the Federal  
23 Treasury shall be expended for the purpose of administering the  
24 "Temporary Disability Benefits Law."

25 (b) The State Treasurer is hereby authorized and directed to  
26 requisition and withdraw within 90 days of this enactment, an  
27 additional sum of \$50,000,000.00 from the amount of worker  
28 contributions heretofore accumulated in the State unemployment  
29 compensation fund and deposited in and credited to the account of this  
30 State in the unemployment trust fund of the United States of America,  
31 established and maintained pursuant to section 904 of the Social  
32 Security Act, as amended (42 U.S.C. s.1104), and to deposit such  
33 sums in the State disability benefits fund, established under the  
34 "Temporary Disability Benefits Law." The State Treasurer is further  
35 authorized and empowered to make such requisitions or withdrawals  
36 in accordance with such regulations relating thereto as may be  
37 prescribed by the United States Secretary of the Treasury. If the  
38 balance in the State disability benefits fund as of December 31 of any  
39 calendar year, increased by the contributions credited thereto on or  
40 before, or as of January 31 immediately thereafter is in excess of  
41 \$75,000,000.00, the excess shall be withdrawn from the State  
42 disability benefits fund and deposited to the account of this State in the  
43 unemployment trust fund until the entire \$50,000,000.00 requisitioned

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

**Matter underlined thus is new matter.**

1 and withdrawn under this subsection (b) has been returned and  
2 deposited to the account of this State in the unemployment trust fund  
3 pursuant to the provisions of this subsection (b) and subsection (c)  
4 hereof. Such repayment to the unemployment trust fund shall be  
5 considered in determining contribution rates by employers to the State  
6 disability benefits fund under R.S.43:21-7(e). No portion of the  
7 amount requisitioned or withdrawn from the Federal Treasury shall be  
8 expended for the purpose of administering the "Temporary Disability  
9 Benefits Law."

10 (c) The State Treasurer shall transfer from the State disability  
11 benefits fund to the clearing account of the unemployment  
12 compensation fund, as established under R.S.43:21-9, the sum of  
13 \$25,000,000.00. Such transfer may be made at such times and in such  
14 installments as the State Treasurer may deem proper, except that the  
15 total sum shall have been transferred by no later than April 30, 1971.  
16 Amounts transferred to the clearing account of the unemployment  
17 compensation fund under this subsection shall be clear immediately  
18 and shall be deposited with the Secretary of the Treasury of the United  
19 States of America in accordance with the provisions of  
20 R.S.43:21-9(b).

21 (d) The State Treasurer is hereby authorized and directed to  
22 requisition and withdraw on or before December 31, 1985 a minimum  
23 of \$50,000,000.00, at the discretion of the Commissioner of Labor,  
24 from the State disability benefits fund established under section 22 of  
25 P.L.1948, c.110 (C.43:21-46) and to deposit such sum in the clearing  
26 account of the State unemployment compensation fund established  
27 under R.S.43:21-9. The amount transferred under this subsection (d)  
28 shall be cleared immediately and shall be deposited with the Secretary  
29 of the Treasury of the United States of America, in accordance with  
30 the provisions of R.S.43:21-9(b).

31 (e) The State Treasurer is hereby authorized and directed to  
32 requisition and withdraw on or after July 1, 1992 an amount not  
33 greater than \$25,000,000 from revenues received pursuant to  
34 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the  
35 Commissioner of Labor, from the State disability benefits fund  
36 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)  
37 and to deposit that amount in the New Jersey Workforce Development  
38 Partnership Fund created pursuant to section 9 of P.L.1992, c.43  
39 (C.34:15D-9).

40 (f) The State Treasurer, in consultation with the Commissioner of  
41 Labor, is hereby authorized and directed to requisition and withdraw  
42 on or after July 1, 1994 from revenues received pursuant to paragraph  
43 (1) of subsection (e) of R.S.43:21-7, an amount from the State  
44 disability benefits fund not greater than 25% of the balance in that fund  
45 as of June 30, 1994 and to deposit that amount in the clearing account  
46 of the unemployment compensation fund established under

1 R.S.43:21-9. The amount transferred under this subsection (f) shall be  
2 cleared immediately and shall be deposited with the Secretary of the  
3 Treasury of the United States of America, in accordance with the  
4 provisions of R.S.43:21-9(b).

5 (g) To the extent that funds from the General Fund are also  
6 deposited into the clearing account subsequent to July 1, 1994 but  
7 before October 2, 1994, such amount shall be reimbursed to the  
8 General Fund from amounts collected pursuant to  
9 R.S.43:21-7(d)(1)(G) and R.S.43:21-7(e) for quarterly periods ending  
10 on or after September 30, 1994.

