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RWH/CL

P.L. 2020, CHAPTER 150, *approved January 4, 2021*
Assembly, No. 4853

1 AN ACT concerning employer contributions to the unemployment
2 compensation fund and payments in lieu of contributions,
3 amending R.S.43:21-7, and supplementing Title 43 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8

9 1. (New section) a. The costs of any unemployment
10 compensation benefits paid to employees of an employer during the
11 public health emergency and state of emergency declared by the
12 Governor on March 9, 2020, and any subsequent extensions of that
13 public health emergency and state of emergency, shall not be
14 considered when calculating that employer's reserve ratio for the
15 purposes of determining the rate of the employer's contributions to
16 the State unemployment compensation fund pursuant to R.S.43:21-
17 7.

18 b. Any nonprofit organization which elects to make payments
19 in lieu of contributions pursuant to section 3 of P.L.1971, c.346
20 (C.43:21-7.2) and any governmental entity or instrumentality which
21 elects to make payments in lieu of contributions pursuant to section
22 4 of P.L.1971, c.346 (C.43:21-7.3), shall be liable for payments in
23 lieu of contributions with respect to only 50% of the payments of
24 unemployment compensation benefits made pursuant to either of
25 those two sections during the public health emergency and state of
26 emergency declared by the Governor on March 9, 2020, and any
27 subsequent extensions of that public health emergency and state of
28 emergency.

29

30 2. R.S.43:21-7 is amended read as follows:

31 43:21-7. Employers other than governmental entities, whose
32 benefit financing provisions are set forth in section 4 of P.L.1971,
33 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
34 payment in lieu of contributions on the basis set forth in section 3 of
35 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
36 unemployment compensation fund, contributions as set forth in
37 subsections (a), (b) and (c) hereof, and the provisions of subsections
38 (d) and (e) shall be applicable to all employers, consistent with the
39 provisions of the "unemployment compensation law" and the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
41 et al.).

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 (a) Payment.

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

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

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

16 (1) For the calendar year 1947, and each calendar year
17 thereafter, 2 7/10% of wages paid by him during each such calendar
18 year, except as otherwise prescribed by subsection (c) of this
19 section.

20 (2) The "wages" of any individual, with respect to any one
21 employer, as the term is used in this subsection (b) and in
22 subsections (c), (d) and (e) of this section 7, shall include the first
23 \$4,800.00 paid during calendar year 1975, for services performed
24 either within or without this State; provided that no contribution
25 shall be required by this State with respect to services performed in
26 another state if such other state imposes contribution liability with
27 respect thereto. If an employer (hereinafter referred to as a
28 successor employer) during any calendar year acquires substantially
29 all the property used in a trade or business of another employer
30 (hereinafter referred to as a predecessor), or used in a separate unit
31 of a trade or business of a predecessor, and immediately after the
32 acquisition employs in his trade or business an individual who
33 immediately prior to the acquisition was employed in the trade or
34 business of such predecessors, then, for the purpose of determining
35 whether the successor employer has paid wages with respect to
36 employment equal to the first \$4,800.00 paid during calendar year
37 1975, any wages paid to such individual by such predecessor during
38 such calendar year and prior to such acquisition shall be considered
39 as having been paid by such successor employer.

40 (3) For calendar years beginning on and after January 1, 1976,
41 the "wages" of any individual, as defined in the preceding
42 paragraph (2) of this subsection (b), shall be established and
43 promulgated by the Commissioner of Labor and Workforce
44 Development on or before September 1 of the preceding year and,
45 except as provided in paragraph (4) of this subsection (b), shall be,
46 28 times the Statewide average weekly remuneration paid to
47 workers by employers, as determined under R.S.43:21-3(c), raised
48 to the next higher multiple of \$100.00 if not already a multiple

1 thereof, provided that if the amount of wages so determined for a
2 calendar year is less than the amount similarly determined for the
3 preceding year, the greater amount will be used; provided, further,
4 that if the amount of such wages so determined does not equal or
5 exceed the amount of wages as defined in subsection (b) of section
6 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
7 the wages as determined in this paragraph in any calendar year shall
8 be raised to equal the amount established under the "Federal
9 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
10 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

11 (4) For calendar years beginning on and after January 1, 2020,
12 the "wages" of any individual, as defined in the preceding
13 paragraph (2) of this subsection (b) for purposes of contributions of
14 workers to the State disability benefits fund, including the "Family
15 Temporary Disability Leave Account" pursuant to subsection (d) of
16 this section, shall be established and promulgated by the
17 Commissioner of Labor and Workforce Development on or before
18 September 1 of the preceding year and shall be 107 times the
19 Statewide average weekly remuneration paid to workers by
20 employers, as determined under R.S.43:21-3(c), raised to the next
21 higher multiple of \$100.00 if not already a multiple thereof,
22 provided that if the amount of wages so determined for a calendar
23 year is less than the amount similarly determined for the preceding
24 year, the greater amount will be used.

25 (c) Future rates based on benefit experience.

26 (1) A separate account for each employer shall be maintained
27 and this shall be credited with all the contributions which he has
28 paid on his own behalf on or before January 31 of any calendar year
29 with respect to employment occurring in the preceding calendar
30 year; provided, however, that if January 31 of any calendar year
31 falls on a Saturday or Sunday, an employer's account shall be
32 credited as of January 31 of such calendar year with all the
33 contributions which he has paid on or before the next succeeding
34 day which is not a Saturday or Sunday. But nothing in this chapter
35 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
36 individuals in his service prior claims or rights to the amounts paid
37 by him into the fund either on his own behalf or on behalf of such
38 individuals. Benefits paid with respect to benefit years commencing
39 on and after January 1, 1953, to any individual on or before
40 December 31 of any calendar year with respect to unemployment in
41 such calendar year and in preceding calendar years shall be charged
42 against the account or accounts of the employer or employers in
43 whose employment such individual established base weeks
44 constituting the basis of such benefits, except that, with respect to
45 benefit years commencing after January 4, 1998, an employer's
46 account shall not be charged for benefits paid to a claimant if the
47 claimant's employment by that employer was ended in any way
48 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of

1 R.S.43:21-5, would have disqualified the claimant for benefits if the
2 claimant had applied for benefits at the time when that employment
3 ended. Benefits paid under a given benefit determination shall be
4 charged against the account of the employer to whom such
5 determination relates. When each benefit payment is made,
6 notification shall be promptly provided to each employer included
7 in the unemployment insurance monetary calculation of benefits.
8 Such notification shall identify the employer against whose account
9 the amount of such payment is being charged, shall show at least
10 the name and social security account number of the claimant and
11 shall specify the period of unemployment to which said benefit
12 payment applies.

13 An annual summary statement of unemployment benefits
14 charged to the employer's account shall be provided.

15 (2) Regulations may be prescribed for the establishment,
16 maintenance, and dissolution of joint accounts by two or more
17 employers, and shall, in accordance with such regulations and upon
18 application by two or more employers to establish such an account,
19 or to merge their several individual accounts in a joint account,
20 maintain such joint account as if it constituted a single employer's
21 account.

22 (3) No employer's rate shall be lower than 5.4% unless
23 assignment of such lower rate is consistent with the conditions
24 applicable to additional credit allowance for such year under section
25 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
26 s.3303(a)(1)), any other provision of this section to the contrary
27 notwithstanding.

28 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
29 $2 \frac{8}{10}\%$, except as otherwise provided in the following provisions.
30 No employer's rate for the 12 months commencing July 1 of any
31 calendar year shall be other than $2 \frac{8}{10}\%$, unless as of the
32 preceding January 31 such employer shall have paid contributions
33 with respect to wages paid in each of the three calendar years
34 immediately preceding such year, in which case such employer's
35 rate for the 12 months commencing July 1 of any calendar year
36 shall be determined on the basis of his record up to the beginning of
37 such calendar year. If, at the beginning of such calendar year, the
38 total of all his contributions, paid on his own behalf, for all past
39 years exceeds the total benefits charged to his account for all such
40 years, his contribution rate shall be:

41 (1) $2 \frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
42 5%, of his average annual payroll (as defined in paragraph (2),
43 subsection (a) of R.S.43:21-19);

44 (2) $2 \frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
45 than 6%, of his average annual payroll;

46 (3) $1 \frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
47 than 7%, of his average annual payroll;

- 1 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
2 than 8%, of his average annual payroll;
- 3 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
4 than 9%, of his average annual payroll;
- 5 (6) 1%, if such excess equals or exceeds 9%, but is less than
6 10%, of his average annual payroll;
- 7 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
8 than 11%, of his average annual payroll;
- 9 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
10 average annual payroll.
- 11 (B) If the total of an employer's contributions, paid on his own
12 behalf, for all past periods for the purposes of this paragraph (4), is
13 less than the total benefits charged against his account during the
14 same period, his rate shall be:
- 15 (1) 4%, if such excess is less than 10% of his average annual
16 payroll;
- 17 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less
18 than 20%, of his average annual payroll;
- 19 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his
20 average annual payroll.
- 21 (C) Specially assigned rates.
- 22 (i) If no contributions were paid on wages for employment in
23 any calendar year used in determining the average annual payroll of
24 an employer eligible for an assigned rate under this paragraph (4),
25 the employer's rate shall be specially assigned as follows:
- 26 if the reserve balance in its account is positive, its assigned rate
27 shall be the highest rate in effect for positive balance accounts for
28 that period, or 5.4%, whichever is higher, and
- 29 if the reserve balance in its account is negative, its assigned rate
30 shall be the highest rate in effect for deficit accounts for that period.
- 31 (ii) If, following the purchase of a corporation with little or no
32 activity, known as a corporate shell, the resulting employing unit
33 operates a new or different business activity, the employing unit
34 shall be assigned a new employer rate.
- 35 (iii) Entities operating under common ownership, management or
36 control, when the operation of the entities is not identifiable,
37 distinguishable and severable, shall be considered a single employer
38 for the purposes of this chapter (R.S.43:21-1 et seq.).
- 39 (D) The contribution rates prescribed by subparagraphs (A) and
40 (B) of this paragraph (4) shall be increased or decreased in
41 accordance with the provisions of paragraph (5) of this subsection
42 (c) for experience rating periods through June 30, 1986.
- 43 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
44 31 of any calendar year the balance in the unemployment trust fund
45 equals or exceeds 4% but is less than 7% of the total taxable wages
46 reported to the controller as of that date in respect to employment
47 during the preceding calendar year, the contribution rate, effective
48 July 1 following, of each employer eligible for a contribution rate

1 calculation based upon benefit experience, shall be increased by
2 3/10 of 1% over the contribution rate otherwise established under
3 the provisions of paragraph (3) or (4) of this subsection. If on
4 March 31 of any calendar year the balance of the unemployment
5 trust fund exceeds 2 1/2% but is less than 4% of the total taxable
6 wages reported to the controller as of that date in respect to
7 employment during the preceding calendar year, the contribution
8 rate, effective July 1 following, of each employer eligible for a
9 contribution rate calculation based upon benefit experience, shall be
10 increased by 6/10 of 1% over the contribution rate otherwise
11 established under the provisions of paragraph (3) or (4) of this
12 subsection.

13 If on March 31 of any calendar year the balance of the
14 unemployment trust fund is less than 2 1/2% of the total taxable
15 wages reported to the controller as of that date in respect to
16 employment during the preceding calendar year, the contribution
17 rate, effective July 1 following, of each employer: (1) eligible for a
18 contribution rate calculation based upon benefit experience, shall be
19 increased by (i) 6/10 of 1% over the contribution rate otherwise
20 established under the provisions of paragraph (3), (4)(A) or (4)(B)
21 of this subsection, and (ii) an additional amount equal to 20% of the
22 total rate established herein, provided, however, that the final
23 contribution rate for each employer shall be computed to the nearest
24 multiple of 1/10% if not already a multiple thereof; (2) not eligible
25 for a contribution rate calculation based upon benefit experience,
26 shall be increased by 6/10 of 1% over the contribution rate
27 otherwise established under the provisions of paragraph (4) of this
28 subsection. For the period commencing July 1, 1984 and ending
29 June 30, 1986, the contribution rate for each employer liable to pay
30 contributions under R.S.43:21-7 shall be increased by a factor of
31 10% computed to the nearest multiple of 1/10% if not already a
32 multiple thereof.

33 (B) If on March 31 of any calendar year the balance in the
34 unemployment trust fund equals or exceeds 10% but is less than 12
35 1/2% of the total taxable wages reported to the controller as of that
36 date in respect to employment during the preceding calendar year,
37 the contribution rate, effective July 1 following, of each employer
38 eligible for a contribution rate calculation based upon benefit
39 experience, shall be reduced by 3/10 of 1% under the contribution
40 rate otherwise established under the provisions of paragraphs (3)
41 and (4) of this subsection; provided that in no event shall the
42 contribution rate of any employer be reduced to less than 4/10 of
43 1%. If on March 31 of any calendar year the balance in the
44 unemployment trust fund equals or exceeds 12 1/2% of the total
45 taxable wages reported to the controller as of that date in respect to
46 employment during the preceding calendar year, the contribution
47 rate, effective July 1 following, of each employer eligible for a
48 contribution rate calculation based upon benefit experience, shall be

1 reduced by 6/10 of 1% if his account for all past periods reflects an
 2 excess of contributions paid over total benefits charged of 3% or
 3 more of his average annual payroll, otherwise by 3/10 of 1% under
 4 the contribution rate otherwise established under the provisions of
 5 paragraphs (3) and (4) of this subsection; provided that in no event
 6 shall the contribution rate of any employer be reduced to less than
 7 4/10 of 1%.

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

15 (D) Prior to July 1 of each calendar year the controller shall
 16 determine the Unemployment Trust Fund Reserve Ratio, which
 17 shall be calculated by dividing the balance of the unemployment
 18 trust fund as of the prior March 31 by total taxable wages reported
 19 to the controller by all employers as of March 31 with respect to
 20 their employment during the last calendar year.

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

22 (ii) (Deleted by amendment, P.L.2001, c.152).

23 (iii) (Deleted by amendment, P.L.2003, c.107).

24 (iv) (Deleted by amendment, P.L.2004, c.45).

25 (v) (Deleted by amendment, P.L.2008, c.17).

26 (vi) (Deleted by amendment, P.L.2013, c.75).

27 (vii) With respect to experience rating years beginning on or
 28 after July 1, 2011, the new employer rate or the unemployment
 29 experience rate of an employer under this section shall be the rate
 30 which appears in the column headed by the Unemployment Trust
 31 Fund Reserve Ratio as of the applicable calculation date and on the
 32 line with the Employer Reserve Ratio, as defined in paragraph (4)
 33 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
 34 table:

35

36 EXPERIENCE RATING TAX TABLE

	Fund Reserve Ratio ¹				
	3.50%	3.00%	2.5%	2.0%	1.99%
Employer	and	to	to	to	and
Reserve	Over	3.49%	2.99%	2.49%	Under
Ratio ²	A	B	C	D	E
42 Positive Reserve Ratio:					
43 17% and over	0.3	0.4	0.5	0.6	1.2
44 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
45 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
46 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
47 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
48 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2

1	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
2	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
3	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
4	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
5	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
7	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
8	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
9	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
10	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
11	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
12	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
13	Deficit Reserve Ratio:					
14	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
15	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
16	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
17	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
18	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
19	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
20	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
21	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
22	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
23	-35.00% and under	5.4	5.4	5.8	6.4	7.0
24	New Employer Rate	2.8	2.8	2.8	3.1	3.4

25 ¹Fund balance as of March 31 as a percentage of taxable wages
26 in the prior calendar year.

27 ²Employer Reserve Ratio (Contributions minus benefits as a
28 percentage of employer's taxable wages).

29

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

31 (ii) (Deleted by amendment, P.L.2008, c.17).

32 (iii) (Deleted by amendment, P.L.2013, c.75).

33 (iv) With respect to experience rating years beginning on or
34 after July 1, 2011 and before July 1, 2013, if the fund reserve ratio,
35 based on the fund balance as of the prior March 31, is less than
36 1.0%, the contribution rate for each employer liable to pay
37 contributions, as

38 computed under subparagraph (E) of this paragraph (5), shall be
39 increased by a factor of 10% computed to the nearest multiple of
40 1/10% if not already a multiple thereof.

41 (v) With respect to experience rating years beginning on or after
42 July 1, 2014, if the fund reserve ratio, based on the fund balance as
43 of the prior March 31, is less than 1.0%, the contribution rate for
44 each employer liable to pay contributions, as computed under
45 subparagraph (E) of this paragraph (5), shall be increased by a
46 factor of 10% computed to the nearest multiple of 1/10% if not
47 already a multiple thereof.

1 (G) On or after January 1, 1993, notwithstanding any other
2 provisions of this paragraph (5), the contribution rate for each
3 employer liable to pay contributions, as computed under
4 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
5 except that, during any experience rating year starting before
6 January 1, 1998 in which the fund reserve ratio is equal to or greater
7 than 7.00% or during any experience rating year starting on or after
8 January 1, 1998, in which the fund reserve ratio is equal to or
9 greater than 3.5%, there shall be no decrease pursuant to this
10 subparagraph (G) in the contribution of any employer who has a
11 deficit reserve ratio of negative 35.00% or under.

12 (H) On and after January 1, 1998 until December 31, 2000 and
13 on or after January 1, 2002 until June 30, 2006, the contribution rate
14 for each employer liable to pay contributions, as computed under
15 subparagraph (E) of this paragraph (5), shall be decreased by a
16 factor, as set out below, computed to the nearest multiple of 1/10%,
17 except that, if an employer has a deficit reserve ratio of negative
18 35.0% or under, the employer's rate of contribution shall not be
19 reduced pursuant to this subparagraph (H) to less than 5.4%:

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

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

22 From January 1, 2000 until December 31, 2000, a factor of 7%;

23 From January 1, 2002 until March 31, 2002, a factor of 36%;

24 From April 1, 2002 until June 30, 2002, a factor of 85%;

25 From July 1, 2002 until June 30, 2003, a factor of 15%;

26 From July 1, 2003 until June 30, 2004, a factor of 15%;

27 From July 1, 2004 until June 30, 2005, a factor of 7%;

28 From July 1, 2005 until December 31, 2005, a factor of 16%; and

29 From January 1, 2006 until June 30, 2006, a factor of 34%.

30 The amount of the reduction in the employer contributions
31 stipulated by this subparagraph (H) shall be in addition to the
32 amount of the reduction in the employer contributions stipulated by
33 subparagraph (G) of this paragraph (5), except that the rate of
34 contribution of an employer who has a deficit reserve ratio of
35 negative 35.0% or under shall not be reduced pursuant to this
36 subparagraph (H) to less than 5.4% and the rate of contribution of
37 any other employer shall not be reduced to less than 0.0%.

38 (I) (Deleted by amendment, P.L.2008, c.17).

39 (J) On or after July 1, 2001, notwithstanding any other
40 provisions of this paragraph (5), the contribution rate for each
41 employer liable to pay contributions, as computed under
42 subparagraph (E) of this paragraph (5), shall be decreased by
43 0.0175%, except that, during any experience rating year starting on
44 or after July 1, 2001, in which the fund reserve ratio is equal to or
45 greater than 3.5%, there shall be no decrease pursuant to this
46 subparagraph (J) in the contribution of any employer who has a
47 deficit reserve ratio of negative 35.00% or under. The amount of the
48 reduction in the employer contributions stipulated by this

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

8 (K) With respect to experience rating years beginning on or after
9 July 1, 2009, if the fund reserve ratio, based on the fund balance as
10 of the prior March 31, is:

11 (i) Equal to or greater than 5.00% but less than 7.5%, the
12 contribution rate for each employer liable to pay contributions, as
13 computed under subparagraph (E) of this paragraph (5), shall be
14 reduced by a factor of 25% computed to the nearest multiple of
15 1/10% if not already a multiple thereof except that there shall be no
16 decrease pursuant to this subparagraph (K) in the contribution of
17 any employer who has a deficit reserve ratio of 35.00% or under;

18 (ii) Equal to or greater than 7.5%, the contribution rate for each
19 employer liable to pay contributions, as computed under
20 subparagraph (E) of this paragraph (5), shall be reduced by a factor
21 of 50% computed to the nearest multiple of 1/10% if not already a
22 multiple thereof except that there shall be no decrease pursuant to
23 this subparagraph (K) in the contribution of any employer who has
24 a deficit reserve ratio of 35.00% or under.

25 (L) Notwithstanding any other provision of this paragraph (5)
26 and notwithstanding the actual fund reserve ratio, the contribution
27 rate for employers liable to pay contributions, as computed under
28 subparagraph (E) of this paragraph (5), shall be, for fiscal year
29 2011, the rates set by column "C" of the table in that subparagraph.

30 (M) Notwithstanding any other provision of this paragraph (5)
31 and notwithstanding the actual fund reserve ratio, the contribution
32 rate for employers liable to pay contributions, as computed under
33 subparagraph (E) of this paragraph (5), shall be, for fiscal year
34 2012, the rates set by column "D" of the table in that subparagraph.

35 (N) Notwithstanding any other provision of this paragraph (5)
36 and notwithstanding the actual fund reserve ratio, the contribution
37 rate for employers liable to pay contributions, as computed under
38 subparagraph (E) of this paragraph (5), shall be, for fiscal year
39 2013, the rates set by column "E" of the table in that subparagraph.

40 (O) Notwithstanding any other provision of this paragraph (5)
41 and notwithstanding the actual fund reserve ratio, the contribution
42 rate for employers liable to pay contributions, as computed under
43 subparagraph (E) of this paragraph (5), shall be, for fiscal year
44 2022, the rates set by column "C" of the table in that subparagraph.

45 (P) Notwithstanding any other provision of this paragraph (5)
46 and notwithstanding the actual fund reserve ratio, the contribution
47 rate for employers liable to pay contributions, as computed under
48 subparagraph (E) of this paragraph (5), shall be, for fiscal year

1 2023, the rates set by column "D" of the table in that subparagraph,
2 unless the application of the provisions of this paragraph (5) using
3 the actual fund reserve ratio would result in the contribution rate for
4 employers being set by a column which has lower tax rates than the
5 rates in column "D", in which case the employers shall be liable to
6 pay contributions at the rates set by the column with the lower tax
7 rates.

8 (Q) Notwithstanding any other provision of this paragraph (5)
9 and notwithstanding the actual fund reserve ratio, the contribution
10 rate for employers liable to pay contributions, as computed under
11 subparagraph (E) of this paragraph (5), shall be, for fiscal year
12 2024, the rates set by column "E" of the table in that subparagraph,
13 unless the application of the provisions of this paragraph (5) using
14 the actual fund reserve ratio would result in the contribution rate for
15 employers being set by a column which has lower tax rates than the
16 rates in column "E", in which case the employers shall be liable to
17 pay contributions at the rates set by the column with the lower tax
18 rates.

19 (6) Additional contributions.

20 Notwithstanding any other provision of law, any employer who
21 has been assigned a contribution rate pursuant to subsection (c) of
22 this section for the year commencing July 1, 1948, and for any year
23 commencing July 1 thereafter, may voluntarily make payment of
24 additional contributions, and upon such payment shall receive a
25 recomputation of the experience rate applicable to such employer,
26 including in the calculation the additional contribution so made,
27 except that, following a transfer as described under R.S.43:21-
28 7(c)(7)(D), neither the predecessor nor successor in interest shall be
29 eligible to make a voluntary payment of additional contributions
30 during the year the transfer occurs and the next full calendar year.
31 Any such additional contribution shall be made during the 30-day
32 period following the notification to the employer of his contribution
33 rate as prescribed in this section, unless, for good cause, the time
34 for payment has been extended by the controller for not to exceed
35 an additional 60 days; provided that in no event may such payments
36 which are made later than 120 days after the beginning of the year
37 for which such rates are effective be considered in determining the
38 experience rate for the year in which the payment is made. Any
39 employer receiving any extended period of time within which to
40 make such additional payment and failing to make such payment
41 timely shall be, in addition to the required amount of additional
42 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
43 greater, not to exceed \$50.00. Any adjustment under this subsection
44 shall be made only in the form of credits against accrued or future
45 contributions.

46 (7) Transfers.

47 (A) Upon the transfer of the organization, trade or business, or
48 substantially all the assets of an employer to a successor in interest,

1 whether by merger, consolidation, sale, transfer, descent or
2 otherwise, the controller shall transfer the employment experience
3 of the predecessor employer to the successor in interest, including
4 credit for past years, contributions paid, annual payrolls, benefit
5 charges, et cetera, applicable to such predecessor employer,
6 pursuant to regulation, if it is determined that the employment
7 experience of the predecessor employer with respect to the
8 organization, trade, assets or business which has been transferred
9 may be considered indicative of the future employment experience
10 of the successor in interest. The successor in interest may, within
11 four months of the date of such transfer of the organization, trade,
12 assets or business, or thereafter upon good cause shown, request a
13 reconsideration of the transfer of employment experience of the
14 predecessor employer. The request for reconsideration shall
15 demonstrate, to the satisfaction of the controller, that the
16 employment experience of the predecessor is not indicative of the
17 future employment experience of the successor.

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

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

46 (D) If an employer transfers in whole or in part his or its
47 organization, trade, assets or business to a successor in interest,
48 whether by merger, consolidation, sale, transfer, descent or

1 otherwise and both the employer and successor in interest are at the
2 time of the transfer under common ownership, management or
3 control, then the employment experience attributable to the
4 transferred business shall also be transferred to and combined with
5 the employment experience of the successor in interest. The
6 transfer of the employment experience is mandatory and not subject
7 to appeal or protest.

8 (E) The transfer of part of an employer's employment experience
9 to a successor in interest shall become effective as of the first day of
10 the calendar quarter following the acquisition by the successor in
11 interest. As of the effective date, the successor in interest shall
12 have its employer rate recalculated by merging its existing
13 employment experience, if any, with the employment experience
14 acquired. If the successor in interest is not an employer as of the
15 date of acquisition, it shall be assigned the new employer rate until
16 the effective date of the transfer of employment experience.

17 (F) Upon the transfer in whole or in part of the organization,
18 trade, assets or business to a successor in interest, the employment
19 experience shall not be transferred if the successor in interest is not
20 an employer at the time of the acquisition and the controller finds
21 that the successor in interest acquired the business solely or
22 primarily for the purpose of obtaining a lower rate of contributions.

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

25 (1) (A) For periods after January 1, 1975, each worker shall
26 contribute to the fund 1% of his wages with respect to his
27 employment with an employer, which occurs on and after January
28 1, 1975, after such employer has satisfied the condition set forth in
29 subsection (h) of R.S.43:21-19 with respect to becoming an
30 employer; provided, however, that such contributions shall be at the
31 rate of 1/2 of 1% of wages paid with respect to employment while
32 the worker is in the employ of the State of New Jersey, or any
33 governmental entity or instrumentality which is an employer as
34 defined under R.S.43:21-19(h)(5), or is covered by an approved
35 private plan under the "Temporary Disability Benefits Law" or
36 while the worker is exempt from the provisions of the "Temporary
37 Disability Benefits Law" under section 7 of that law, P.L.1948,
38 c.110 (C.43:21-31).

39 (B) Effective January 1, 1978 there shall be no contributions by
40 workers in the employ of any governmental or nongovernmental
41 employer electing or required to make payments in lieu of
42 contributions unless the employer is covered by the State plan under
43 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
44 that case contributions shall be at the rate of 1/2 of 1%, except that
45 commencing July 1, 1986, workers in the employ of any
46 nongovernmental employer electing or required to make payments
47 in lieu of contributions shall be required to make contributions to

1 the fund at the same rate prescribed for workers of other
2 nongovernmental employers.

3 (C) (i) Notwithstanding the above provisions of this paragraph
4 (1), during the period starting July 1, 1986 and ending December
5 31, 1992, each worker shall contribute to the fund 1.125% of wages
6 paid with respect to his employment with a governmental employer
7 electing or required to pay contributions or nongovernmental
8 employer, including a nonprofit organization which is an employer
9 as defined under R.S.43:21-19(h)(6), regardless of whether that
10 nonprofit organization elects or is required to finance its benefit
11 costs with contributions to the fund or by payments in lieu of
12 contributions, after that employer has satisfied the conditions set
13 forth in subsection R.S.43:21-19(h) with respect to becoming an
14 employer. Contributions, however, shall be at the rate of 0.625%
15 while the worker is covered by an approved private plan under the
16 "Temporary Disability Benefits Law" or while the worker is exempt
17 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
18 other provision of that law; provided that such contributions shall
19 be at the rate of 0.625% of wages paid with respect to employment
20 with the State of New Jersey or any other governmental entity or
21 instrumentality electing or required to make payments in lieu of
22 contributions and which is covered by the State plan under the
23 "Temporary Disability Benefits Law," except that, while the worker
24 is exempt from the provisions of the "Temporary Disability Benefits
25 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
26 any other provision of that law, or is covered for disability benefits
27 by an approved private plan of the employer, the contributions to
28 the fund shall be 0.125%.

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

30 (D) Notwithstanding any other provisions of this paragraph (1),
31 during the period starting January 1, 1993 and ending June 30,
32 1994, each worker shall contribute to the unemployment
33 compensation fund 0.5% of wages paid with respect to the worker's
34 employment with a governmental employer electing or required to
35 pay contributions or nongovernmental employer, including a
36 nonprofit organization which is an employer as defined under
37 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
38 whether that nonprofit organization elects or is required to finance
39 its benefit costs with contributions to the fund or by payments in
40 lieu of contributions, after that employer has satisfied the conditions
41 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
42 an employer. No contributions, however, shall be made by the
43 worker while the worker is covered by an approved private plan
44 under the "Temporary Disability Benefits Law," P.L.1948, c.110
45 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
46 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
47 provided that the contributions shall be at the rate of 0.50% of
48 wages paid with respect to employment with the State of New

1 Jersey or any other governmental entity or instrumentality electing
2 or required to make payments in lieu of contributions and which is
3 covered by the State plan under the "Temporary Disability Benefits
4 Law," except that, while the worker is exempt from the provisions
5 of the "Temporary Disability Benefits Law" under section 7 of that
6 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
7 law, or is covered for disability benefits by an approved private plan
8 of the employer, no contributions shall be made to the fund.

9 Each worker shall, starting on January 1, 1996 and ending March
10 31, 1996, contribute to the unemployment compensation fund
11 0.60% of wages paid with respect to the worker's employment with
12 a governmental employer electing or required to pay contributions
13 or nongovernmental employer, including a nonprofit organization
14 which is an employer as defined under paragraph (6) of subsection
15 (h) of R.S.43:21-19, regardless of whether that nonprofit
16 organization elects or is required to finance its benefit costs with
17 contributions to the fund or by payments in lieu of contributions,
18 after that employer has satisfied the conditions set forth in
19 subsection (h) of R.S.43:21-19 with respect to becoming an
20 employer, provided that the contributions shall be at the rate of
21 0.10% of wages paid with respect to employment with the State of
22 New Jersey or any other governmental entity or instrumentality
23 electing or required to make payments in lieu of contributions.

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

39 Each worker shall, starting on January 1, 1999 until December
40 31, 1999, contribute to the unemployment compensation fund
41 0.15% of wages paid with respect to the worker's employment with
42 a governmental employer electing or required to pay contributions
43 or nongovernmental employer, including a nonprofit organization
44 which is an employer as defined under paragraph (6) of subsection
45 (h) of R.S.43:21-19, regardless of whether that nonprofit
46 organization elects or is required to finance its benefit costs with
47 contributions to the fund or by payments in lieu of contributions,
48 after that employer has satisfied the conditions set forth in

1 subsection (h) of R.S.43:21-19 with respect to becoming an
2 employer, provided that the contributions shall be at the rate of
3 0.10% of wages paid with respect to employment with the State of
4 New Jersey or any other governmental entity or instrumentality
5 electing or required to make payments in lieu of contributions.

6 Each worker shall, starting on January 1, 2000 until December
7 31, 2001, contribute to the unemployment compensation fund
8 0.20% of wages paid with respect to the worker's employment with
9 a governmental employer electing or required to pay contributions
10 or nongovernmental employer, including a nonprofit organization
11 which is an employer as defined under paragraph (6) of subsection
12 (h) of R.S.43:21-19, regardless of whether that nonprofit
13 organization elects or is required to finance its benefit costs with
14 contributions to the fund or by payments in lieu of contributions,
15 after that employer has satisfied the conditions set forth in
16 subsection (h) of R.S.43:21-19 with respect to becoming an
17 employer, provided that the contributions shall be at the rate of
18 0.10% of wages paid with respect to employment with the State of
19 New Jersey or any other governmental entity or instrumentality
20 electing or required to make payments in lieu of contributions.

21 Each worker shall, starting on January 1, 2002 until June 30,
22 2004, contribute to the unemployment compensation fund 0.1825%
23 of wages paid with respect to the worker's employment with a
24 governmental employer electing or required to pay contributions or
25 a nongovernmental employer, including a nonprofit organization
26 which is an employer as defined under paragraph (6) of subsection
27 (h) of R.S.43:21-19, regardless of whether that nonprofit
28 organization elects or is required to finance its benefit costs with
29 contributions to the fund or by payments in lieu of contributions,
30 after that employer has satisfied the conditions set forth in
31 subsection (h) of R.S.43:21-19 with respect to becoming an
32 employer, provided that the contributions shall be at the rate of
33 0.0825% of wages paid with respect to employment with the State
34 of New Jersey or any other governmental entity or instrumentality
35 electing or required to make payments in lieu of contributions.

36 Each worker shall, starting on and after July 1, 2004, contribute
37 to the unemployment compensation fund 0.3825% of wages paid
38 with respect to the worker's employment with a governmental
39 employer electing or required to pay contributions or
40 nongovernmental employer, including a nonprofit organization
41 which is an employer as defined under paragraph (6) of subsection
42 (h) of R.S.43:21-19, regardless of whether that nonprofit
43 organization elects or is required to finance its benefit costs with
44 contributions to the fund or by payments in lieu of contributions,
45 after that employer has satisfied the conditions set forth in
46 subsection (h) of R.S.43:21-19 with respect to becoming an
47 employer, provided that the contributions shall be at the rate of
48 0.0825% of wages paid with respect to employment with the State

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

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

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

20 (G) (i) Each worker, with respect to the worker's employment
21 with a government employer electing or required to pay
22 contributions to the State disability benefits fund or
23 nongovernmental employer, including a nonprofit organization
24 which is an employer as defined under paragraph (6) of subsection
25 (h) of R.S.43:21-19, unless the employer is covered by an approved
26 private disability plan or is exempt from the provisions of the
27 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
28 et al.) under section 7 of that law (C.43:21-31) or any other
29 provision of that law, shall, for calendar year 2012 and each
30 subsequent calendar year, make contributions to the State disability
31 benefits fund at the annual rate of contribution necessary to obtain a
32 total amount of contributions, which, when added to employer
33 contributions made to the State disability benefits fund pursuant to
34 subsection (e) of this section, is, for calendar years prior to calendar
35 year 2018, equal to 120% of the benefits paid for periods of
36 disability, excluding periods of family temporary disability, during
37 the immediately preceding calendar year plus an amount equal to
38 100% of the cost of administration of the payment of those benefits
39 during the immediately preceding calendar year, less the amount of
40 net assets remaining in the State disability benefits fund, excluding
41 net assets remaining in the "Family Temporary Disability Leave
42 Account" of that fund, as of December 31 of the immediately
43 preceding year, and is, for calendar year 2018 and year 2019, equal
44 to 120% of the benefits paid for periods of disability, excluding
45 periods of family temporary disability, during the last preceding full
46 fiscal year plus an amount equal to 100% of the cost of
47 administration of the payment of those benefits during the last
48 preceding full fiscal year, less the amount of net assets anticipated

1 to be remaining in the "Family Temporary Disability Leave
2 Account" of that fund, as of December 31 of the immediately
3 preceding calendar year, and is, for each of calendar years 2020 and
4 2021, equal to 120% of the benefits which the department
5 anticipates will be paid for periods of disability, excluding periods
6 of family temporary disability, during the respective calendar year
7 plus an amount equal to 100% of the cost of administration of the
8 payment of those benefits which the department anticipates during
9 the respective calendar year, less the amount of net assets
10 anticipated to be remaining in the State disability benefits fund,
11 excluding net assets remaining in the "Family Temporary Disability
12 Leave Account" of that fund, as of December 31 of the immediately
13 preceding calendar year, and is, for calendar year 2022 and any
14 subsequent calendar year, equal to 120% of the benefits paid for
15 periods of disability, excluding periods of family temporary
16 disability, during the last preceding full fiscal year plus an amount
17 equal to 100% of the cost of administration of the payment of those
18 benefits during the last preceding full fiscal year, less the amount of
19 net assets anticipated to be remaining in the State disability benefits
20 fund, excluding net assets remaining in the "Family Temporary
21 Disability Leave Account" of that fund, as of December 31 of the
22 immediately preceding calendar year. All increases in the cost of
23 benefits for periods of disability caused by the increases in the
24 weekly benefit rate commencing July 1, 2020, pursuant to section
25 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
26 contributions made by workers pursuant to this paragraph (i) and
27 none of those increases shall be funded by employer contributions.
28 The estimated rates for the next calendar year shall be made
29 available on the department's website no later than 60 days after the
30 end of the last preceding full fiscal year. The rates of employer
31 contributions determined pursuant to subsection (e) of this section
32 for any year shall be determined prior to the determination of the
33 rate of employee contributions pursuant to this subparagraph (i) and
34 any consideration of employee contributions in determining
35 employer rates for any year shall be based on amounts of employee
36 contributions made prior to the year to which the rate of employee
37 contributions applies and shall not be based on any projection or
38 estimate of the amount of employee contributions for the year to
39 which that rate applies.

40 (ii) Each worker shall contribute to the State disability benefits
41 fund, in addition to any amount contributed pursuant to
42 subparagraph (i) of this paragraph (1)(G), an amount equal to,
43 during calendar year 2009, 0.09%, and during calendar year 2010
44 0.12%, of wages paid with respect to the worker's employment with
45 any covered employer, including a governmental employer which is
46 an employer as defined under R.S.43:21-19(h)(5), unless the
47 employer is covered by an approved private disability plan for
48 benefits during periods of family temporary disability leave. The

1 contributions made pursuant to this subparagraph (ii) to the State
2 disability benefits fund shall be deposited into an account of that
3 fund reserved for the payment of benefits during periods of family
4 temporary disability leave as defined in section 3 of the "Temporary
5 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
6 administration of those payments and shall not be used for any other
7 purpose. This account shall be known as the "Family Temporary
8 Disability Leave Account." For calendar year 2011 and each
9 subsequent calendar year until 2018, the annual rate of contribution
10 to be paid by workers pursuant to this subparagraph (ii) shall be, for
11 calendar years prior to calendar year 2018, the rate necessary to
12 obtain a total amount of contributions equal to 125% of the benefits
13 paid for periods of family temporary disability leave during the
14 immediately preceding calendar year plus an amount equal to 100%
15 of the cost of administration of the payment of those benefits during
16 the immediately preceding calendar year, less the amount of net
17 assets remaining in the account as of December 31 of the
18 immediately preceding year, and shall be, for calendar year 2018
19 and calendar year 2019, the rate necessary to obtain a total amount
20 of contributions equal to 125% of the benefits paid for periods of
21 family temporary disability leave during the last preceding full
22 fiscal year plus an amount equal to 100% of the cost of
23 administration of the payment of those benefits during the last
24 preceding full fiscal year, less the amount of net assets anticipated
25 to be remaining in the account as of December 31 of the
26 immediately preceding calendar year. For each of calendar years
27 2020 and 2021, the annual rate of contribution to be paid by
28 workers pursuant to this subparagraph (ii) shall be the rate
29 necessary to obtain a total amount of contributions equal to 125% of
30 the benefits which the department anticipates will be paid for
31 periods of family temporary disability leave during the respective
32 calendar year plus an amount equal to 100% of the cost of
33 administration of the payment of those benefits which the
34 department anticipates during the respective calendar year, less the
35 amount of net assets remaining in the account as of December 31 of
36 the immediately preceding calendar year. For 2022 and any
37 subsequent calendar year, the annual rate of contribution to be paid
38 by workers pursuant to this subparagraph (ii) shall be the rate
39 necessary to obtain a total amount of contributions equal to 125% of
40 the benefits which were paid for periods of family temporary
41 disability leave during the last preceding full fiscal year plus an
42 amount equal to 100% of the cost of administration of the payment
43 of those benefits during the last preceding full fiscal year, less the
44 amount of net assets remaining in the account as of December 31 of
45 the immediately preceding calendar year. All increases in the cost
46 of benefits for periods of family temporary disability leave caused
47 by the increases in the weekly benefit rate commencing July 1, 2020
48 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and

1 increases in the maximum duration of benefits commencing July 1,
2 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38
3 and 43:21-39) shall be funded by contributions made by workers
4 pursuant to this paragraph (ii) and none of those increases shall be
5 funded by employer contributions. The estimated rates for the next
6 calendar year shall be made available on the department's website
7 no later than 60 days after the end of the last preceding full fiscal
8 year. Necessary administrative costs shall include the cost of an
9 outreach program to inform employees of the availability of the
10 benefits and the cost of issuing the reports required or permitted
11 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
12 monies, other than the funds in the "Family Temporary Disability
13 Leave Account," shall be used for the payment of benefits during
14 periods of family temporary disability leave or for the
15 administration of those payments, with the sole exception that,
16 during calendar years 2008 and 2009, a total amount not exceeding
17 \$25 million may be transferred to that account from the revenues
18 received in the State disability benefits fund pursuant to
19 subparagraph (i) of this paragraph (1)(G) and be expended for those
20 payments and their administration, including the administration of
21 the collection of contributions made pursuant to this subparagraph
22 (ii) and any other necessary administrative costs. Any amount
23 transferred to the account pursuant to this subparagraph (ii) shall be
24 repaid during a period beginning not later than January 1, 2011 and
25 ending not later than December 31, 2015. No monies, other than
26 the funds in the "Family Temporary Disability Leave Account,"
27 shall be used under any circumstances after December 31, 2009, for
28 the payment of benefits during periods of family temporary
29 disability leave or for the administration of those payments,
30 including for the administration of the collection of contributions
31 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