11 (h) The amount transferred from the State disability benefits fund  
12 to the clearing account of the unemployment compensation fund under  
13 subsection (f) of this section plus any amount reimbursed to the  
14 General Fund in accordance with subsection (g) shall be repaid to the  
15 State disability benefits fund from general State revenues with interest  
16 at the rate earned by the investments made with moneys remaining in  
17 the State disability benefits fund. The repayment period shall not  
18 exceed ten years. The amount repaid each year shall be not less than  
19 one tenth of the total amount transferred from the State disability  
20 benefits fund to the clearing account of the unemployment  
21 compensation fund under subsection (f) of this section, plus not less  
22 than one tenth of the amount reimbursed to the General Fund in  
23 accordance with subsection (g), plus accrued interest. The State  
24 Treasurer shall, on or before the thirty-first day of January in 1995 and  
25 in each subsequent year determine what amount shall be repaid to the  
26 State disability benefits fund in the next commencing fiscal year, which  
27 amount shall be consistent with the provisions of this subsection (h).  
28 The Legislature shall appropriate that amount from the General Fund  
29 to the State disability benefits fund. For purposes of determining the  
30 balance in the State disability benefits fund as prescribed pursuant to  
31 subparagraph (1) of subparagraph (E) of paragraph (3) of subsection  
32 (e) of R.S.43:21-7, the amount transferred from the State disability  
33 benefits fund to the unemployment compensation fund pursuant to  
34 subsection (f) of this section and reimbursed to the General Fund  
35 pursuant to subsection (g) of this section less repayments or other  
36 reductions, plus accrued interest shall be included therein.

37 (i) The State Treasurer is hereby authorized and directed to  
38 requisition and withdraw on or after July 1, 1996 an amount not  
39 greater than \$250,000,000 from the State disability benefits fund and  
40 to deposit that amount in the General Fund. For purposes of  
41 determining the balance in the State disability benefits fund as  
42 prescribed pursuant to subparagraph (1) of subparagraph (E) of  
43 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred  
44 from the State disability benefits fund to the General Fund pursuant to  
45 this subsection (i) shall be included therein.

46 (j) To ensure that the provisions of subsection (i) of this section do



1 not reduce or delay benefits payable pursuant to the "Temporary  
2 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),  
3 whenever the amount in the State disability benefits fund is less than  
4 the amount required to pay the benefits provided under that law and  
5 the necessary costs of administering those benefits, the additional  
6 amount required to pay the benefits and the administrative costs shall  
7 be paid from the General Fund. The amounts paid from the General  
8 Fund for benefits and administrative costs pursuant to this subsection  
9 shall be repaid to the General Fund from the State disability benefits  
10 fund at such time as the Treasurer determines that the repayment may  
11 be made without reducing or delaying benefits payable pursuant to the  
12 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
13 seq.). The repayment to the General Fund from the State disability  
14 benefits fund pursuant to this subsection (j) shall not effect an increase  
15 in employee or employer contributions under subsection (d) or (e) of  
16 R.S.43:21-7.

17 (k) The State Treasurer is hereby authorized and directed to  
18 requisition and withdraw, in addition to the \$33,000,000 appropriated  
19 from the State disability benefits fund pursuant to section 61 of  
20 P.L.2001, c.130 for transfer to the General Fund, before July 1, 2002  
21 an amount not greater than \$50,000,000 from the State disability  
22 benefits fund and to deposit that amount in the General Fund, and in  
23 addition, is hereby authorized and directed to requisition and withdraw  
24 on or after July 1, 2003 an amount not greater than \$30,000,000 from  
25 the State disability benefits fund and to deposit that amount in the  
26 General Fund. For purposes of determining the balance in the State  
27 disability benefits fund as prescribed pursuant to subparagraph (1) of  
28 subparagraph (E) of paragraph (3) of subsection (e) of R.S.43:21-7,  
29 the amount transferred from the State disability benefits fund to the  
30 General Fund pursuant to this subsection (k) shall be regarded as being  
31 included in the State disability benefits fund.

32 (l) The State Treasurer is authorized to utilize funds from the State  
33 disability benefits fund to purchase insurance, excess insurance or  
34 reinsurance for the fund and to enter into whatever contracts are  
35 needed to ensure that the provisions of subsection (k) of this section  
36 do not reduce or delay benefits payable pursuant to the "Temporary  
37 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).  
38 (cf: P.L. 2002, c.7)

39

40 2. This act shall take effect immediately.

41

42

43

#### STATEMENT

44

45 This bill authorizes and directs the State Treasurer, on or after July

**S2583 LESNIAK**

6

1 1, 2003, to transfer an amount not greater than \$30,000,000 from the  
2 State disability benefits fund to the General Fund, without resulting in  
3 an increase in the employer temporary disability insurance contribution  
4 rate.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3704

# STATE OF NEW JERSEY

DATED: JUNE 16, 2003

The Assembly Budget Committee reports favorably Assembly Bill No. 3704.

Assembly Bill No. 3704 authorizes the transfer in FY2004 of up to \$30,000,000 from the State disability benefits fund to the General Fund.

Background. The State disability benefits fund (SDBF), often referred to as the fund for Temporary Disability Insurance (TDI), provides wage replacement benefits for workers who become disabled due to injury or illness occurring *outside* of employment. The fund also pays TDI program administrative costs, both to disburse State plan TDI benefits and to oversee private plans. The fund is supported by employee and employer payroll tax contributions. The employee contribution is 0.5% of the taxable wage base, defined as 28 times the statewide average weekly wage paid to covered employees during the preceding calendar year; for calendar year 2003, the taxable wage base is \$23,900. Employer contribution rates range from 0.1% to 1.1% of the same wage base for each employee, depending on the particular employer's experience rating. The fund receives other revenue from special assessments, fines, penalties and investment earnings.