39 (3) (A) If an employee receives wages from more than one
40 employer during any calendar year, and either the sum of his
41 contributions deposited in and credited to the State disability
42 benefits fund plus the amount of his contributions, if any, required
43 towards the costs of benefits under one or more approved private
44 plans under the provisions of section 9 of the "Temporary Disability
45 Benefits Law" (C.43:21-33) and deducted from his wages, or the
46 sum of such latter contributions, if the employee is covered during
47 such calendar year only by two or more private plans, exceeds an
48 amount equal to 1/2 of 1% of the "wages" determined in accordance

1 with the provisions of R.S.43:21-7(b)(3) during the calendar years
2 beginning on or after January 1, 1976 or, during calendar year 2012
3 or any subsequent calendar year, the total amount of his
4 contributions for the year exceeds the amount set by the annual rate
5 of contribution determined by the Commissioner of Labor and
6 Workforce Development pursuant to subparagraph (i) of paragraph
7 (1)(G) of this subsection (d), the employee shall be entitled to a
8 refund of the excess if he makes a claim to the controller within two
9 years after the end of the calendar year in which the wages are
10 received with respect to which the refund is claimed and establishes
11 his right to such refund. Such refund shall be made by the controller
12 from the State disability benefits fund. No interest shall be allowed
13 or paid with respect to any such refund. The controller shall, in
14 accordance with prescribed regulations, determine the portion of the
15 aggregate amount of such refunds made during any calendar year
16 which is applicable to private plans for which deductions were
17 made under section 9 of the "Temporary Disability Benefits Law"
18 (C.43:21-33) such determination to be based upon the ratio of the
19 amount of such wages exempt from contributions to such fund, as
20 provided in subparagraph (B) of paragraph (1) of this subsection
21 with respect to coverage under private plans, to the total wages so
22 exempt plus the amount of such wages subject to contributions to
23 the disability benefits fund, as provided in subparagraph (G) of
24 paragraph (1) of this subsection. The controller shall, in accordance
25 with prescribed regulations, prorate the amount so determined
26 among the applicable private plans in the proportion that the wages
27 covered by each plan bear to the total private plan wages involved
28 in such refunds, and shall assess against and recover from the
29 employer, or the insurer if the insurer has indemnified the employer
30 with respect thereto, the amount so prorated. The provisions of
31 R.S.43:21-14 with respect to collection of employer contributions
32 shall apply to such assessments. The amount so recovered by the
33 controller shall be paid into the State disability benefits fund.

34 (B) If an employee receives wages from more than one employer
35 during any calendar year, and the sum of his contributions deposited
36 in the "Family Temporary Disability Leave Account" of the State
37 disability benefits fund plus the amount of his contributions, if any,
38 required towards the costs of family temporary disability leave
39 benefits under one or more approved private plans under the
40 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
41 et al.) and deducted from his wages, exceeds an amount equal to,
42 during calendar year 2009, 0.09% of the "wages" determined in
43 accordance with the provisions of R.S.43:21-7(b)(3), or during
44 calendar year 2010, 0.12% of those wages, or, during calendar year
45 2011 or any subsequent calendar year, the percentage of those
46 wages set by the annual rate of contribution determined by the
47 Commissioner of Labor and Workforce Development pursuant to
48 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the

1 employee shall be entitled to a refund of the excess if he makes a
2 claim to the controller within two years after the end of the calendar
3 year in which the wages are received with respect to which the
4 refund is claimed and establishes his right to the refund. The refund
5 shall be made by the controller from the "Family Temporary
6 Disability Leave Account" of the State disability benefits fund. No
7 interest shall be allowed or paid with respect to any such refund.
8 The controller shall, in accordance with prescribed regulations,
9 determine the portion of the aggregate amount of the refunds made
10 during any calendar year which is applicable to private plans for
11 which deductions were made under section 9 of the "Temporary
12 Disability Benefits Law" (C.43:21-33), with that determination
13 based upon the ratio of the amount of such wages exempt from
14 contributions to the fund, as provided in paragraph (1)(B) of this
15 subsection (d) with respect to coverage under private plans, to the
16 total wages so exempt plus the amount of such wages subject to
17 contributions to the "Family Temporary Disability Leave Account"
18 of the State disability benefits fund, as provided in subparagraph (ii)
19 of paragraph (1)(G) of this subsection (d). The controller shall, in
20 accordance with prescribed regulations, prorate the amount so
21 determined among the applicable private plans in the proportion
22 that the wages covered by each plan bear to the total private plan
23 wages involved in such refunds, and shall assess against and
24 recover from the employer, or the insurer if the insurer has
25 indemnified the employer with respect thereto, the prorated amount.
26 The provisions of R.S.43:21-14 with respect to collection of
27 employer contributions shall apply to such assessments. The
28 amount so recovered by the controller shall be paid into the "Family
29 Temporary Disability Leave Account" of the State disability
30 benefits fund.

31 (4) If an individual does not receive any wages from the
32 employing unit which for the purposes of this chapter (R.S.43:21-1
33 et seq.) is treated as his employer, or receives his wages from some
34 other employing unit, such employer shall nevertheless be liable for
35 such individual's contributions in the first instance; and after
36 payment thereof such employer may deduct the amount of such
37 contributions from any sums payable by him to such employing
38 unit, or may recover the amount of such contributions from such
39 employing unit, or, in the absence of such an employing unit, from
40 such individual, in a civil action; provided proceedings therefor are
41 instituted within three months after the date on which such
42 contributions are payable. General rules shall be prescribed
43 whereby such an employing unit may recover the amount of such
44 contributions from such individuals in the same manner as if it were
45 the employer.

46 (5) Every employer who has elected to become an employer
47 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
48 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to

1 the provisions of R.S.43:21-8, shall post and maintain printed
2 notices of such election on his premises, of such design, in such
3 numbers, and at such places as the director may determine to be
4 necessary to give notice thereof to persons in his service.

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

8 (e) Contributions by employers to the State disability benefits
9 fund.

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

31 (2) During the continuance of coverage of a worker by an
32 approved private plan of disability benefits under the "Temporary
33 Disability Benefits Law," the employer shall be exempt from the
34 contributions required by paragraph (1) above with respect to wages
35 paid to such worker.

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

39 (B) A separate disability benefits account shall be maintained for
40 each employer required to contribute to the State disability benefits
41 fund and such account shall be credited with contributions
42 deposited in and credited to such fund with respect to employment
43 occurring on and after January 1, 1949. Each employer's account
44 shall be credited with all contributions paid on or before January 31
45 of any calendar year on his own behalf and on behalf of individuals
46 in his service with respect to employment occurring in preceding
47 calendar years; provided, however, that if January 31 of any
48 calendar year falls on a Saturday or Sunday an employer's account

1 shall be credited as of January 31 of such calendar year with all the
2 contributions which he has paid on or before the next succeeding
3 day which is not a Saturday or Sunday. But nothing in this act shall
4 be construed to grant any employer or individuals in his service
5 prior claims or rights to the amounts paid by him to the fund either
6 on his own behalf or on behalf of such individuals. Benefits paid to
7 any covered individual in accordance with Article III of the
8 "Temporary Disability Benefits Law" on or before December 31 of
9 any calendar year with respect to disability in such calendar year
10 and in preceding calendar years shall be charged against the account
11 of the employer by whom such individual was employed at the
12 commencement of such disability or by whom he was last
13 employed, if out of employment.

14 (C) The controller may prescribe regulations for the
15 establishment, maintenance, and dissolution of joint accounts by
16 two or more employers, and shall, in accordance with such
17 regulations and upon application by two or more employers to
18 establish such an account, or to merge their several individual
19 accounts in a joint account, maintain such joint account as if it
20 constituted a single employer's account.

21 (D) Prior to July 1 of each calendar year, the controller shall
22 make a preliminary determination of the rate of contribution for the
23 12 months commencing on such July 1 for each employer subject to
24 the contribution requirements of this subsection (e).

25 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the
26 preceding January 31 of such year such employer shall have been a
27 covered employer who has paid contributions to the State disability
28 benefits fund with respect to employment in the three calendar
29 years immediately preceding such year.

30 (2) If the minimum requirements in subparagraph (D) (1) above
31 have been fulfilled and the credited contributions exceed the
32 benefits charged by more than \$500.00, such preliminary rate shall
33 be as follows:

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

37 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
38 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

39 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
40 $\frac{1}{2}\%$ of his average annual payroll.

41 (3) If the minimum requirements in subparagraph (D) (1) above
42 have been fulfilled and the contributions credited exceed the
43 benefits charged but by not more than \$500.00 plus 1% of his
44 average annual payroll, or if the benefits charged exceed the
45 contributions credited but by not more than \$500.00, the
46 preliminary rate shall be $\frac{1}{4}$ of 1%.

47 (4) If the minimum requirements in subparagraph (D) (1) above
48 have been fulfilled and the benefits charged exceed the

1 contributions credited by more than \$500.00, such preliminary rate
2 shall be as follows:

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

5 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
6 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

7 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
8 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

9 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
10 3/4 of 1% but is less than 1% of his average annual payroll;

11 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
12 1% of his average annual payroll.

13 (5) Determination of the preliminary rate as specified in
14 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
15 to the condition that it shall in no event be decreased by more than
16 1/10 of 1% of wages or increased by more than 2/10 of 1% of
17 wages from the preliminary rate determined for the preceding year
18 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
19 shall have been applicable.

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

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

38 (i) If the percentage determined in accordance with
39 subparagraph (E)(1) of this paragraph equals or exceeds 1 1/4%, the
40 final employer rates shall be the preliminary rates determined as
41 provided in subparagraph (D) hereof, except that if the employer's
42 preliminary rate is determined as provided in subparagraph (D)(2)
43 or subparagraph (D)(3) hereof, the final employer rate shall be the
44 preliminary employer rate decreased by such percentage of excess
45 taken to the nearest 5/100 of 1%, but in no case shall such final rate
46 be less than 1/10 of 1%.

47 (ii) If the percentage determined in accordance with
48 subparagraph (E)(1) of this paragraph equals or exceeds 3/4 of 1%

1 and is less than $1\frac{1}{4}$ of 1%, the final employer rates shall be the
2 preliminary employer rates.

3 (iii) If the percentage determined in accordance with
4 subparagraph (E)(1) of this paragraph is less than $\frac{3}{4}$ of 1%, but in
5 excess of $\frac{1}{4}$ of 1%, the final employer rates shall be the
6 preliminary employer rates determined as provided in subparagraph
7 (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and such
8 percentage taken to the nearest $\frac{5}{100}$ of 1%; provided, however,
9 that no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an
10 employer whose preliminary rate is determined as provided in
11 subparagraph (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
12 employer whose preliminary rate is determined as provided in
13 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
14 $\frac{3}{4}$ of 1% in the case of an employer whose preliminary rate is
15 determined as provided in subparagraph (D)(4) hereof.

16 (iv) If the amount of the State disability benefits fund determined
17 as provided in subparagraph (E)(1) of this paragraph is equal to or
18 less than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case
19 of an employer whose preliminary rate is determined as provided in
20 subparagraph (D)(2) hereof, $\frac{7}{10}$ of 1% in the case of an employer
21 whose preliminary rate is determined as provided in subparagraph
22 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
23 employer whose preliminary rate is determined as provided in
24 subparagraph (D)(4) hereof. Notwithstanding any other provision of
25 law or any determination made by the controller with respect to any
26 12-month period commencing on July 1, 1970, the final rates for all
27 employers for the period beginning January 1, 1971, shall be as set
28 forth herein.

29 (F) Notwithstanding any other provisions of this subsection (e),
30 the rate of contribution paid to the State disability benefits fund by
31 each covered employer as defined in paragraph (1) of subsection (a)
32 of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as
33 if:

34 (i) No disability benefits have been paid with respect to periods
35 of family temporary disability leave;

36 (ii) No worker paid any contributions to the State disability
37 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
38 this section;

39 (iii) No amounts were transferred from the State disability
40 benefits fund to the "Family Temporary Disability Leave Account"
41 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;
42 and

43 (iv) The total amount of benefits paid for periods of disability
44 were not subject to the increases in the weekly benefit rate for those
45 benefits commencing July 1, 2020 pursuant to section 16 of
46 P.L.1948, c.110 (C.43:21-40).

47 (cf: P.L.2019, c.37, s.6)

1 3. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill, for the period of the public health emergency and state
7 of emergency declared by the Governor on March 9, 2020, and any
8 subsequent extensions of the emergency or state of emergency,
9 excludes the cost of unemployment benefit to employees of an
10 employer during that period when calculating that employer's
11 reserve ratio for the purposes of determining the rate of the
12 employer's contributions to the unemployment trust fund.

13 The bill specifies that, regardless of the actual unemployment
14 trust fund reserve ratio, unemployment contribution rates will be:

15 1. For fiscal year 2022, the rates set by column "C" of the
16 Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);

17 2. For fiscal year 2023, the rates set by column "D" of that
18 table, unless calculations based on the actual fund reserve rate
19 would result in the selection of a column with lower contribution
20 rates, in which case the column with the lower contribution rates
21 would apply; and

22 3. For fiscal year 2024, the rates set by column "E" of that
23 table, unless calculations based on the actual fund reserve rate
24 would result in the selection of a column with lower contribution
25 rates, in which case the column with the lower contribution rates
26 would apply.

27 The bill also exempts any nonprofit or governmental employer
28 which elects to make payments in lieu of contributions from
29 liability for payments in lieu of contributions with respect to 50
30 percent of unemployment benefits paid to employees laid off by the
31 employer during that public health emergency and any extensions
32 of it.

33

34

35

36

37 Reduces or delays increases in employer unemployment taxes
38 related to benefits paid during coronavirus disease 2019 pandemic
39 state of emergency.

ASSEMBLY, No. 4853

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

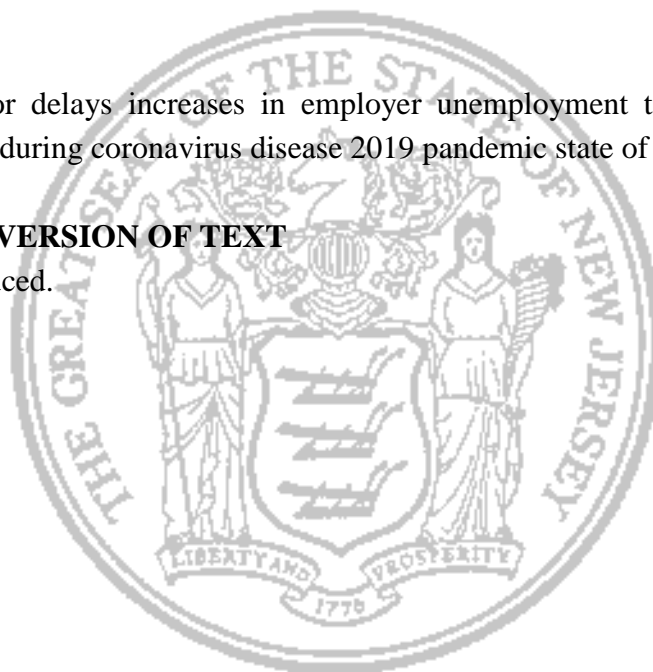
Assemblyman Chiaravalloti, Assemblywomen Chaparro, Murphy, Downey, Assemblyman Spearman, Senators Addiego, Turner and Singleton

SYNOPSIS

Reduces or delays increases in employer unemployment taxes related to benefits paid during coronavirus disease 2019 pandemic state of emergency.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/16/2020)

1 AN ACT concerning employer contributions to the unemployment
2 compensation fund and payments in lieu of contributions,
3 amending R.S.43:21-7, and supplementing Title 43 of the
4 Revised Statutes.

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

8
9 1. (New section) a. The costs of any unemployment
10 compensation benefits paid to employees of an employer during the
11 public health emergency and state of emergency declared by the
12 Governor on March 9, 2020, and any subsequent extensions of that
13 public health emergency and state of emergency, shall not be
14 considered when calculating that employer's reserve ratio for the
15 purposes of determining the rate of the employer's contributions to
16 the State unemployment compensation fund pursuant to R.S.43:21-
17 7.

18 b. Any nonprofit organization which elects to make payments
19 in lieu of contributions pursuant to section 3 of P.L.1971, c.346
20 (C.43:21-7.2) and any governmental entity or instrumentality which
21 elects to make payments in lieu of contributions pursuant to section
22 4 of P.L.1971, c.346 (C.43:21-7.3), shall be liable for payments in
23 lieu of contributions with respect to only 50% of the payments of
24 unemployment compensation benefits made pursuant to either of
25 those two sections during the public health emergency and state of
26 emergency declared by the Governor on March 9, 2020, and any
27 subsequent extensions of that public health emergency and state of
28 emergency.

29
30 2. R.S.43:21-7 is amended read as follows:

31 43:21-7. Employers other than governmental entities, whose
32 benefit financing provisions are set forth in section 4 of P.L.1971,
33 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
34 payment in lieu of contributions on the basis set forth in section 3 of
35 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
36 unemployment compensation fund, contributions as set forth in
37 subsections (a), (b) and (c) hereof, and the provisions of subsections
38 (d) and (e) shall be applicable to all employers, consistent with the
39 provisions of the "unemployment compensation law" and the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
41 et al.).

42 (a) Payment.

43 (1) Contributions shall accrue and become payable by each
44 employer for each calendar year in which he is subject to this
45 chapter (R.S.43:21-1 et seq.), with respect to having individuals in

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

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

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

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

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

36 (3) For calendar years beginning on and after January 1, 1976,
37 the "wages" of any individual, as defined in the preceding
38 paragraph (2) of this subsection (b), shall be established and
39 promulgated by the Commissioner of Labor and Workforce
40 Development on or before September 1 of the preceding year and,
41 except as provided in paragraph (4) of this subsection (b), shall be,
42 28 times the Statewide average weekly remuneration paid to
43 workers by employers, as determined under R.S.43:21-3(c), raised
44 to the next higher multiple of \$100.00 if not already a multiple
45 thereof, provided that if the amount of wages so determined for a
46 calendar year is less than the amount similarly determined for the
47 preceding year, the greater amount will be used; provided, further,
48 that if the amount of such wages so determined does not equal or

1 exceed the amount of wages as defined in subsection (b) of section
2 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
3 the wages as determined in this paragraph in any calendar year shall
4 be raised to equal the amount established under the "Federal
5 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
6 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

7 (4) For calendar years beginning on and after January 1, 2020,
8 the "wages" of any individual, as defined in the preceding
9 paragraph (2) of this subsection (b) for purposes of contributions of
10 workers to the State disability benefits fund, including the "Family
11 Temporary Disability Leave Account" pursuant to subsection (d) of
12 this section, shall be established and promulgated by the
13 Commissioner of Labor and Workforce Development on or before
14 September 1 of the preceding year and shall be 107 times the
15 Statewide average weekly remuneration paid to workers by
16 employers, as determined under R.S.43:21-3(c), raised to the next
17 higher multiple of \$100.00 if not already a multiple thereof,
18 provided that if the amount of wages so determined for a calendar
19 year is less than the amount similarly determined for the preceding
20 year, the greater amount will be used.

21 (c) Future rates based on benefit experience.

22 (1) A separate account for each employer shall be maintained
23 and this shall be credited with all the contributions which he has
24 paid on his own behalf on or before January 31 of any calendar year
25 with respect to employment occurring in the preceding calendar
26 year; provided, however, that if January 31 of any calendar year
27 falls on a Saturday or Sunday, an employer's account shall be
28 credited as of January 31 of such calendar year with all the
29 contributions which he has paid on or before the next succeeding
30 day which is not a Saturday or Sunday. But nothing in this chapter
31 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
32 individuals in his service prior claims or rights to the amounts paid
33 by him into the fund either on his own behalf or on behalf of such
34 individuals. Benefits paid with respect to benefit years commencing
35 on and after January 1, 1953, to any individual on or before
36 December 31 of any calendar year with respect to unemployment in
37 such calendar year and in preceding calendar years shall be charged
38 against the account or accounts of the employer or employers in
39 whose employment such individual established base weeks
40 constituting the basis of such benefits, except that, with respect to
41 benefit years commencing after January 4, 1998, an employer's
42 account shall not be charged for benefits paid to a claimant if the
43 claimant's employment by that employer was ended in any way
44 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of
45 R.S.43:21-5, would have disqualified the claimant for benefits if the
46 claimant had applied for benefits at the time when that employment
47 ended. Benefits paid under a given benefit determination shall be
48 charged against the account of the employer to whom such

1 determination relates. When each benefit payment is made,
2 notification shall be promptly provided to each employer included
3 in the unemployment insurance monetary calculation of benefits.
4 Such notification shall identify the employer against whose account
5 the amount of such payment is being charged, shall show at least
6 the name and social security account number of the claimant and
7 shall specify the period of unemployment to which said benefit
8 payment applies.

9 An annual summary statement of unemployment benefits
10 charged to the employer's account shall be provided.

11 (2) Regulations may be prescribed for the establishment,
12 maintenance, and dissolution of joint accounts by two or more
13 employers, and shall, in accordance with such regulations and upon
14 application by two or more employers to establish such an account,
15 or to merge their several individual accounts in a joint account,
16 maintain such joint account as if it constituted a single employer's
17 account.

18 (3) No employer's rate shall be lower than 5.4% unless
19 assignment of such lower rate is consistent with the conditions
20 applicable to additional credit allowance for such year under section
21 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
22 s.3303(a)(1)), any other provision of this section to the contrary
23 notwithstanding.

24 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
25 $2\frac{8}{10}\%$, except as otherwise provided in the following provisions.
26 No employer's rate for the 12 months commencing July 1 of any
27 calendar year shall be other than $2\frac{8}{10}\%$, unless as of the
28 preceding January 31 such employer shall have paid contributions
29 with respect to wages paid in each of the three calendar years
30 immediately preceding such year, in which case such employer's
31 rate for the 12 months commencing July 1 of any calendar year
32 shall be determined on the basis of his record up to the beginning of
33 such calendar year. If, at the beginning of such calendar year, the
34 total of all his contributions, paid on his own behalf, for all past
35 years exceeds the total benefits charged to his account for all such
36 years, his contribution rate shall be:

37 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
38 5%, of his average annual payroll (as defined in paragraph (2),
39 subsection (a) of R.S.43:21-19);

40 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
41 than 6%, of his average annual payroll;

42 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
43 than 7%, of his average annual payroll;

44 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
45 than 8%, of his average annual payroll;

46 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
47 than 9%, of his average annual payroll;

1 (6) 1%, if such excess equals or exceeds 9%, but is less than
2 10%, of his average annual payroll;

3 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
4 than 11%, of his average annual payroll;

5 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
6 average annual payroll.

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

11 (1) 4%, if such excess is less than 10% of his average annual
12 payroll;

13 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
14 than 20%, of his average annual payroll;

15 (3) 4 6/10%, if such excess equals or exceeds 20% of his
16 average annual payroll.

17 (C) Specially assigned rates.

18 (i) If no contributions were paid on wages for employment in
19 any calendar year used in determining the average annual payroll of
20 an employer eligible for an assigned rate under this paragraph (4),
21 the employer's rate shall be specially assigned as follows:

22 if the reserve balance in its account is positive, its assigned rate
23 shall be the highest rate in effect for positive balance accounts for
24 that period, or 5.4%, whichever is higher, and

25 if the reserve balance in its account is negative, its assigned rate
26 shall be the highest rate in effect for deficit accounts for that period.

27 (ii) If, following the purchase of a corporation with little or no
28 activity, known as a corporate shell, the resulting employing unit
29 operates a new or different business activity, the employing unit
30 shall be assigned a new employer rate.

31 (iii) Entities operating under common ownership, management or
32 control, when the operation of the entities is not identifiable,
33 distinguishable and severable, shall be considered a single employer
34 for the purposes of this chapter (R.S.43:21-1 et seq.).

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

39 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
40 31 of any calendar year the balance in the unemployment trust fund
41 equals or exceeds 4% but is less than 7% of the total taxable wages
42 reported to the controller as of that date in respect to employment
43 during the preceding calendar year, the contribution rate, effective
44 July 1 following, of each employer eligible for a contribution rate
45 calculation based upon benefit experience, shall be increased by
46 3/10 of 1% over the contribution rate otherwise established under
47 the provisions of paragraph (3) or (4) of this subsection. If on
48 March 31 of any calendar year the balance of the unemployment

1 trust fund exceeds 2 1/2% but is less than 4% of the total taxable
2 wages reported to the controller as of that date in respect to
3 employment during the preceding calendar year, the contribution
4 rate, effective July 1 following, of each employer eligible for a
5 contribution rate calculation based upon benefit experience, shall be
6 increased by 6/10 of 1% over the contribution rate otherwise
7 established under the provisions of paragraph (3) or (4) of this
8 subsection.

9 If on March 31 of any calendar year the balance of the
10 unemployment trust fund is less than 2 1/2% of the total taxable
11 wages reported to the controller as of that date in respect to
12 employment during the preceding calendar year, the contribution
13 rate, effective July 1 following, of each employer: (1) eligible for a
14 contribution rate calculation based upon benefit experience, shall be
15 increased by (i) 6/10 of 1% over the contribution rate otherwise
16 established under the provisions of paragraph (3), (4)(A) or (4)(B)
17 of this subsection, and (ii) an additional amount equal to 20% of the
18 total rate established herein, provided, however, that the final
19 contribution rate for each employer shall be computed to the nearest
20 multiple of 1/10% if not already a multiple thereof; (2) not eligible
21 for a contribution rate calculation based upon benefit experience,
22 shall be increased by 6/10 of 1% over the contribution rate
23 otherwise established under the provisions of paragraph (4) of this
24 subsection. For the period commencing July 1, 1984 and ending
25 June 30, 1986, the contribution rate for each employer liable to pay
26 contributions under R.S.43:21-7 shall be increased by a factor of
27 10% computed to the nearest multiple of 1/10% if not already a
28 multiple thereof.

29 (B) If on March 31 of any calendar year the balance in the
30 unemployment trust fund equals or exceeds 10% but is less than 12
31 1/2% of the total taxable wages reported to the controller as of that
32 date in respect to employment during the preceding calendar year,
33 the contribution rate, effective July 1 following, of each employer
34 eligible for a contribution rate calculation based upon benefit
35 experience, shall be reduced by 3/10 of 1% under the contribution
36 rate otherwise established under the provisions of paragraphs (3)
37 and (4) of this subsection; provided that in no event shall the
38 contribution rate of any employer be reduced to less than 4/10 of
39 1%. If on March 31 of any calendar year the balance in the
40 unemployment trust fund equals or exceeds 12 1/2% of the total
41 taxable wages reported to the controller as of that date in respect to
42 employment during the preceding calendar year, the contribution
43 rate, effective July 1 following, of each employer eligible for a
44 contribution rate calculation based upon benefit experience, shall be
45 reduced by 6/10 of 1% if his account for all past periods reflects an
46 excess of contributions paid over total benefits charged of 3% or
47 more of his average annual payroll, otherwise by 3/10 of 1% under
48 the contribution rate otherwise established under the provisions of

1 paragraphs (3) and (4) of this subsection; provided that in no event
 2 shall the contribution rate of any employer be reduced to less than
 3 4/10 of 1%.

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

11 (D) Prior to July 1 of each calendar year the controller shall
 12 determine the Unemployment Trust Fund Reserve Ratio, which
 13 shall be calculated by dividing the balance of the unemployment
 14 trust fund as of the prior March 31 by total taxable wages reported
 15 to the controller by all employers as of March 31 with respect to
 16 their employment during the last calendar year.

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

18 (ii) (Deleted by amendment, P.L.2001, c.152).

19 (iii) (Deleted by amendment, P.L.2003, c.107).

20 (iv) (Deleted by amendment, P.L.2004, c.45).

21 (v) (Deleted by amendment, P.L.2008, c.17).

22 (vi) (Deleted by amendment, P.L.2013, c.75).

23 (vii) With respect to experience rating years beginning on or
 24 after July 1, 2011, the new employer rate or the unemployment
 25 experience rate of an employer under this section shall be the rate
 26 which appears in the column headed by the Unemployment Trust
 27 Fund Reserve Ratio as of the applicable calculation date and on the
 28 line with the Employer Reserve Ratio, as defined in paragraph (4)
 29 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
 30 table:

31

32 EXPERIENCE RATING TAX TABLE

	Fund Reserve Ratio ¹				
	3.50%	3.00%	2.5%	2.0%	1.99%
Employer	and	to	to	to	and
Reserve	Over	3.49%	2.99%	2.49%	Under
Ratio ²	A	B	C	D	E
38 Positive Reserve Ratio:					
39 17% and over	0.3	0.4	0.5	0.6	1.2
40 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
41 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
42 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
43 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
44 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
45 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
46 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
47 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
48 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3

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1	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
2	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
3	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
5	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
6	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
7	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
8	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
9	Deficit Reserve Ratio:					
10	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
11	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
12	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
13	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
14	-12.00% to-14.99%	3.6	4.6	5.4	6.0	6.5
15	-15.00% to-19.99%	3.6	4.6	5.5	6.1	6.6
16	-20.00% to-24.99%	3.7	4.7	5.6	6.2	6.7
17	-25.00% to-29.99%	3.7	4.8	5.6	6.3	6.8
18	-30.00% to-34.99%	3.8	4.8	5.7	6.3	6.9
19	-35.00% and under	5.4	5.4	5.8	6.4	7.0
20	New Employer Rate	2.8	2.8	2.8	3.1	3.4

21 ¹Fund balance as of March 31 as a percentage of taxable wages
 22 in the prior calendar year.

23 ²Employer Reserve Ratio (Contributions minus benefits as a
 24 percentage of employer's taxable wages).

25

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

27 (ii) (Deleted by amendment, P.L.2008, c.17).

28 (iii) (Deleted by amendment, P.L.2013, c.75).

29 (iv) With respect to experience rating years beginning on or
 30 after July 1, 2011 and before July 1, 2013, if the fund reserve ratio,
 31 based on the fund balance as of the prior March 31, is less than
 32 1.0%, the contribution rate for each employer liable to pay
 33 contributions, as

34 computed under subparagraph (E) of this paragraph (5), shall be
 35 increased by a factor of 10% computed to the nearest multiple of
 36 1/10% if not already a multiple thereof.

37 (v) With respect to experience rating years beginning on or after
 38 July 1, 2014, if the fund reserve ratio, based on the fund balance as
 39 of the prior March 31, is less than 1.0%, the contribution rate for
 40 each employer liable to pay contributions, as computed under
 41 subparagraph (E) of this paragraph (5), shall be increased by a
 42 factor of 10% computed to the nearest multiple of 1/10% if not
 43 already a multiple thereof.

44 (G) On or after January 1, 1993, notwithstanding any other
 45 provisions of this paragraph (5), the contribution rate for each
 46 employer liable to pay contributions, as computed under
 47 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
 48 except that, during any experience rating year starting before

1 January 1, 1998 in which the fund reserve ratio is equal to or greater
2 than 7.00% or during any experience rating year starting on or after
3 January 1, 1998, in which the fund reserve ratio is equal to or
4 greater than 3.5%, there shall be no decrease pursuant to this
5 subparagraph (G) in the contribution of any employer who has a
6 deficit reserve ratio of negative 35.00% or under.

7 (H) On and after January 1, 1998 until December 31, 2000 and
8 on or after January 1, 2002 until June 30, 2006, the contribution rate
9 for each employer liable to pay contributions, as computed under
10 subparagraph (E) of this paragraph (5), shall be decreased by a
11 factor, as set out below, computed to the nearest multiple of 1/10%,
12 except that, if an employer has a deficit reserve ratio of negative
13 35.0% or under, the employer's rate of contribution shall not be
14 reduced pursuant to this subparagraph (H) to less than 5.4%:

15 From January 1, 1998 until December 31, 1998, a factor of 12%;
16 From January 1, 1999 until December 31, 1999, a factor of 10%;
17 From January 1, 2000 until December 31, 2000, a factor of 7%;
18 From January 1, 2002 until March 31, 2002, a factor of 36%;
19 From April 1, 2002 until June 30, 2002, a factor of 85%;
20 From July 1, 2002 until June 30, 2003, a factor of 15%;
21 From July 1, 2003 until June 30, 2004, a factor of 15%;
22 From July 1, 2004 until June 30, 2005, a factor of 7%;
23 From July 1, 2005 until December 31, 2005, a factor of 16%; and
24 From January 1, 2006 until June 30, 2006, a factor of 34%.

25 The amount of the reduction in the employer contributions
26 stipulated by this subparagraph (H) shall be in addition to the
27 amount of the reduction in the employer contributions stipulated by
28 subparagraph (G) of this paragraph (5), except that the rate of
29 contribution of an employer who has a deficit reserve ratio of
30 negative 35.0% or under shall not be reduced pursuant to this
31 subparagraph (H) to less than 5.4% and the rate of contribution of
32 any other employer shall not be reduced to less than 0.0%.

33 (I) (Deleted by amendment, P.L.2008, c.17).

34 (J) On or after July 1, 2001, notwithstanding any other
35 provisions of this paragraph (5), the contribution rate for each
36 employer liable to pay contributions, as computed under
37 subparagraph (E) of this paragraph (5), shall be decreased by
38 0.0175%, except that, during any experience rating year starting on
39 or after July 1, 2001, in which the fund reserve ratio is equal to or
40 greater than 3.5%, there shall be no decrease pursuant to this
41 subparagraph (J) in the contribution of any employer who has a
42 deficit reserve ratio of negative 35.00% or under. The amount of the
43 reduction in the employer contributions stipulated by this
44 subparagraph (J) shall be in addition to the amount of the reduction
45 in the employer contributions stipulated by subparagraphs (G) and
46 (H) of this paragraph (5), except that the rate of contribution of an
47 employer who has a deficit reserve ratio of negative 35.0% or under
48 shall not be reduced pursuant to this subparagraph (J) to less than

1 5.4% and the rate of contribution of any other employer shall not be
2 reduced to less than 0.0%.

3 (K) With respect to experience rating years beginning on or after
4 July 1, 2009, if the fund reserve ratio, based on the fund balance as
5 of the prior March 31, is:

6 (i) Equal to or greater than 5.00% but less than 7.5%, the
7 contribution rate for each employer liable to pay contributions, as
8 computed under subparagraph (E) of this paragraph (5), shall be
9 reduced by a factor of 25% computed to the nearest multiple of
10 1/10% if not already a multiple thereof except that there shall be no
11 decrease pursuant to this subparagraph (K) in the contribution of
12 any employer who has a deficit reserve ratio of 35.00% or under;

13 (ii) Equal to or greater than 7.5%, the contribution rate for each
14 employer liable to pay contributions, as computed under
15 subparagraph (E) of this paragraph (5), shall be reduced by a factor
16 of 50% computed to the nearest multiple of 1/10% if not already a
17 multiple thereof except that there shall be no decrease pursuant to
18 this subparagraph (K) in the contribution of any employer who has
19 a deficit reserve ratio of 35.00% or under.

20 (L) Notwithstanding any other provision of this paragraph (5)
21 and notwithstanding the actual fund reserve ratio, the contribution
22 rate for employers liable to pay contributions, as computed under
23 subparagraph (E) of this paragraph (5), shall be, for fiscal year
24 2011, the rates set by column "C" of the table in that subparagraph.

25 (M) Notwithstanding any other provision of this paragraph (5)
26 and notwithstanding the actual fund reserve ratio, the contribution
27 rate for employers liable to pay contributions, as computed under
28 subparagraph (E) of this paragraph (5), shall be, for fiscal year
29 2012, the rates set by column "D" of the table in that subparagraph.

30 (N) Notwithstanding any other provision of this paragraph (5)
31 and notwithstanding the actual fund reserve ratio, the contribution
32 rate for employers liable to pay contributions, as computed under
33 subparagraph (E) of this paragraph (5), shall be, for fiscal year
34 2013, the rates set by column "E" of the table in that subparagraph.

35 (O) Notwithstanding any other provision of this paragraph (5)
36 and notwithstanding the actual fund reserve ratio, the contribution
37 rate for employers liable to pay contributions, as computed under
38 subparagraph (E) of this paragraph (5), shall be, for fiscal year
39 2022, the rates set by column "C" of the table in that subparagraph.

40 (P) Notwithstanding any other provision of this paragraph (5)
41 and notwithstanding the actual fund reserve ratio, the contribution
42 rate for employers liable to pay contributions, as computed under
43 subparagraph (E) of this paragraph (5), shall be, for fiscal year
44 2023, the rates set by column "D" of the table in that subparagraph,
45 unless the application of the provisions of this paragraph (5) using
46 the actual fund reserve ratio would result in the contribution rate for
47 employers being set by a column which has lower tax rates than the
48 rates in column "D", in which case the employers shall be liable to

1 pay contributions at the rates set by the column with the lower tax
2 rates.

3 (Q) Notwithstanding any other provision of this paragraph (5)
4 and notwithstanding the actual fund reserve ratio, the contribution
5 rate for employers liable to pay contributions, as computed under
6 subparagraph (E) of this paragraph (5), shall be, for fiscal year
7 2024, the rates set by column "E" of the table in that subparagraph,
8 unless the application of the provisions of this paragraph (5) using
9 the actual fund reserve ratio would result in the contribution rate for
10 employers being set by a column which has lower tax rates than the
11 rates in column "E", in which case the employers shall be liable to
12 pay contributions at the rates set by the column with the lower tax
13 rates.

14 (6) Additional contributions.

15 Notwithstanding any other provision of law, any employer who
16 has been assigned a contribution rate pursuant to subsection (c) of
17 this section for the year commencing July 1, 1948, and for any year
18 commencing July 1 thereafter, may voluntarily make payment of
19 additional contributions, and upon such payment shall receive a
20 recomputation of the experience rate applicable to such employer,
21 including in the calculation the additional contribution so made,
22 except that, following a transfer as described under R.S.43:21-
23 7(c)(7)(D), neither the predecessor nor successor in interest shall be
24 eligible to make a voluntary payment of additional contributions
25 during the year the transfer occurs and the next full calendar year.
26 Any such additional contribution shall be made during the 30-day
27 period following the notification to the employer of his contribution
28 rate as prescribed in this section, unless, for good cause, the time
29 for payment has been extended by the controller for not to exceed
30 an additional 60 days; provided that in no event may such payments
31 which are made later than 120 days after the beginning of the year
32 for which such rates are effective be considered in determining the
33 experience rate for the year in which the payment is made. Any
34 employer receiving any extended period of time within which to
35 make such additional payment and failing to make such payment
36 timely shall be, in addition to the required amount of additional
37 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
38 greater, not to exceed \$50.00. Any adjustment under this subsection
39 shall be made only in the form of credits against accrued or future
40 contributions.

41 (7) Transfers.

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

1 pursuant to regulation, if it is determined that the employment
2 experience of the predecessor employer with respect to the
3 organization, trade, assets or business which has been transferred
4 may be considered indicative of the future employment experience
5 of the successor in interest. The successor in interest may, within
6 four months of the date of such transfer of the organization, trade,
7 assets or business, or thereafter upon good cause shown, request a
8 reconsideration of the transfer of employment experience of the
9 predecessor employer. The request for reconsideration shall
10 demonstrate, to the satisfaction of the controller, that the
11 employment experience of the predecessor is not indicative of the
12 future employment experience of the successor.

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

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

41 (D) If an employer transfers in whole or in part his or its
42 organization, trade, assets or business to a successor in interest,
43 whether by merger, consolidation, sale, transfer, descent or
44 otherwise and both the employer and successor in interest are at the
45 time of the transfer under common ownership, management or
46 control, then the employment experience attributable to the
47 transferred business shall also be transferred to and combined with
48 the employment experience of the successor in interest. The

1 transfer of the employment experience is mandatory and not subject
2 to appeal or protest.

3 (E) The transfer of part of an employer's employment experience
4 to a successor in interest shall become effective as of the first day of
5 the calendar quarter following the acquisition by the successor in
6 interest. As of the effective date, the successor in interest shall
7 have its employer rate recalculated by merging its existing
8 employment experience, if any, with the employment experience
9 acquired. If the successor in interest is not an employer as of the
10 date of acquisition, it shall be assigned the new employer rate until
11 the effective date of the transfer of employment experience.

12 (F) Upon the transfer in whole or in part of the organization,
13 trade, assets or business to a successor in interest, the employment
14 experience shall not be transferred if the successor in interest is not
15 an employer at the time of the acquisition and the controller finds
16 that the successor in interest acquired the business solely or
17 primarily for the purpose of obtaining a lower rate of contributions.