Bill provisions. This bill directs the State Treasurer, on or after July 1, 2003, to transfer an amount not greater than \$30,000,000 from the SDBF to the General Fund.

Provisions added to the "Temporary Disability Benefits Law" in 2002 when the most recent transfer of SDBF assets to the General Fund was authorized will also apply to the transfer authorized under this bill: (i) the amount transferred will be deemed as still included in the SDBF for purposes of determining the balance in the Fund; and (ii) the State Treasurer is authorized to use SBDF funds to purchase insurance for the Fund and enter into contracts as needed to prevent the asset transfer from reducing or delaying payment of TDI benefits from the Fund.

#### FISCAL IMPACT:

(1) The direct fiscal impact of this bill is to decrease SDBF assets by \$30 million and to increase General Fund revenues in State FY2004 by the same amount. The transferred amount will be available to support appropriations in FY2004, and is listed among anticipated

Schedule I State Revenues from Interfund Transfers in the Executive FY2004 budget recommendations.

A cash flow analysis of the SDBF, prepared by the State Department of Labor on February 20, 2003, projects that after taking account of the \$30 million transfer authorized under this bill, the Fund will show an anticipated closing balance for FY2004 of \$149 million, up from an anticipated FY2003 closing balance of \$112.8 million.

(2) As noted, existing law authorizes the State Treasurer to expend Fund resources to purchase insurance or make other contracts (such as short-term borrowing agreements) to prevent the fund transfer from reducing or delaying benefit payments. The SDBF cash flow analysis indicates that the Fund's monthly closing balances are not expected to fall below \$50 million in any month in FY2004, so that it is unlikely that the fund transfer will require any expenditure for insurance or short-term borrowing to guarantee benefits.

(3) The statutory provision directing that the \$30 million transfer be disregarded for purposes of determining the SDBF balance will have the effect of preventing the transfer from resulting in an increase in the employer TDI contribution rate.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2583

# STATE OF NEW JERSEY

DATED: JUNE 12, 2003

The Senate Budget and Appropriations Committee reports favorably Senate No. 2583.

This bill provides for the transfer in FY2004 of up to \$30,000,000 from the State disability benefits fund to the General Fund.

*Background.* The State disability benefits fund (SDBF), often referred to as the fund for Temporary Disability Insurance (TDI), provides wage replacement benefits for workers who become disabled due to injury or illness occurring *outside* of employment. The fund also pays TDI program administrative costs, both to disburse State plan TDI benefits and to oversee private plans. The fund is supported by employee and employer payroll tax contributions. The employee contribution is 0.5% of the taxable wage base, defined as 28 times the statewide average weekly wage paid to covered employees during the preceding calendar year; for calendar year 2003, the taxable wage base is \$23,900. Employer contribution rates range from 0.1% to 1.1% of the same wage base for each employee, depending on the particular employer's experience rating. The fund receives other revenue from special assessments, fines, penalties and investment earnings.

*Bill provisions.* The bill directs the State Treasurer, on or after July 1, 2003, to transfer an amount not greater than \$30,000,000 from the SDBF to the General Fund.

Provisions added to the "Temporary Disability Benefits Law" in 2002 when the most recent transfer of assets to the General Fund was authorized will also apply to the transfer authorized under this bill: (i) the amount transferred will be deemed as still included in the SDBF for purposes of determining the balance in the Fund; and (ii) the State Treasurer is authorized to use SBDF funds to purchase insurance for the Fund and enter into contracts as needed to prevent the asset transfer from reducing or delaying payment of TDI benefits from the Fund.

#### FISCAL IMPACT

(1) The direct fiscal impact of this bill would be to decrease SDBF assets by \$30 million and to increase General Fund revenues in State FY2004 by the same amount. The transferred amount would be available to support appropriations in FY2004, and is listed among anticipated Schedule I State Revenues from Interfund Transfers in the

Executive FY2004 budget recommendations.

A cash flow analysis of the SDBF, prepared by the State Department of Labor on February 20, 2003, projects that after taking account of the \$30 million transfer authorized under this bill, the Fund will show an anticipated closing balance for FY2004 of \$149 million, up from an anticipated FY2003 closing balance of \$112.8 million.

(2) As noted, existing law authorizes the State Treasurer to expend Fund resources to purchase insurance or make other contracts (such as short-term borrowing agreements) to prevent the fund transfer from reducing or delaying benefit payments. The SDBF cash flow analysis indicates that the Fund's monthly closing balances are not expected to fall below \$50 million in any month in FY2004, so that it is unlikely that the fund transfer will require any expenditure for insurance or short-term borrowing to guarantee benefits.

(3) The statutory provision directing that the \$30 million transfer be disregarded for purposes of determining the SDBF balance will have the effect of preventing the transfer from resulting in an increase in the employer TDI contribution rate.