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

20 (1) (A) For periods after January 1, 1975, each worker shall
21 contribute to the fund 1% of his wages with respect to his
22 employment with an employer, which occurs on and after January
23 1, 1975, after such employer has satisfied the condition set forth in
24 subsection (h) of R.S.43:21-19 with respect to becoming an
25 employer; provided, however, that such contributions shall be at the
26 rate of 1/2 of 1% of wages paid with respect to employment while
27 the worker is in the employ of the State of New Jersey, or any
28 governmental entity or instrumentality which is an employer as
29 defined under R.S.43:21-19(h)(5), or is covered by an approved
30 private plan under the "Temporary Disability Benefits Law" or
31 while the worker is exempt from the provisions of the "Temporary
32 Disability Benefits Law" under section 7 of that law, P.L.1948,
33 c.110 (C.43:21-31).

34 (B) Effective January 1, 1978 there shall be no contributions by
35 workers in the employ of any governmental or nongovernmental
36 employer electing or required to make payments in lieu of
37 contributions unless the employer is covered by the State plan under
38 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
39 that case contributions shall be at the rate of 1/2 of 1%, except that
40 commencing July 1, 1986, workers in the employ of any
41 nongovernmental employer electing or required to make payments
42 in lieu of contributions shall be required to make contributions to
43 the fund at the same rate prescribed for workers of other
44 nongovernmental employers.

45 (C) (i) Notwithstanding the above provisions of this paragraph
46 (1), during the period starting July 1, 1986 and ending December
47 31, 1992, each worker shall contribute to the fund 1.125% of wages
48 paid with respect to his employment with a governmental employer

1 electing or required to pay contributions or nongovernmental
2 employer, including a nonprofit organization which is an employer
3 as defined under R.S.43:21-19(h)(6), regardless of whether that
4 nonprofit organization elects or is required to finance its benefit
5 costs with contributions to the fund or by payments in lieu of
6 contributions, after that employer has satisfied the conditions set
7 forth in subsection R.S.43:21-19(h) with respect to becoming an
8 employer. Contributions, however, shall be at the rate of 0.625%
9 while the worker is covered by an approved private plan under the
10 "Temporary Disability Benefits Law" or while the worker is exempt
11 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
12 other provision of that law; provided that such contributions shall
13 be at the rate of 0.625% of wages paid with respect to employment
14 with the State of New Jersey or any other governmental entity or
15 instrumentality electing or required to make payments in lieu of
16 contributions and which is covered by the State plan under the
17 "Temporary Disability Benefits Law," except that, while the worker
18 is exempt from the provisions of the "Temporary Disability Benefits
19 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
20 any other provision of that law, or is covered for disability benefits
21 by an approved private plan of the employer, the contributions to
22 the fund shall be 0.125%.

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

24 (D) Notwithstanding any other provisions of this paragraph (1),
25 during the period starting January 1, 1993 and ending June 30,
26 1994, each worker shall contribute to the unemployment
27 compensation fund 0.5% of wages paid with respect to the worker's
28 employment with a governmental employer electing or required to
29 pay contributions or nongovernmental employer, including a
30 nonprofit organization which is an employer as defined under
31 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
32 whether that nonprofit organization elects or is required to finance
33 its benefit costs with contributions to the fund or by payments in
34 lieu of contributions, after that employer has satisfied the conditions
35 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
36 an employer. No contributions, however, shall be made by the
37 worker while the worker is covered by an approved private plan
38 under the "Temporary Disability Benefits Law," P.L.1948, c.110
39 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
40 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
41 provided that the contributions shall be at the rate of 0.50% of
42 wages paid with respect to employment with the State of New
43 Jersey or any other governmental entity or instrumentality electing
44 or required to make payments in lieu of contributions and which is
45 covered by the State plan under the "Temporary Disability Benefits
46 Law," except that, while the worker is exempt from the provisions
47 of the "Temporary Disability Benefits Law" under section 7 of that
48 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that

1 law, or is covered for disability benefits by an approved private plan
2 of the employer, no contributions shall be made to the fund.

3 Each worker shall, starting on January 1, 1996 and ending March
4 31, 1996, contribute to the unemployment compensation fund
5 0.60% of wages paid with respect to the worker's employment with
6 a governmental employer electing or required to pay contributions
7 or nongovernmental employer, including a nonprofit organization
8 which is an employer as defined under paragraph (6) of subsection
9 (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions,
12 after that employer has satisfied the conditions set forth in
13 subsection (h) of R.S.43:21-19 with respect to becoming an
14 employer, provided that the contributions shall be at the rate of
15 0.10% of wages paid with respect to employment with the State of
16 New Jersey or any other governmental entity or instrumentality
17 electing or required to make payments in lieu of contributions.

18 Each worker shall, starting on January 1, 1998 and ending
19 December 31, 1998, contribute to the unemployment compensation
20 fund 0.10% of wages paid with respect to the worker's employment
21 with a governmental employer electing or required to pay
22 contributions or nongovernmental employer, including a nonprofit
23 organization which is an employer as defined under paragraph (6)
24 of subsection (h) of R.S.43:21-19, regardless of whether that
25 nonprofit organization elects or is required to finance its benefit
26 costs with contributions to the fund or by payments in lieu of
27 contributions, after that employer has satisfied the conditions set
28 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
29 employer, provided that the contributions shall be at the rate of
30 0.10% of wages paid with respect to employment with the State of
31 New Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.

33 Each worker shall, starting on January 1, 1999 until December
34 31, 1999, contribute to the unemployment compensation fund
35 0.15% of wages paid with respect to the worker's employment with
36 a governmental employer electing or required to pay contributions
37 or nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.10% of wages paid with respect to employment with the State of
46 New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

1 Each worker shall, starting on January 1, 2000 until December
2 31, 2001, contribute to the unemployment compensation fund
3 0.20% of wages paid with respect to the worker's employment with
4 a governmental employer electing or required to pay contributions
5 or nongovernmental employer, including a nonprofit organization
6 which is an employer as defined under paragraph (6) of subsection
7 (h) of R.S.43:21-19, regardless of whether that nonprofit
8 organization elects or is required to finance its benefit costs with
9 contributions to the fund or by payments in lieu of contributions,
10 after that employer has satisfied the conditions set forth in
11 subsection (h) of R.S.43:21-19 with respect to becoming an
12 employer, provided that the contributions shall be at the rate of
13 0.10% of wages paid with respect to employment with the State of
14 New Jersey or any other governmental entity or instrumentality
15 electing or required to make payments in lieu of contributions.

16 Each worker shall, starting on January 1, 2002 until June 30,
17 2004, contribute to the unemployment compensation fund 0.1825%
18 of wages paid with respect to the worker's employment with a
19 governmental employer electing or required to pay contributions or
20 a nongovernmental employer, including a nonprofit organization
21 which is an employer as defined under paragraph (6) of subsection
22 (h) of R.S.43:21-19, regardless of whether that nonprofit
23 organization elects or is required to finance its benefit costs with
24 contributions to the fund or by payments in lieu of contributions,
25 after that employer has satisfied the conditions set forth in
26 subsection (h) of R.S.43:21-19 with respect to becoming an
27 employer, provided that the contributions shall be at the rate of
28 0.0825% of wages paid with respect to employment with the State
29 of New Jersey or any other governmental entity or instrumentality
30 electing or required to make payments in lieu of contributions.

31 Each worker shall, starting on and after July 1, 2004, contribute
32 to the unemployment compensation fund 0.3825% of wages paid
33 with respect to the worker's employment with a governmental
34 employer electing or required to pay contributions or
35 nongovernmental employer, including a nonprofit organization
36 which is an employer as defined under paragraph (6) of subsection
37 (h) of R.S.43:21-19, regardless of whether that nonprofit
38 organization elects or is required to finance its benefit costs with
39 contributions to the fund or by payments in lieu of contributions,
40 after that employer has satisfied the conditions set forth in
41 subsection (h) of R.S.43:21-19 with respect to becoming an
42 employer, provided that the contributions shall be at the rate of
43 0.0825% of wages paid with respect to employment with the State
44 of New Jersey or any other governmental entity or instrumentality
45 electing or required to make payments in lieu of contributions.

46 (E) Each employer shall, notwithstanding any provision of law
47 in this State to the contrary, withhold in trust the amount of his
48 workers' contributions from their wages at the time such wages are

1 paid, shall show such deduction on his payroll records, shall furnish
2 such evidence thereof to his workers as the division or controller
3 may prescribe, and shall transmit all such contributions, in addition
4 to his own contributions, to the office of the controller in such
5 manner and at such times as may be prescribed. If any employer
6 fails to deduct the contributions of any of his workers at the time
7 their wages are paid, or fails to make a deduction therefor at the
8 time wages are paid for the next succeeding payroll period, he alone
9 shall thereafter be liable for such contributions, and for the purpose
10 of R.S.43:21-14, such contributions shall be treated as employer's
11 contributions required from him.

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

15 (G) (i) Each worker, with respect to the worker's employment
16 with a government employer electing or required to pay
17 contributions to the State disability benefits fund or
18 nongovernmental employer, including a nonprofit organization
19 which is an employer as defined under paragraph (6) of subsection
20 (h) of R.S.43:21-19, unless the employer is covered by an approved
21 private disability plan or is exempt from the provisions of the
22 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
23 et al.) under section 7 of that law (C.43:21-31) or any other
24 provision of that law, shall, for calendar year 2012 and each
25 subsequent calendar year, make contributions to the State disability
26 benefits fund at the annual rate of contribution necessary to obtain a
27 total amount of contributions, which, when added to employer
28 contributions made to the State disability benefits fund pursuant to
29 subsection (e) of this section, is, for calendar years prior to calendar
30 year 2018, equal to 120% of the benefits paid for periods of
31 disability, excluding periods of family temporary disability, during
32 the immediately preceding calendar year plus an amount equal to
33 100% of the cost of administration of the payment of those benefits
34 during the immediately preceding calendar year, less the amount of
35 net assets remaining in the State disability benefits fund, excluding
36 net assets remaining in the "Family Temporary Disability Leave
37 Account" of that fund, as of December 31 of the immediately
38 preceding year, and is, for calendar year 2018 and year 2019, equal
39 to 120% of the benefits paid for periods of disability, excluding
40 periods of family temporary disability, during the last preceding full
41 fiscal year plus an amount equal to 100% of the cost of
42 administration of the payment of those benefits during the last
43 preceding full fiscal year, less the amount of net assets anticipated
44 to be remaining in the "Family Temporary Disability Leave
45 Account" of that fund, as of December 31 of the immediately
46 preceding calendar year, and is, for each of calendar years 2020 and
47 2021, equal to 120% of the benefits which the department
48 anticipates will be paid for periods of disability, excluding periods

1 of family temporary disability, during the respective calendar year
2 plus an amount equal to 100% of the cost of administration of the
3 payment of those benefits which the department anticipates during
4 the respective calendar year, less the amount of net assets
5 anticipated to be remaining in the State disability benefits fund,
6 excluding net assets remaining in the "Family Temporary Disability
7 Leave Account" of that fund, as of December 31 of the immediately
8 preceding calendar year, and is, for calendar year 2022 and any
9 subsequent calendar year, equal to 120% of the benefits paid for
10 periods of disability, excluding periods of family temporary
11 disability, during the last preceding full fiscal year plus an amount
12 equal to 100% of the cost of administration of the payment of those
13 benefits during the last preceding full fiscal year, less the amount of
14 net assets anticipated to be remaining in the State disability benefits
15 fund, excluding net assets remaining in the "Family Temporary
16 Disability Leave Account" of that fund, as of December 31 of the
17 immediately preceding calendar year. All increases in the cost of
18 benefits for periods of disability caused by the increases in the
19 weekly benefit rate commencing July 1, 2020, pursuant to section
20 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
21 contributions made by workers pursuant to this paragraph (i) and
22 none of those increases shall be funded by employer contributions.
23 The estimated rates for the next calendar year shall be made
24 available on the department's website no later than 60 days after the
25 end of the last preceding full fiscal year. The rates of employer
26 contributions determined pursuant to subsection (e) of this section
27 for any year shall be determined prior to the determination of the
28 rate of employee contributions pursuant to this subparagraph (i) and
29 any consideration of employee contributions in determining
30 employer rates for any year shall be based on amounts of employee
31 contributions made prior to the year to which the rate of employee
32 contributions applies and shall not be based on any projection or
33 estimate of the amount of employee contributions for the year to
34 which that rate applies.

35 (ii) Each worker shall contribute to the State disability benefits
36 fund, in addition to any amount contributed pursuant to
37 subparagraph (i) of this paragraph (1)(G), an amount equal to,
38 during calendar year 2009, 0.09%, and during calendar year 2010
39 0.12%, of wages paid with respect to the worker's employment with
40 any covered employer, including a governmental employer which is
41 an employer as defined under R.S.43:21-19(h)(5), unless the
42 employer is covered by an approved private disability plan for
43 benefits during periods of family temporary disability leave. The
44 contributions made pursuant to this subparagraph (ii) to the State
45 disability benefits fund shall be deposited into an account of that
46 fund reserved for the payment of benefits during periods of family
47 temporary disability leave as defined in section 3 of the "Temporary
48 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the

1 administration of those payments and shall not be used for any other
2 purpose. This account shall be known as the "Family Temporary
3 Disability Leave Account." For calendar year 2011 and each
4 subsequent calendar year until 2018, the annual rate of contribution
5 to be paid by workers pursuant to this subparagraph (ii) shall be, for
6 calendar years prior to calendar year 2018, the rate necessary to
7 obtain a total amount of contributions equal to 125% of the benefits
8 paid for periods of family temporary disability leave during the
9 immediately preceding calendar year plus an amount equal to 100%
10 of the cost of administration of the payment of those benefits during
11 the immediately preceding calendar year, less the amount of net
12 assets remaining in the account as of December 31 of the
13 immediately preceding year, and shall be, for calendar year 2018
14 and calendar year 2019, the rate necessary to obtain a total amount
15 of contributions equal to 125% of the benefits paid for periods of
16 family temporary disability leave during the last preceding full
17 fiscal year plus an amount equal to 100% of the cost of
18 administration of the payment of those benefits during the last
19 preceding full fiscal year, less the amount of net assets anticipated
20 to be remaining in the account as of December 31 of the
21 immediately preceding calendar year. For each of calendar years
22 2020 and 2021, the annual rate of contribution to be paid by
23 workers pursuant to this subparagraph (ii) shall be the rate
24 necessary to obtain a total amount of contributions equal to 125% of
25 the benefits which the department anticipates will be paid for
26 periods of family temporary disability leave during the respective
27 calendar year plus an amount equal to 100% of the cost of
28 administration of the payment of those benefits which the
29 department anticipates during the respective calendar year, less the
30 amount of net assets remaining in the account as of December 31 of
31 the immediately preceding calendar year. For 2022 and any
32 subsequent calendar year, the annual rate of contribution to be paid
33 by workers pursuant to this subparagraph (ii) shall be the rate
34 necessary to obtain a total amount of contributions equal to 125% of
35 the benefits which were paid for periods of family temporary
36 disability leave during the last preceding full fiscal year plus an
37 amount equal to 100% of the cost of administration of the payment
38 of those benefits during the last preceding full fiscal year, less the
39 amount of net assets remaining in the account as of December 31 of
40 the immediately preceding calendar year. All increases in the cost
41 of benefits for periods of family temporary disability leave caused
42 by the increases in the weekly benefit rate commencing July 1, 2020
43 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
44 increases in the maximum duration of benefits commencing July 1,
45 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38
46 and 43:21-39) shall be funded by contributions made by workers
47 pursuant to this paragraph (ii) and none of those increases shall be
48 funded by employer contributions. The estimated rates for the next

1 calendar year shall be made available on the department's website
2 no later than 60 days after the end of the last preceding full fiscal
3 year. Necessary administrative costs shall include the cost of an
4 outreach program to inform employees of the availability of the
5 benefits and the cost of issuing the reports required or permitted
6 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
7 monies, other than the funds in the "Family Temporary Disability
8 Leave Account," shall be used for the payment of benefits during
9 periods of family temporary disability leave or for the
10 administration of those payments, with the sole exception that,
11 during calendar years 2008 and 2009, a total amount not exceeding
12 \$25 million may be transferred to that account from the revenues
13 received in the State disability benefits fund pursuant to
14 subparagraph (i) of this paragraph (1)(G) and be expended for those
15 payments and their administration, including the administration of
16 the collection of contributions made pursuant to this subparagraph
17 (ii) and any other necessary administrative costs. Any amount
18 transferred to the account pursuant to this subparagraph (ii) shall be
19 repaid during a period beginning not later than January 1, 2011 and
20 ending not later than December 31, 2015. No monies, other than
21 the funds in the "Family Temporary Disability Leave Account,"
22 shall be used under any circumstances after December 31, 2009, for
23 the payment of benefits during periods of family temporary
24 disability leave or for the administration of those payments,
25 including for the administration of the collection of contributions
26 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

34 (3) (A) If an employee receives wages from more than one
35 employer during any calendar year, and either the sum of his
36 contributions deposited in and credited to the State disability
37 benefits fund plus the amount of his contributions, if any, required
38 towards the costs of benefits under one or more approved private
39 plans under the provisions of section 9 of the "Temporary Disability
40 Benefits Law" (C.43:21-33) and deducted from his wages, or the
41 sum of such latter contributions, if the employee is covered during
42 such calendar year only by two or more private plans, exceeds an
43 amount equal to 1/2 of 1% of the "wages" determined in accordance
44 with the provisions of R.S.43:21-7(b)(3) during the calendar years
45 beginning on or after January 1, 1976 or, during calendar year 2012
46 or any subsequent calendar year, the total amount of his
47 contributions for the year exceeds the amount set by the annual rate
48 of contribution determined by the Commissioner of Labor and

1 Workforce Development pursuant to subparagraph (i) of paragraph
2 (1)(G) of this subsection (d), the employee shall be entitled to a
3 refund of the excess if he makes a claim to the controller within two
4 years after the end of the calendar year in which the wages are
5 received with respect to which the refund is claimed and establishes
6 his right to such refund. Such refund shall be made by the controller
7 from the State disability benefits fund. No interest shall be allowed
8 or paid with respect to any such refund. The controller shall, in
9 accordance with prescribed regulations, determine the portion of the
10 aggregate amount of such refunds made during any calendar year
11 which is applicable to private plans for which deductions were
12 made under section 9 of the "Temporary Disability Benefits Law"
13 (C.43:21-33) such determination to be based upon the ratio of the
14 amount of such wages exempt from contributions to such fund, as
15 provided in subparagraph (B) of paragraph (1) of this subsection
16 with respect to coverage under private plans, to the total wages so
17 exempt plus the amount of such wages subject to contributions to
18 the disability benefits fund, as provided in subparagraph (G) of
19 paragraph (1) of this subsection. The controller shall, in accordance
20 with prescribed regulations, prorate the amount so determined
21 among the applicable private plans in the proportion that the wages
22 covered by each plan bear to the total private plan wages involved
23 in such refunds, and shall assess against and recover from the
24 employer, or the insurer if the insurer has indemnified the employer
25 with respect thereto, the amount so prorated. The provisions of
26 R.S.43:21-14 with respect to collection of employer contributions
27 shall apply to such assessments. The amount so recovered by the
28 controller shall be paid into the State disability benefits fund.

29 (B) If an employee receives wages from more than one employer
30 during any calendar year, and the sum of his contributions deposited
31 in the "Family Temporary Disability Leave Account" of the State
32 disability benefits fund plus the amount of his contributions, if any,
33 required towards the costs of family temporary disability leave
34 benefits under one or more approved private plans under the
35 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
36 et al.) and deducted from his wages, exceeds an amount equal to,
37 during calendar year 2009, 0.09% of the "wages" determined in
38 accordance with the provisions of R.S.43:21-7(b)(3), or during
39 calendar year 2010, 0.12% of those wages, or, during calendar year
40 2011 or any subsequent calendar year, the percentage of those
41 wages set by the annual rate of contribution determined by the
42 Commissioner of Labor and Workforce Development pursuant to
43 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the
44 employee shall be entitled to a refund of the excess if he makes a
45 claim to the controller within two years after the end of the calendar
46 year in which the wages are received with respect to which the
47 refund is claimed and establishes his right to the refund. The refund
48 shall be made by the controller from the "Family Temporary

1 Disability Leave Account" of the State disability benefits fund. No
2 interest shall be allowed or paid with respect to any such refund.
3 The controller shall, in accordance with prescribed regulations,
4 determine the portion of the aggregate amount of the refunds made
5 during any calendar year which is applicable to private plans for
6 which deductions were made under section 9 of the "Temporary
7 Disability Benefits Law" (C.43:21-33), with that determination
8 based upon the ratio of the amount of such wages exempt from
9 contributions to the fund, as provided in paragraph (1)(B) of this
10 subsection (d) with respect to coverage under private plans, to the
11 total wages so exempt plus the amount of such wages subject to
12 contributions to the "Family Temporary Disability Leave Account"
13 of the State disability benefits fund, as provided in subparagraph (ii)
14 of paragraph (1)(G) of this subsection (d). The controller shall, in
15 accordance with prescribed regulations, prorate the amount so
16 determined among the applicable private plans in the proportion
17 that the wages covered by each plan bear to the total private plan
18 wages involved in such refunds, and shall assess against and
19 recover from the employer, or the insurer if the insurer has
20 indemnified the employer with respect thereto, the prorated amount.
21 The provisions of R.S.43:21-14 with respect to collection of
22 employer contributions shall apply to such assessments. The
23 amount so recovered by the controller shall be paid into the "Family
24 Temporary Disability Leave Account" of the State disability
25 benefits fund.

26 (4) If an individual does not receive any wages from the
27 employing unit which for the purposes of this chapter (R.S.43:21-1
28 et seq.) is treated as his employer, or receives his wages from some
29 other employing unit, such employer shall nevertheless be liable for
30 such individual's contributions in the first instance; and after
31 payment thereof such employer may deduct the amount of such
32 contributions from any sums payable by him to such employing
33 unit, or may recover the amount of such contributions from such
34 employing unit, or, in the absence of such an employing unit, from
35 such individual, in a civil action; provided proceedings therefor are
36 instituted within three months after the date on which such
37 contributions are payable. General rules shall be prescribed
38 whereby such an employing unit may recover the amount of such
39 contributions from such individuals in the same manner as if it were
40 the employer.

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

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

4 (e) Contributions by employers to the State disability benefits
5 fund.

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

27 (2) During the continuance of coverage of a worker by an
28 approved private plan of disability benefits under the "Temporary
29 Disability Benefits Law," the employer shall be exempt from the
30 contributions required by paragraph (1) above with respect to wages
31 paid to such worker.

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

35 (B) A separate disability benefits account shall be maintained for
36 each employer required to contribute to the State disability benefits
37 fund and such account shall be credited with contributions
38 deposited in and credited to such fund with respect to employment
39 occurring on and after January 1, 1949. Each employer's account
40 shall be credited with all contributions paid on or before January 31
41 of any calendar year on his own behalf and on behalf of individuals
42 in his service with respect to employment occurring in preceding
43 calendar years; provided, however, that if January 31 of any
44 calendar year falls on a Saturday or Sunday an employer's account
45 shall be credited as of January 31 of such calendar year with all the
46 contributions which he has paid on or before the next succeeding
47 day which is not a Saturday or Sunday. But nothing in this act shall
48 be construed to grant any employer or individuals in his service

1 prior claims or rights to the amounts paid by him to the fund either
2 on his own behalf or on behalf of such individuals. Benefits paid to
3 any covered individual in accordance with Article III of the
4 "Temporary Disability Benefits Law" on or before December 31 of
5 any calendar year with respect to disability in such calendar year
6 and in preceding calendar years shall be charged against the account
7 of the employer by whom such individual was employed at the
8 commencement of such disability or by whom he was last
9 employed, if out of employment.

10 (C) The controller may prescribe regulations for the
11 establishment, maintenance, and dissolution of joint accounts by
12 two or more employers, and shall, in accordance with such
13 regulations and upon application by two or more employers to
14 establish such an account, or to merge their several individual
15 accounts in a joint account, maintain such joint account as if it
16 constituted a single employer's account.

17 (D) Prior to July 1 of each calendar year, the controller shall
18 make a preliminary determination of the rate of contribution for the
19 12 months commencing on such July 1 for each employer subject to
20 the contribution requirements of this subsection (e).

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

26 (2) If the minimum requirements in subparagraph (D) (1) above
27 have been fulfilled and the credited contributions exceed the
28 benefits charged by more than \$500.00, such preliminary rate shall
29 be as follows:

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

33 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds
34 1 1/4% but is less than 1 1/2% of his average annual payroll;

35 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1
36 1/2% of his average annual payroll.

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

43 (4) If the minimum requirements in subparagraph (D) (1) above
44 have been fulfilled and the benefits charged exceed the
45 contributions credited by more than \$500.00, such preliminary rate
46 shall be as follows:

47 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
48 1% of his average annual payroll;

- 1 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
2 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 3 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
4 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;
- 5 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
6 3/4 of 1% but is less than 1% of his average annual payroll;
- 7 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
8 1% of his average annual payroll.
- 9 (5) Determination of the preliminary rate as specified in
10 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
11 to the condition that it shall in no event be decreased by more than
12 1/10 of 1% of wages or increased by more than 2/10 of 1% of
13 wages from the preliminary rate determined for the preceding year
14 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
15 shall have been applicable.
- 16 (E) (1) Prior to July 1 of each calendar year the controller shall
17 determine the amount of the State disability benefits fund as of
18 December 31 of the preceding calendar year, increased by the
19 contributions paid thereto during January of the current calendar
20 year with respect to employment occurring in the preceding
21 calendar year. If such amount exceeds the net amount withdrawn
22 from the unemployment trust fund pursuant to section 23 of the
23 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)
24 plus the amount at the end of such preceding calendar year of the
25 unemployment disability account as defined in section 22 of said
26 law (C.43:21-46), such excess shall be expressed as a percentage of
27 the wages on which contributions were paid to the State disability
28 benefits fund on or before January 31 with respect to employment
29 in the preceding calendar year.
- 30 (2) The controller shall then make a final determination of the
31 rates of contribution for the 12 months commencing July 1 of such
32 year for employers whose preliminary rates are determined as
33 provided in subparagraph (D) hereof, as follows:
- 34 (i) If the percentage determined in accordance with
35 subparagraph (E)(1) of this paragraph equals or exceeds 1 1/4%, the
36 final employer rates shall be the preliminary rates determined as
37 provided in subparagraph (D) hereof, except that if the employer's
38 preliminary rate is determined as provided in subparagraph (D)(2)
39 or subparagraph (D)(3) hereof, the final employer rate shall be the
40 preliminary employer rate decreased by such percentage of excess
41 taken to the nearest 5/100 of 1%, but in no case shall such final rate
42 be less than 1/10 of 1%.
- 43 (ii) If the percentage determined in accordance with
44 subparagraph (E)(1) of this paragraph equals or exceeds 3/4 of 1%
45 and is less than 1 1/4 of 1%, the final employer rates shall be the
46 preliminary employer rates.
- 47 (iii) If the percentage determined in accordance with
48 subparagraph (E)(1) of this paragraph is less than 3/4 of 1%, but in

1 excess of 1/4 of 1%, the final employer rates shall be the
2 preliminary employer rates determined as provided in subparagraph
3 (D) hereof increased by the difference between 3/4 of 1% and such
4 percentage taken to the nearest 5/100 of 1%; provided, however,
5 that no such final rate shall be more than 1/4 of 1% in the case of an
6 employer whose preliminary rate is determined as provided in
7 subparagraph (D)(2) hereof, more than 1/2 of 1% in the case of an
8 employer whose preliminary rate is determined as provided in
9 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
10 3/4 of 1% in the case of an employer whose preliminary rate is
11 determined as provided in subparagraph (D)(4) hereof.

12 (iv) If the amount of the State disability benefits fund determined
13 as provided in subparagraph (E)(1) of this paragraph is equal to or
14 less than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case
15 of an employer whose preliminary rate is determined as provided in
16 subparagraph (D)(2) hereof, 7/10 of 1% in the case of an employer
17 whose preliminary rate is determined as provided in subparagraph
18 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
19 employer whose preliminary rate is determined as provided in
20 subparagraph (D)(4) hereof. Notwithstanding any other provision of
21 law or any determination made by the controller with respect to any
22 12-month period commencing on July 1, 1970, the final rates for all
23 employers for the period beginning January 1, 1971, shall be as set
24 forth herein.

25 (F) Notwithstanding any other provisions of this subsection (e),
26 the rate of contribution paid to the State disability benefits fund by
27 each covered employer as defined in paragraph (1) of subsection (a)
28 of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as
29 if:

30 (i) No disability benefits have been paid with respect to periods
31 of family temporary disability leave;

32 (ii) No worker paid any contributions to the State disability
33 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
34 this section;

35 (iii) No amounts were transferred from the State disability
36 benefits fund to the "Family Temporary Disability Leave Account"
37 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;
38 and

39 (iv) The total amount of benefits paid for periods of disability
40 were not subject to the increases in the weekly benefit rate for those
41 benefits commencing July 1, 2020 pursuant to section 16 of
42 P.L.1948, c.110 (C.43:21-40).

43 (cf: P.L.2019, c.37, s.6)

44

45 3. This act shall take effect immediately.

STATEMENT

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This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefit to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4853

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Assembly Labor Committee reports favorably Assembly Bill No. 4853.

This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefit to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4853

STATE OF NEW JERSEY

DATED: OCTOBER 26, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4853.

This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefit to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that by specifying employer contribution rates to the Unemployment Insurance (UI) Compensation Trust Fund regardless of the fund's reserve ratio, the bill will reduce revenues to the UI Fund by at least \$660 million in FY 2022, \$450 million in FY 2023, and \$230 million in FY 2024 relative to the amounts from the tax schedule that would otherwise take effect.

Providing that all UI benefits paid during the current coronavirus disease 2019 pandemic state of emergency will not be counties when calculating and individual employer's reserve ratio, the bill will result

in additional, potentially significant, decreases in revenues to the UI fund.

The bill may result in cost savings to potentially all State entities, public institutions of higher education, local governments, and school districts tied to the reduced liabilities to the UI fund for those entities that choose to not pay contributions to the UI fund on an annual basis but instead reimburse the UI fund for UI benefits paid to laid off employees on a dollar for dollar basis.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4853
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 2, 2020

SUMMARY

- Synopsis:** Reduces or delays increases in employer unemployment taxes related to benefits paid during coronavirus disease 2019 pandemic state of emergency.
- Type of Impact:** Multi-year decrease in revenue collections to the Unemployment Insurance Compensation Fund. Multi-year cost savings to the State, public institutions of higher education, local governments, and school districts.
- Agencies Affected:** Potentially all State entities, local governments, institutions of higher education, and school districts; Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Revenue Decrease- Unemployment Insurance Compensation Fund	At Least \$660 Million	At Least \$450 Million	At Least \$230 Million
Cost Savings-State entities, Public Institutions of Higher Education, Local Governments, and School Districts	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will reduce revenues to the Unemployment Insurance (UI) Compensation Fund by at least \$660 million in FY 2022, \$450 million in FY 2023, and \$230 million in FY 2024 relative to amounts that would have been collected from employers based on the fund’s reserve ratio and statutory funding formula. Beginning in FY 2025, employer contribution rates will return to their statutory levels and remain in place until the UI fund is replenished and federal loans are repaid.
- By providing that all UI benefits paid during the Covid-19 state of emergency will be excluded when calculating an individual employer’s reserve ratio, the bill will result in further,



potentially significant, decreases in revenues to the UI fund on top of the amounts enumerated above.

- This bill may result in cost savings to potentially all State entities, public institutions of higher education, local governments, and school districts tied to the reduced liabilities to the UI fund for those entities that choose to not make contributions to the UI fund on an annual basis but instead reimburse the UI fund for benefits paid to laid off employees.

BILL DESCRIPTION

This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefits to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E).
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The New Jersey Department of Labor and Workforce Development (DOLWD) provided data concerning revenues and expenditures of the State's UI fund.

OFFICE OF LEGISLATIVE SERVICES

UI Fund Revenue Reductions:

The OLS estimates that the bill will reduce revenues to the UI Fund by at least \$660 million in FY 2022, \$450 million in FY 2023, and \$230 million in FY 2024 relative to amounts that would have been collected from employers based on the fund's reserve ratio and statutory funding formula. These revenue reductions are in actuality deferrals of employer contributions to the UI Fund because beginning in FY 2025, employer contribution rates will return to their statutory levels and remain in place until the UI fund is replenished and federal loans are repaid.

The UI fund's reserve ratio, in part, determines an employer's tax rate, which will increase as the reserve ratio falls in order to replenish the fund balance as unemployment benefits get paid out.

As a result of the Covid-19 pandemic, a significant amount of benefits have been paid during calendar year (CY) 2020 and the fund balance has been reduced. The decline in the reserve ratio would have automatically triggered the highest possible employer contribution rate beginning in FY 2022, but this bill excludes the fund’s reserve ratio in calculating an employer’s contribution rate and instead provides for lower employer contributions over a three-year period.

Currently, unemployment contribution rates for FY 2021 are set by column “B” of the Experience Rating Tax Table. If this bill is not enacted, the UI fund will most likely have a negative balance when the employer UI tax rates are calculated on March 31, 2021 for FY 2022 because of the large amount of UI benefits paid out to employees during CY 2020. Consequently, the taxes on employers for FY 2022 would be the taxes indicated in column “E” plus the 10% surcharge currently provided, imposing the highest level of UI taxes provided by law. According to data provided by the DOLWD and displayed in the table below, total FY 2022 taxes would be increased by \$940 million compared with FY 2021, or 58%, from \$1.62 billion under the “B” schedule to \$2.56 billion under the “E” plus 10% schedule.

Absent this bill or other intervention, the OLS notes that the statutory tax schedule would have resulted in the “E” plus 10% schedule applying to FY2022 and possibly subsequent years. However, the bill replaces this increase with a new mandated progression (overriding any higher tax rates triggered by the reserve ratios) of the “C” schedule in FY 2022, the “D” schedule in FY 2023, and the “E” schedule in FY 2024.

**UNEMPLOYMENT COMPENSATION FUND
EMPLOYER CONTRIBUTIONS
TABLE A - E & 10% (CASH BASIS)
FISCAL YEARS 2021 & 2022**

UI TAX TABLE	FY 2021 (\$ billions)	FY 2022		
		Projected Contribution (\$ billions)	Change over "B"	
			Increase (\$ billions)	Percent Increase
A	1.29	1.33	NA	NA
B	1.56	1.62	NA	NA
C	1.84	1.90	0.28	17.3%
D	2.04	2.11	0.49	30.2%
E	2.25	2.33	0.71	43.8%
E+10%	2.48	2.56	0.94	58.0%

Source: NJ Department of Labor & Workforce Development.

According to the table shown above, and assuming that all else remains unchanged, the OLS notes that the “C” schedule in FY 2022 will result in \$1.90 billion in UI employer tax collection for that year. Consequently, if the bill is enacted, keeping the schedule in the “C” column will result in a decrease in UI tax revenue of \$660 million as compared to the \$2.56 billion that would have been otherwise realized under the “E” plus 10% schedule. Keeping the “D” schedule in FY 2023 will likely result in \$450 million less than what would have been otherwise realized under the “E” plus 10% schedule. And for FY 2024, the “E” schedule will likely result in a decrease in UI tax revenue of about \$230 million as compared to what would have been otherwise realized under the “E” plus 10% schedule.

The OLS estimates that the bill would thereby reduce, over the three fiscal years, the total amount of employer UI taxes by at least \$1.34 billion. Moreover, the OLS notes that the bill will result in additional, potentially significant, decreases in revenue to the UI fund by providing that all UI benefits paid during the emergency are to be excluded when calculating the individual employer reserve ratio, which is the other component of the UI Fund’s funding formula.

The OLS expects that the totality of the revenue reductions will make the State reliant on federal loans to be able to pay UI benefits. The DOLWD currently projects that the State's UI fund will have net borrowings from the federal government of \$1.9 billion as of April 2021 and that they will be reduced to \$1.6 billion by the end of CY 2021. However, that is premised on the current statutory employer contribution tax rate. Under the bill, net federal borrowing is likely to see little to no reduction in CY 2021 or during the three years that revenues are reduced under this bill. Beginning in FY 2025, employer contribution rates will return to their statutory levels and will remain there until the UI Fund's reserve is replenished and federal borrowings are repaid. It is not known how many years this will take.

Cost Savings to Governmental Employers:

The OLS further notes that this bill may result in cost savings to potentially all State entities, public institutions of higher education, local governments, and school districts tied to reduced liabilities to the UI fund for those employers that choose to not pay contributions to the unemployment UI fund on annual basis, but instead reimburse the UI fund for UI benefits paid to laid off employees on a dollar for dollar basis. Given that during the Covid-19 emergency, federal funds from the CARES Act are paying for 50% of the liability for payments in lieu of contributions with respect to unemployment benefits paid to employees laid off by the employer, the bill's payment provision of 50% of the costs will result in potential savings for those employers who would otherwise be liable for payments with respect to 100% of the payments of unemployment compensation benefits made by the UI fund to their employees. Currently, there are 1,164 active governmental reimbursable employers in the State.

Section: Commerce, Labor and Industry

Analysts: Juan C. Rodriguez
Senior Fiscal Analyst
Gregory L. Williams
Principal Research Analyst

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 3011

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 8, 2020

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Senators Addiego, Turner and Singleton

SYNOPSIS

Reduces or delays increases in employer unemployment taxes related to benefits paid during coronavirus disease 2019 pandemic state of emergency.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/16/2020)

1 AN ACT concerning employer contributions to the unemployment
2 compensation fund and payments in lieu of contributions,
3 amending R.S.43:21-7, and supplementing Title 43 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. (New section) a. The costs of any unemployment
10 compensation benefits paid to employees of an employer during the
11 public health emergency and state of emergency declared by the
12 Governor on March 9, 2020, and any subsequent extensions of that
13 public health emergency and state of emergency, shall not be
14 considered when calculating that employer's reserve ratio for the
15 purposes of determining the rate of the employer's contributions to
16 the State unemployment compensation fund pursuant to R.S.43:21-
17 7.

18 b. Any nonprofit organization which elects to make payments
19 in lieu of contributions pursuant to section 3 of P.L.1971, c.346
20 (C.43:21-7.2) and any governmental entity or instrumentality which
21 elects to make payments in lieu of contributions pursuant to section
22 4 of P.L.1971, c.346 (C.43:21-7.3), shall be liable for payments in
23 lieu of contributions with respect to only 50% of the payments of
24 unemployment compensation benefits made pursuant to either of
25 those two sections during the public health emergency and state of
26 emergency declared by the Governor on March 9, 2020, and any
27 subsequent extensions of that public health emergency and state of
28 emergency.

29

30 2. R.S.43:21-7 is amended read as follows:

31 43:21-7. Employers other than governmental entities, whose
32 benefit financing provisions are set forth in section 4 of P.L.1971,
33 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
34 payment in lieu of contributions on the basis set forth in section 3 of
35 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
36 unemployment compensation fund, contributions as set forth in
37 subsections (a), (b) and (c) hereof, and the provisions of subsections
38 (d) and (e) shall be applicable to all employers, consistent with the
39 provisions of the "unemployment compensation law" and the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
41 et al.).

42 (a) Payment.

43 (1) Contributions shall accrue and become payable by each
44 employer for each calendar year in which he is subject to this
45 chapter (R.S.43:21-1 et seq.), with respect to having individuals in

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

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

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

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

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

36 (3) For calendar years beginning on and after January 1, 1976,
37 the "wages" of any individual, as defined in the preceding
38 paragraph (2) of this subsection (b), shall be established and
39 promulgated by the Commissioner of Labor and Workforce
40 Development on or before September 1 of the preceding year and,
41 except as provided in paragraph (4) of this subsection (b), shall be,
42 28 times the Statewide average weekly remuneration paid to
43 workers by employers, as determined under R.S.43:21-3(c), raised
44 to the next higher multiple of \$100.00 if not already a multiple
45 thereof, provided that if the amount of wages so determined for a
46 calendar year is less than the amount similarly determined for the
47 preceding year, the greater amount will be used; provided, further,
48 that if the amount of such wages so determined does not equal or

1 exceed the amount of wages as defined in subsection (b) of section
2 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
3 the wages as determined in this paragraph in any calendar year shall
4 be raised to equal the amount established under the "Federal
5 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
6 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

7 (4) For calendar years beginning on and after January 1, 2020,
8 the "wages" of any individual, as defined in the preceding
9 paragraph (2) of this subsection (b) for purposes of contributions of
10 workers to the State disability benefits fund, including the "Family
11 Temporary Disability Leave Account" pursuant to subsection (d) of
12 this section, shall be established and promulgated by the
13 Commissioner of Labor and Workforce Development on or before
14 September 1 of the preceding year and shall be 107 times the
15 Statewide average weekly remuneration paid to workers by
16 employers, as determined under R.S.43:21-3(c), raised to the next
17 higher multiple of \$100.00 if not already a multiple thereof,
18 provided that if the amount of wages so determined for a calendar
19 year is less than the amount similarly determined for the preceding
20 year, the greater amount will be used.

21 (c) Future rates based on benefit experience.

22 (1) A separate account for each employer shall be maintained
23 and this shall be credited with all the contributions which he has
24 paid on his own behalf on or before January 31 of any calendar year
25 with respect to employment occurring in the preceding calendar
26 year; provided, however, that if January 31 of any calendar year
27 falls on a Saturday or Sunday, an employer's account shall be
28 credited as of January 31 of such calendar year with all the
29 contributions which he has paid on or before the next succeeding
30 day which is not a Saturday or Sunday. But nothing in this chapter
31 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
32 individuals in his service prior claims or rights to the amounts paid
33 by him into the fund either on his own behalf or on behalf of such
34 individuals. Benefits paid with respect to benefit years commencing
35 on and after January 1, 1953, to any individual on or before
36 December 31 of any calendar year with respect to unemployment in
37 such calendar year and in preceding calendar years shall be charged
38 against the account or accounts of the employer or employers in
39 whose employment such individual established base weeks
40 constituting the basis of such benefits, except that, with respect to
41 benefit years commencing after January 4, 1998, an employer's
42 account shall not be charged for benefits paid to a claimant if the
43 claimant's employment by that employer was ended in any way
44 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of
45 R.S.43:21-5, would have disqualified the claimant for benefits if the
46 claimant had applied for benefits at the time when that employment
47 ended. Benefits paid under a given benefit determination shall be
48 charged against the account of the employer to whom such

1 determination relates. When each benefit payment is made,
2 notification shall be promptly provided to each employer included
3 in the unemployment insurance monetary calculation of benefits.
4 Such notification shall identify the employer against whose account
5 the amount of such payment is being charged, shall show at least
6 the name and social security account number of the claimant and
7 shall specify the period of unemployment to which said benefit
8 payment applies.

9 An annual summary statement of unemployment benefits
10 charged to the employer's account shall be provided.

11 (2) Regulations may be prescribed for the establishment,
12 maintenance, and dissolution of joint accounts by two or more
13 employers, and shall, in accordance with such regulations and upon
14 application by two or more employers to establish such an account,
15 or to merge their several individual accounts in a joint account,
16 maintain such joint account as if it constituted a single employer's
17 account.

18 (3) No employer's rate shall be lower than 5.4% unless
19 assignment of such lower rate is consistent with the conditions
20 applicable to additional credit allowance for such year under section
21 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
22 s.3303(a)(1)), any other provision of this section to the contrary
23 notwithstanding.

24 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
25 $\frac{8}{10}\%$, except as otherwise provided in the following provisions.
26 No employer's rate for the 12 months commencing July 1 of any
27 calendar year shall be other than $2\frac{8}{10}\%$, unless as of the
28 preceding January 31 such employer shall have paid contributions
29 with respect to wages paid in each of the three calendar years
30 immediately preceding such year, in which case such employer's
31 rate for the 12 months commencing July 1 of any calendar year
32 shall be determined on the basis of his record up to the beginning of
33 such calendar year. If, at the beginning of such calendar year, the
34 total of all his contributions, paid on his own behalf, for all past
35 years exceeds the total benefits charged to his account for all such
36 years, his contribution rate shall be:

37 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
38 5%, of his average annual payroll (as defined in paragraph (2),
39 subsection (a) of R.S.43:21-19);

40 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
41 than 6%, of his average annual payroll;

42 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
43 than 7%, of his average annual payroll;

44 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
45 than 8%, of his average annual payroll;

46 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
47 than 9%, of his average annual payroll;

1 (6) 1%, if such excess equals or exceeds 9%, but is less than
2 10%, of his average annual payroll;

3 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
4 than 11%, of his average annual payroll;

5 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
6 average annual payroll.

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

11 (1) 4%, if such excess is less than 10% of his average annual
12 payroll;

13 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
14 than 20%, of his average annual payroll;

15 (3) 4 6/10%, if such excess equals or exceeds 20% of his
16 average annual payroll.

17 (C) Specially assigned rates.

18 (i) If no contributions were paid on wages for employment in
19 any calendar year used in determining the average annual payroll of
20 an employer eligible for an assigned rate under this paragraph (4),
21 the employer's rate shall be specially assigned as follows:

22 if the reserve balance in its account is positive, its assigned rate
23 shall be the highest rate in effect for positive balance accounts for
24 that period, or 5.4%, whichever is higher, and

25 if the reserve balance in its account is negative, its assigned rate
26 shall be the highest rate in effect for deficit accounts for that period.

27 (ii) If, following the purchase of a corporation with little or no
28 activity, known as a corporate shell, the resulting employing unit
29 operates a new or different business activity, the employing unit
30 shall be assigned a new employer rate.

31 (iii) Entities operating under common ownership, management or
32 control, when the operation of the entities is not identifiable,
33 distinguishable and severable, shall be considered a single employer
34 for the purposes of this chapter (R.S.43:21-1 et seq.).

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

39 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
40 31 of any calendar year the balance in the unemployment trust fund
41 equals or exceeds 4% but is less than 7% of the total taxable wages
42 reported to the controller as of that date in respect to employment
43 during the preceding calendar year, the contribution rate, effective
44 July 1 following, of each employer eligible for a contribution rate
45 calculation based upon benefit experience, shall be increased by
46 3/10 of 1% over the contribution rate otherwise established under
47 the provisions of paragraph (3) or (4) of this subsection. If on
48 March 31 of any calendar year the balance of the unemployment

1 trust fund exceeds 2 1/2% but is less than 4% of the total taxable
2 wages reported to the controller as of that date in respect to
3 employment during the preceding calendar year, the contribution
4 rate, effective July 1 following, of each employer eligible for a
5 contribution rate calculation based upon benefit experience, shall be
6 increased by 6/10 of 1% over the contribution rate otherwise
7 established under the provisions of paragraph (3) or (4) of this
8 subsection.

9 If on March 31 of any calendar year the balance of the
10 unemployment trust fund is less than 2 1/2% of the total taxable
11 wages reported to the controller as of that date in respect to
12 employment during the preceding calendar year, the contribution
13 rate, effective July 1 following, of each employer: (1) eligible for a
14 contribution rate calculation based upon benefit experience, shall be
15 increased by (i) 6/10 of 1% over the contribution rate otherwise
16 established under the provisions of paragraph (3), (4)(A) or (4)(B)
17 of this subsection, and (ii) an additional amount equal to 20% of the
18 total rate established herein, provided, however, that the final
19 contribution rate for each employer shall be computed to the nearest
20 multiple of 1/10% if not already a multiple thereof; (2) not eligible
21 for a contribution rate calculation based upon benefit experience,
22 shall be increased by 6/10 of 1% over the contribution rate
23 otherwise established under the provisions of paragraph (4) of this
24 subsection. For the period commencing July 1, 1984 and ending
25 June 30, 1986, the contribution rate for each employer liable to pay
26 contributions under R.S.43:21-7 shall be increased by a factor of
27 10% computed to the nearest multiple of 1/10% if not already a
28 multiple thereof.

29 (B) If on March 31 of any calendar year the balance in the
30 unemployment trust fund equals or exceeds 10% but is less than 12
31 1/2% of the total taxable wages reported to the controller as of that
32 date in respect to employment during the preceding calendar year,
33 the contribution rate, effective July 1 following, of each employer
34 eligible for a contribution rate calculation based upon benefit
35 experience, shall be reduced by 3/10 of 1% under the contribution
36 rate otherwise established under the provisions of paragraphs (3)
37 and (4) of this subsection; provided that in no event shall the
38 contribution rate of any employer be reduced to less than 4/10 of
39 1%. If on March 31 of any calendar year the balance in the
40 unemployment trust fund equals or exceeds 12 1/2% of the total
41 taxable wages reported to the controller as of that date in respect to
42 employment during the preceding calendar year, the contribution
43 rate, effective July 1 following, of each employer eligible for a
44 contribution rate calculation based upon benefit experience, shall be
45 reduced by 6/10 of 1% if his account for all past periods reflects an
46 excess of contributions paid over total benefits charged of 3% or
47 more of his average annual payroll, otherwise by 3/10 of 1% under
48 the contribution rate otherwise established under the provisions of

1 paragraphs (3) and (4) of this subsection; provided that in no event
 2 shall the contribution rate of any employer be reduced to less than
 3 4/10 of 1%.

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

11 (D) Prior to July 1 of each calendar year the controller shall
 12 determine the Unemployment Trust Fund Reserve Ratio, which
 13 shall be calculated by dividing the balance of the unemployment
 14 trust fund as of the prior March 31 by total taxable wages reported
 15 to the controller by all employers as of March 31 with respect to
 16 their employment during the last calendar year.

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

18 (ii) (Deleted by amendment, P.L.2001, c.152).

19 (iii) (Deleted by amendment, P.L.2003, c.107).

20 (iv) (Deleted by amendment, P.L.2004, c.45).

21 (v) (Deleted by amendment, P.L.2008, c.17).

22 (vi) (Deleted by amendment, P.L.2013, c.75).

23 (vii) With respect to experience rating years beginning on or
 24 after July 1, 2011, the new employer rate or the unemployment
 25 experience rate of an employer under this section shall be the rate
 26 which appears in the column headed by the Unemployment Trust
 27 Fund Reserve Ratio as of the applicable calculation date and on the
 28 line with the Employer Reserve Ratio, as defined in paragraph (4)
 29 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
 30 table:

31 EXPERIENCE RATING TAX TABLE

32 Fund Reserve Ratio ¹	33 3.50%	33 3.00%	33 2.5%	33 2.0%	33 1.99%
34 Employer Reserve Ratio ²	34 and Over	34 to 3.49%	34 to 2.99%	34 to 2.49%	34 and Under
	35 A	35 B	35 C	35 D	35 E
36 Positive Reserve Ratio:					
37 17% and over	37 0.3	37 0.4	37 0.5	37 0.6	37 1.2
38 16.00% to 16.99%	38 0.4	38 0.5	38 0.6	38 0.6	38 1.2
39 15.00% to 15.99%	39 0.4	39 0.6	39 0.7	39 0.7	39 1.2
40 14.00% to 14.99%	40 0.5	40 0.6	40 0.7	40 0.8	40 1.2
41 13.00% to 13.99%	41 0.6	41 0.7	41 0.8	41 0.9	41 1.2
42 12.00% to 12.99%	42 0.6	42 0.8	42 0.9	42 1.0	42 1.2
43 11.00% to 11.99%	43 0.7	43 0.8	43 1.0	43 1.1	43 1.2
44 10.00% to 10.99%	44 0.9	44 1.1	44 1.3	44 1.5	44 1.6
45 9.00% to 9.99%	45 1.0	45 1.3	45 1.6	45 1.7	45 1.9
46 8.00% to 8.99%	46 1.3	46 1.6	46 1.9	46 2.1	46 2.3
47 7.00% to 7.99%	47 1.4	47 1.8	47 2.2	47 2.4	47 2.6

S3011 MADDEN, SWEENEY

1	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
2	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
3	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
4	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
5	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
6	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
7	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
8	Deficit Reserve Ratio:					
9	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
10	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
11	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
12	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
13	-12.00% to-14.99%	3.6	4.6	5.4	6.0	6.5
14	-15.00% to-19.99%	3.6	4.6	5.5	6.1	6.6
15	-20.00% to-24.99%	3.7	4.7	5.6	6.2	6.7
16	-25.00% to-29.99%	3.7	4.8	5.6	6.3	6.8
17	-30.00% to-34.99%	3.8	4.8	5.7	6.3	6.9
18	-35.00% and under	5.4	5.4	5.8	6.4	7.0
19	New Employer Rate	2.8	2.8	2.8	3.1	3.4

20 ¹Fund balance as of March 31 as a percentage of taxable wages
 21 in the prior calendar year.

22 ²Employer Reserve Ratio (Contributions minus benefits as a
 23 percentage of employer's taxable wages).

24
 25 (F) (i) (Deleted by amendment, P.L.1997, c.263).

26 (ii) (Deleted by amendment, P.L.2008, c.17).

27 (iii) (Deleted by amendment, P.L.2013, c.75).

28 (iv) With respect to experience rating years beginning on or
 29 after July 1, 2011 and before July 1, 2013, if the fund reserve ratio,
 30 based on the fund balance as of the prior March 31, is less than
 31 1.0%, the contribution rate for each employer liable to pay
 32 contributions, as

33 computed under subparagraph (E) of this paragraph (5), shall be
 34 increased by a factor of 10% computed to the nearest multiple of
 35 1/10% if not already a multiple thereof.

36 (v) With respect to experience rating years beginning on or after
 37 July 1, 2014, if the fund reserve ratio, based on the fund balance as
 38 of the prior March 31, is less than 1.0%, the contribution rate for
 39 each employer liable to pay contributions, as computed under
 40 subparagraph (E) of this paragraph (5), shall be increased by a
 41 factor of 10% computed to the nearest multiple of 1/10% if not
 42 already a multiple thereof.

43 (G) On or after January 1, 1993, notwithstanding any other
 44 provisions of this paragraph (5), the contribution rate for each
 45 employer liable to pay contributions, as computed under
 46 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
 47 except that, during any experience rating year starting before
 48 January 1, 1998 in which the fund reserve ratio is equal to or greater

1 than 7.00% or during any experience rating year starting on or after
2 January 1, 1998, in which the fund reserve ratio is equal to or
3 greater than 3.5%, there shall be no decrease pursuant to this
4 subparagraph (G) in the contribution of any employer who has a
5 deficit reserve ratio of negative 35.00% or under.

6 (H) On and after January 1, 1998 until December 31, 2000 and
7 on or after January 1, 2002 until June 30, 2006, the contribution rate
8 for each employer liable to pay contributions, as computed under
9 subparagraph (E) of this paragraph (5), shall be decreased by a
10 factor, as set out below, computed to the nearest multiple of 1/10%,
11 except that, if an employer has a deficit reserve ratio of negative
12 35.0% or under, the employer's rate of contribution shall not be
13 reduced pursuant to this subparagraph (H) to less than 5.4%:

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

15 From January 1, 1999 until December 31, 1999, a factor of
16 10%;

17 From January 1, 2000 until December 31, 2000, a factor of
18 7%;

19 From January 1, 2002 until March 31, 2002, a factor of 36%;

20 From April 1, 2002 until June 30, 2002, a factor of 85%;

21 From July 1, 2002 until June 30, 2003, a factor of 15%;

22 From July 1, 2003 until June 30, 2004, a factor of 15%;

23 From July 1, 2004 until June 30, 2005, a factor of 7%;

24 From July 1, 2005 until December 31, 2005, a factor of 16%;

25 and

26 From January 1, 2006 until June 30, 2006, a factor of 34%.

27 The amount of the reduction in the employer contributions
28 stipulated by this subparagraph (H) shall be in addition to the
29 amount of the reduction in the employer contributions stipulated by
30 subparagraph (G) of this paragraph (5), except that the rate of
31 contribution of an employer who has a deficit reserve ratio of
32 negative 35.0% or under shall not be reduced pursuant to this
33 subparagraph (H) to less than 5.4% and the rate of contribution of
34 any other employer shall not be reduced to less than 0.0%.

35 (I) (Deleted by amendment, P.L.2008, c.17).

36 (J) On or after July 1, 2001, notwithstanding any other
37 provisions of this paragraph (5), the contribution rate for each
38 employer liable to pay contributions, as computed under
39 subparagraph (E) of this paragraph (5), shall be decreased by
40 0.0175%, except that, during any experience rating year starting on
41 or after July 1, 2001, in which the fund reserve ratio is equal to or
42 greater than 3.5%, there shall be no decrease pursuant to this
43 subparagraph (J) in the contribution of any employer who has a
44 deficit reserve ratio of negative 35.00% or under. The amount of the
45 reduction in the employer contributions stipulated by this
46 subparagraph (J) shall be in addition to the amount of the reduction
47 in the employer contributions stipulated by subparagraphs (G) and
48 (H) of this paragraph (5), except that the rate of contribution of an

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

5 (K) With respect to experience rating years beginning on or after
6 July 1, 2009, if the fund reserve ratio, based on the fund balance as
7 of the prior March 31, is:

8 (i) Equal to or greater than 5.00% but less than 7.5%, the
9 contribution rate for each employer liable to pay contributions, as
10 computed under subparagraph (E) of this paragraph (5), shall be
11 reduced by a factor of 25% computed to the nearest multiple of
12 1/10% if not already a multiple thereof except that there shall be no
13 decrease pursuant to this subparagraph (K) in the contribution of
14 any employer who has a deficit reserve ratio of 35.00% or under;

15 (ii) Equal to or greater than 7.5%, the contribution rate for each
16 employer liable to pay contributions, as computed under
17 subparagraph (E) of this paragraph (5), shall be reduced by a factor
18 of 50% computed to the nearest multiple of 1/10% if not already a
19 multiple thereof except that there shall be no decrease pursuant to
20 this subparagraph (K) in the contribution of any employer who has
21 a deficit reserve ratio of 35.00% or under.

22 (L) Notwithstanding any other provision of this paragraph (5)
23 and notwithstanding the actual fund reserve ratio, the contribution
24 rate for employers liable to pay contributions, as computed under
25 subparagraph (E) of this paragraph (5), shall be, for fiscal year
26 2011, the rates set by column "C" of the table in that subparagraph.

27 (M) Notwithstanding any other provision of this paragraph (5)
28 and notwithstanding the actual fund reserve ratio, the contribution
29 rate for employers liable to pay contributions, as computed under
30 subparagraph (E) of this paragraph (5), shall be, for fiscal year
31 2012, the rates set by column "D" of the table in that subparagraph.

32 (N) Notwithstanding any other provision of this paragraph (5)
33 and notwithstanding the actual fund reserve ratio, the contribution
34 rate for employers liable to pay contributions, as computed under
35 subparagraph (E) of this paragraph (5), shall be, for fiscal year
36 2013, the rates set by column "E" of the table in that subparagraph.

37 (O) Notwithstanding any other provision of this paragraph (5)
38 and notwithstanding the actual fund reserve ratio, the contribution
39 rate for employers liable to pay contributions, as computed under
40 subparagraph (E) of this paragraph (5), shall be, for fiscal year
41 2022, the rates set by column "C" of the table in that subparagraph.

42 (P) Notwithstanding any other provision of this paragraph (5)
43 and notwithstanding the actual fund reserve ratio, the contribution
44 rate for employers liable to pay contributions, as computed under
45 subparagraph (E) of this paragraph (5), shall be, for fiscal year
46 2023, the rates set by column "D" of the table in that subparagraph,
47 unless the application of the provisions of this paragraph (5) using
48 the actual fund reserve ratio would result in the contribution rate for

1 employers being set by a column which has lower tax rates than the
2 rates in column "D", in which case the employers shall be liable to
3 pay contributions at the rates set by the column with the lower tax
4 rates.

5 (Q) Notwithstanding any other provision of this paragraph (5)
6 and notwithstanding the actual fund reserve ratio, the contribution
7 rate for employers liable to pay contributions, as computed under
8 subparagraph (E) of this paragraph (5), shall be, for fiscal year
9 2024, the rates set by column "E" of the table in that subparagraph,
10 unless the application of the provisions of this paragraph (5) using
11 the actual fund reserve ratio would result in the contribution rate for
12 employers being set by a column which has lower tax rates than the
13 rates in column "E", in which case the employers shall be liable to
14 pay contributions at the rates set by the column with the lower tax
15 rates.

16 (6) Additional contributions.

17 Notwithstanding any other provision of law, any employer who
18 has been assigned a contribution rate pursuant to subsection (c) of
19 this section for the year commencing July 1, 1948, and for any year
20 commencing July 1 thereafter, may voluntarily make payment of
21 additional contributions, and upon such payment shall receive a
22 recomputation of the experience rate applicable to such employer,
23 including in the calculation the additional contribution so made,
24 except that, following a transfer as described under R.S.43:21-
25 7(c)(7)(D), neither the predecessor nor successor in interest shall be
26 eligible to make a voluntary payment of additional contributions
27 during the year the transfer occurs and the next full calendar year.
28 Any such additional contribution shall be made during the 30-day
29 period following the notification to the employer of his contribution
30 rate as prescribed in this section, unless, for good cause, the time
31 for payment has been extended by the controller for not to exceed
32 an additional 60 days; provided that in no event may such payments
33 which are made later than 120 days after the beginning of the year
34 for which such rates are effective be considered in determining the
35 experience rate for the year in which the payment is made. Any
36 employer receiving any extended period of time within which to
37 make such additional payment and failing to make such payment
38 timely shall be, in addition to the required amount of additional
39 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
40 greater, not to exceed \$50.00. Any adjustment under this subsection
41 shall be made only in the form of credits against accrued or future
42 contributions.

43 (7) Transfers.

44 (A) Upon the transfer of the organization, trade or business, or
45 substantially all the assets of an employer to a successor in interest,
46 whether by merger, consolidation, sale, transfer, descent or
47 otherwise, the controller shall transfer the employment experience
48 of the predecessor employer to the successor in interest, including

1 credit for past years, contributions paid, annual payrolls, benefit
2 charges, et cetera, applicable to such predecessor employer,
3 pursuant to regulation, if it is determined that the employment
4 experience of the predecessor employer with respect to the
5 organization, trade, assets or business which has been transferred
6 may be considered indicative of the future employment experience
7 of the successor in interest. The successor in interest may, within
8 four months of the date of such transfer of the organization, trade,
9 assets or business, or thereafter upon good cause shown, request a
10 reconsideration of the transfer of employment experience of the
11 predecessor employer. The request for reconsideration shall
12 demonstrate, to the satisfaction of the controller, that the
13 employment experience of the predecessor is not indicative of the
14 future employment experience of the successor.

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

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

43 (D) If an employer transfers in whole or in part his or its
44 organization, trade, assets or business to a successor in interest,
45 whether by merger, consolidation, sale, transfer, descent or
46 otherwise and both the employer and successor in interest are at the
47 time of the transfer under common ownership, management or
48 control, then the employment experience attributable to the

1 transferred business shall also be transferred to and combined with
2 the employment experience of the successor in interest. The
3 transfer of the employment experience is mandatory and not subject
4 to appeal or protest.

5 (E) The transfer of part of an employer's employment experience
6 to a successor in interest shall become effective as of the first day of
7 the calendar quarter following the acquisition by the successor in
8 interest. As of the effective date, the successor in interest shall
9 have its employer rate recalculated by merging its existing
10 employment experience, if any, with the employment experience
11 acquired. If the successor in interest is not an employer as of the
12 date of acquisition, it shall be assigned the new employer rate until
13 the effective date of the transfer of employment experience.

14 (F) Upon the transfer in whole or in part of the organization,
15 trade, assets or business to a successor in interest, the employment
16 experience shall not be transferred if the successor in interest is not
17 an employer at the time of the acquisition and the controller finds
18 that the successor in interest acquired the business solely or
19 primarily for the purpose of obtaining a lower rate of contributions.

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

22 (1) (A) For periods after January 1, 1975, each worker shall
23 contribute to the fund 1% of his wages with respect to his
24 employment with an employer, which occurs on and after January
25 1, 1975, after such employer has satisfied the condition set forth in
26 subsection (h) of R.S.43:21-19 with respect to becoming an
27 employer; provided, however, that such contributions shall be at the
28 rate of 1/2 of 1% of wages paid with respect to employment while
29 the worker is in the employ of the State of New Jersey, or any
30 governmental entity or instrumentality which is an employer as
31 defined under R.S.43:21-19(h)(5), or is covered by an approved
32 private plan under the "Temporary Disability Benefits Law" or
33 while the worker is exempt from the provisions of the "Temporary
34 Disability Benefits Law" under section 7 of that law, P.L.1948,
35 c.110 (C.43:21-31).

36 (B) Effective January 1, 1978 there shall be no contributions by
37 workers in the employ of any governmental or nongovernmental
38 employer electing or required to make payments in lieu of
39 contributions unless the employer is covered by the State plan under
40 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
41 that case contributions shall be at the rate of 1/2 of 1%, except that
42 commencing July 1, 1986, workers in the employ of any
43 nongovernmental employer electing or required to make payments
44 in lieu of contributions shall be required to make contributions to
45 the fund at the same rate prescribed for workers of other
46 nongovernmental employers.

47 (C) (i) Notwithstanding the above provisions of this paragraph
48 (1), during the period starting July 1, 1986 and ending December

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

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

26 (D) Notwithstanding any other provisions of this paragraph (1),
27 during the period starting January 1, 1993 and ending June 30,
28 1994, each worker shall contribute to the unemployment
29 compensation fund 0.5% of wages paid with respect to the worker's
30 employment with a governmental employer electing or required to
31 pay contributions or nongovernmental employer, including a
32 nonprofit organization which is an employer as defined under
33 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
34 whether that nonprofit organization elects or is required to finance
35 its benefit costs with contributions to the fund or by payments in
36 lieu of contributions, after that employer has satisfied the conditions
37 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
38 an employer. No contributions, however, shall be made by the
39 worker while the worker is covered by an approved private plan
40 under the "Temporary Disability Benefits Law," P.L.1948, c.110
41 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
42 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
43 provided that the contributions shall be at the rate of 0.50% of
44 wages paid with respect to employment with the State of New
45 Jersey or any other governmental entity or instrumentality electing
46 or required to make payments in lieu of contributions and which is
47 covered by the State plan under the "Temporary Disability Benefits
48 Law," except that, while the worker is exempt from the provisions

1 of the "Temporary Disability Benefits Law" under section 7 of that
2 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
3 law, or is covered for disability benefits by an approved private plan
4 of the employer, no contributions shall be made to the fund.

5 Each worker shall, starting on January 1, 1996 and ending March
6 31, 1996, contribute to the unemployment compensation fund
7 0.60% of wages paid with respect to the worker's employment with
8 a governmental employer electing or required to pay contributions
9 or nongovernmental employer, including a nonprofit organization
10 which is an employer as defined under paragraph (6) of subsection
11 (h) of R.S.43:21-19, regardless of whether that nonprofit
12 organization elects or is required to finance its benefit costs with
13 contributions to the fund or by payments in lieu of contributions,
14 after that employer has satisfied the conditions set forth in
15 subsection (h) of R.S.43:21-19 with respect to becoming an
16 employer, provided that the contributions shall be at the rate of
17 0.10% of wages paid with respect to employment with the State of
18 New Jersey or any other governmental entity or instrumentality
19 electing or required to make payments in lieu of contributions.

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

35 Each worker shall, starting on January 1, 1999 until December
36 31, 1999, contribute to the unemployment compensation fund
37 0.15% of wages paid with respect to the worker's employment with
38 a governmental employer electing or required to pay contributions
39 or nongovernmental employer, including a nonprofit organization
40 which is an employer as defined under paragraph (6) of subsection
41 (h) of R.S.43:21-19, regardless of whether that nonprofit
42 organization elects or is required to finance its benefit costs with
43 contributions to the fund or by payments in lieu of contributions,
44 after that employer has satisfied the conditions set forth in
45 subsection (h) of R.S.43:21-19 with respect to becoming an
46 employer, provided that the contributions shall be at the rate of
47 0.10% of wages paid with respect to employment with the State of

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

3 Each worker shall, starting on January 1, 2000 until December
4 31, 2001, contribute to the unemployment compensation fund
5 0.20% of wages paid with respect to the worker's employment with
6 a governmental employer electing or required to pay contributions
7 or nongovernmental employer, including a nonprofit organization
8 which is an employer as defined under paragraph (6) of subsection
9 (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions,
12 after that employer has satisfied the conditions set forth in
13 subsection (h) of R.S.43:21-19 with respect to becoming an
14 employer, provided that the contributions shall be at the rate of
15 0.10% of wages paid with respect to employment with the State of
16 New Jersey or any other governmental entity or instrumentality
17 electing or required to make payments in lieu of contributions.

18 Each worker shall, starting on January 1, 2002 until June 30,
19 2004, contribute to the unemployment compensation fund 0.1825%
20 of wages paid with respect to the worker's employment with a
21 governmental employer electing or required to pay contributions or
22 a nongovernmental employer, including a nonprofit organization
23 which is an employer as defined under paragraph (6) of subsection
24 (h) of R.S.43:21-19, regardless of whether that nonprofit
25 organization elects or is required to finance its benefit costs with
26 contributions to the fund or by payments in lieu of contributions,
27 after that employer has satisfied the conditions set forth in
28 subsection (h) of R.S.43:21-19 with respect to becoming an
29 employer, provided that the contributions shall be at the rate of
30 0.0825% of wages paid with respect to employment with the State
31 of New Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.

33 Each worker shall, starting on and after July 1, 2004, contribute
34 to the unemployment compensation fund 0.3825% of wages paid
35 with respect to the worker's employment with a governmental
36 employer electing or required to pay contributions or
37 nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.0825% of wages paid with respect to employment with the State
46 of New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

1 (E) Each employer shall, notwithstanding any provision of law
2 in this State to the contrary, withhold in trust the amount of his
3 workers' contributions from their wages at the time such wages are
4 paid, shall show such deduction on his payroll records, shall furnish
5 such evidence thereof to his workers as the division or controller
6 may prescribe, and shall transmit all such contributions, in addition
7 to his own contributions, to the office of the controller in such
8 manner and at such times as may be prescribed. If any employer
9 fails to deduct the contributions of any of his workers at the time
10 their wages are paid, or fails to make a deduction therefor at the
11 time wages are paid for the next succeeding payroll period, he alone
12 shall thereafter be liable for such contributions, and for the purpose
13 of R.S.43:21-14, such contributions shall be treated as employer's
14 contributions required from him.

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

18 (G) (i) Each worker, with respect to the worker's employment
19 with a government employer electing or required to pay
20 contributions to the State disability benefits fund or
21 nongovernmental employer, including a nonprofit organization
22 which is an employer as defined under paragraph (6) of subsection
23 (h) of R.S.43:21-19, unless the employer is covered by an approved
24 private disability plan or is exempt from the provisions of the
25 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
26 et al.) under section 7 of that law (C.43:21-31) or any other
27 provision of that law, shall, for calendar year 2012 and each
28 subsequent calendar year, make contributions to the State disability
29 benefits fund at the annual rate of contribution necessary to obtain a
30 total amount of contributions, which, when added to employer
31 contributions made to the State disability benefits fund pursuant to
32 subsection (e) of this section, is, for calendar years prior to calendar
33 year 2018, equal to 120% of the benefits paid for periods of
34 disability, excluding periods of family temporary disability, during
35 the immediately preceding calendar year plus an amount equal to
36 100% of the cost of administration of the payment of those benefits
37 during the immediately preceding calendar year, less the amount of
38 net assets remaining in the State disability benefits fund, excluding
39 net assets remaining in the "Family Temporary Disability Leave
40 Account" of that fund, as of December 31 of the immediately
41 preceding year, and is, for calendar year 2018 and year 2019, equal
42 to 120% of the benefits paid for periods of disability, excluding
43 periods of family temporary disability, during the last preceding full
44 fiscal year plus an amount equal to 100% of the cost of
45 administration of the payment of those benefits during the last
46 preceding full fiscal year, less the amount of net assets anticipated
47 to be remaining in the "Family Temporary Disability Leave
48 Account" of that fund, as of December 31 of the immediately

1 preceding calendar year, and is, for each of calendar years 2020 and
2 2021, equal to 120% of the benefits which the department
3 anticipates will be paid for periods of disability, excluding periods
4 of family temporary disability, during the respective calendar year
5 plus an amount equal to 100% of the cost of administration of the
6 payment of those benefits which the department anticipates during
7 the respective calendar year, less the amount of net assets
8 anticipated to be remaining in the State disability benefits fund,
9 excluding net assets remaining in the "Family Temporary Disability
10 Leave Account" of that fund, as of December 31 of the immediately
11 preceding calendar year, and is, for calendar year 2022 and any
12 subsequent calendar year, equal to 120% of the benefits paid for
13 periods of disability, excluding periods of family temporary
14 disability, during the last preceding full fiscal year plus an amount
15 equal to 100% of the cost of administration of the payment of those
16 benefits during the last preceding full fiscal year, less the amount of
17 net assets anticipated to be remaining in the State disability benefits
18 fund, excluding net assets remaining in the "Family Temporary
19 Disability Leave Account" of that fund, as of December 31 of the
20 immediately preceding calendar year. All increases in the cost of
21 benefits for periods of disability caused by the increases in the
22 weekly benefit rate commencing July 1, 2020, pursuant to section
23 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
24 contributions made by workers pursuant to this paragraph (i) and
25 none of those increases shall be funded by employer contributions.
26 The estimated rates for the next calendar year shall be made
27 available on the department's website no later than 60 days after the
28 end of the last preceding full fiscal year. The rates of employer
29 contributions determined pursuant to subsection (e) of this section
30 for any year shall be determined prior to the determination of the
31 rate of employee contributions pursuant to this subparagraph (i) and
32 any consideration of employee contributions in determining
33 employer rates for any year shall be based on amounts of employee
34 contributions made prior to the year to which the rate of employee
35 contributions applies and shall not be based on any projection or
36 estimate of the amount of employee contributions for the year to
37 which that rate applies.

38 (ii) Each worker shall contribute to the State disability benefits
39 fund, in addition to any amount contributed pursuant to
40 subparagraph (i) of this paragraph (1)(G), an amount equal to,
41 during calendar year 2009, 0.09%, and during calendar year 2010
42 0.12%, of wages paid with respect to the worker's employment with
43 any covered employer, including a governmental employer which is
44 an employer as defined under R.S.43:21-19(h)(5), unless the
45 employer is covered by an approved private disability plan for
46 benefits during periods of family temporary disability leave. The
47 contributions made pursuant to this subparagraph (ii) to the State
48 disability benefits fund shall be deposited into an account of that

1 fund reserved for the payment of benefits during periods of family
2 temporary disability leave as defined in section 3 of the "Temporary
3 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
4 administration of those payments and shall not be used for any other
5 purpose. This account shall be known as the "Family Temporary
6 Disability Leave Account." For calendar year 2011 and each
7 subsequent calendar year until 2018, the annual rate of contribution
8 to be paid by workers pursuant to this subparagraph (ii) shall be, for
9 calendar years prior to calendar year 2018, the rate necessary to
10 obtain a total amount of contributions equal to 125% of the benefits
11 paid for periods of family temporary disability leave during the
12 immediately preceding calendar year plus an amount equal to 100%
13 of the cost of administration of the payment of those benefits during
14 the immediately preceding calendar year, less the amount of net
15 assets remaining in the account as of December 31 of the
16 immediately preceding year, and shall be, for calendar year 2018
17 and calendar year 2019, the rate necessary to obtain a total amount
18 of contributions equal to 125% of the benefits paid for periods of
19 family temporary disability leave during the last preceding full
20 fiscal year plus an amount equal to 100% of the cost of
21 administration of the payment of those benefits during the last
22 preceding full fiscal year, less the amount of net assets anticipated
23 to be remaining in the account as of December 31 of the
24 immediately preceding calendar year. For each of calendar years
25 2020 and 2021, the annual rate of contribution to be paid by
26 workers pursuant to this subparagraph (ii) shall be the rate
27 necessary to obtain a total amount of contributions equal to 125% of
28 the benefits which the department anticipates will be paid for
29 periods of family temporary disability leave during the respective
30 calendar year plus an amount equal to 100% of the cost of
31 administration of the payment of those benefits which the
32 department anticipates during the respective calendar year, less the
33 amount of net assets remaining in the account as of December 31 of
34 the immediately preceding calendar year. For 2022 and any
35 subsequent calendar year, the annual rate of contribution to be paid
36 by workers pursuant to this subparagraph (ii) shall be the rate
37 necessary to obtain a total amount of contributions equal to 125% of
38 the benefits which were paid for periods of family temporary
39 disability leave during the last preceding full fiscal year plus an
40 amount equal to 100% of the cost of administration of the payment
41 of those benefits during the last preceding full fiscal year, less the
42 amount of net assets remaining in the account as of December 31 of
43 the immediately preceding calendar year. All increases in the cost
44 of benefits for periods of family temporary disability leave caused
45 by the increases in the weekly benefit rate commencing July 1, 2020
46 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
47 increases in the maximum duration of benefits commencing July 1,
48 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38

1 and 43:21-39) shall be funded by contributions made by workers
2 pursuant to this paragraph (ii) and none of those increases shall be
3 funded by employer contributions. The estimated rates for the next
4 calendar year shall be made available on the department's website
5 no later than 60 days after the end of the last preceding full fiscal
6 year. Necessary administrative costs shall include the cost of an
7 outreach program to inform employees of the availability of the
8 benefits and the cost of issuing the reports required or permitted
9 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
10 monies, other than the funds in the "Family Temporary Disability
11 Leave Account," shall be used for the payment of benefits during
12 periods of family temporary disability leave or for the
13 administration of those payments, with the sole exception that,
14 during calendar years 2008 and 2009, a total amount not exceeding
15 \$25 million may be transferred to that account from the revenues
16 received in the State disability benefits fund pursuant to
17 subparagraph (i) of this paragraph (1)(G) and be expended for those
18 payments and their administration, including the administration of
19 the collection of contributions made pursuant to this subparagraph
20 (ii) and any other necessary administrative costs. Any amount
21 transferred to the account pursuant to this subparagraph (ii) shall be
22 repaid during a period beginning not later than January 1, 2011 and
23 ending not later than December 31, 2015. No monies, other than
24 the funds in the "Family Temporary Disability Leave Account,"
25 shall be used under any circumstances after December 31, 2009, for
26 the payment of benefits during periods of family temporary
27 disability leave or for the administration of those payments,
28 including for the administration of the collection of contributions
29 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

37 (3) (A) If an employee receives wages from more than one
38 employer during any calendar year, and either the sum of his
39 contributions deposited in and credited to the State disability
40 benefits fund plus the amount of his contributions, if any, required
41 towards the costs of benefits under one or more approved private
42 plans under the provisions of section 9 of the "Temporary Disability
43 Benefits Law" (C.43:21-33) and deducted from his wages, or the
44 sum of such latter contributions, if the employee is covered during
45 such calendar year only by two or more private plans, exceeds an
46 amount equal to 1/2 of 1% of the "wages" determined in accordance
47 with the provisions of R.S.43:21-7(b)(3) during the calendar years
48 beginning on or after January 1, 1976 or, during calendar year 2012

1 or any subsequent calendar year, the total amount of his
2 contributions for the year exceeds the amount set by the annual rate
3 of contribution determined by the Commissioner of Labor and
4 Workforce Development pursuant to subparagraph (i) of paragraph
5 (1)(G) of this subsection (d), the employee shall be entitled to a
6 refund of the excess if he makes a claim to the controller within two
7 years after the end of the calendar year in which the wages are
8 received with respect to which the refund is claimed and establishes
9 his right to such refund. Such refund shall be made by the controller
10 from the State disability benefits fund. No interest shall be allowed
11 or paid with respect to any such refund. The controller shall, in
12 accordance with prescribed regulations, determine the portion of the
13 aggregate amount of such refunds made during any calendar year
14 which is applicable to private plans for which deductions were
15 made under section 9 of the "Temporary Disability Benefits Law"
16 (C.43:21-33) such determination to be based upon the ratio of the
17 amount of such wages exempt from contributions to such fund, as
18 provided in subparagraph (B) of paragraph (1) of this subsection
19 with respect to coverage under private plans, to the total wages so
20 exempt plus the amount of such wages subject to contributions to
21 the disability benefits fund, as provided in subparagraph (G) of
22 paragraph (1) of this subsection. The controller shall, in accordance
23 with prescribed regulations, prorate the amount so determined
24 among the applicable private plans in the proportion that the wages
25 covered by each plan bear to the total private plan wages involved
26 in such refunds, and shall assess against and recover from the
27 employer, or the insurer if the insurer has indemnified the employer
28 with respect thereto, the amount so prorated. The provisions of
29 R.S.43:21-14 with respect to collection of employer contributions
30 shall apply to such assessments. The amount so recovered by the
31 controller shall be paid into the State disability benefits fund.

32 (B) If an employee receives wages from more than one employer
33 during any calendar year, and the sum of his contributions deposited
34 in the "Family Temporary Disability Leave Account" of the State
35 disability benefits fund plus the amount of his contributions, if any,
36 required towards the costs of family temporary disability leave
37 benefits under one or more approved private plans under the
38 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
39 et al.) and deducted from his wages, exceeds an amount equal to,
40 during calendar year 2009, 0.09% of the "wages" determined in
41 accordance with the provisions of R.S.43:21-7(b)(3), or during
42 calendar year 2010, 0.12% of those wages, or, during calendar year
43 2011 or any subsequent calendar year, the percentage of those
44 wages set by the annual rate of contribution determined by the
45 Commissioner of Labor and Workforce Development pursuant to
46 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the
47 employee shall be entitled to a refund of the excess if he makes a
48 claim to the controller within two years after the end of the calendar

1 year in which the wages are received with respect to which the
2 refund is claimed and establishes his right to the refund. The refund
3 shall be made by the controller from the "Family Temporary
4 Disability Leave Account" of the State disability benefits fund. No
5 interest shall be allowed or paid with respect to any such refund.
6 The controller shall, in accordance with prescribed regulations,
7 determine the portion of the aggregate amount of the refunds made
8 during any calendar year which is applicable to private plans for
9 which deductions were made under section 9 of the "Temporary
10 Disability Benefits Law" (C.43:21-33), with that determination
11 based upon the ratio of the amount of such wages exempt from
12 contributions to the fund, as provided in paragraph (1)(B) of this
13 subsection (d) with respect to coverage under private plans, to the
14 total wages so exempt plus the amount of such wages subject to
15 contributions to the "Family Temporary Disability Leave Account"
16 of the State disability benefits fund, as provided in subparagraph (ii)
17 of paragraph (1)(G) of this subsection (d). The controller shall, in
18 accordance with prescribed regulations, prorate the amount so
19 determined among the applicable private plans in the proportion
20 that the wages covered by each plan bear to the total private plan
21 wages involved in such refunds, and shall assess against and
22 recover from the employer, or the insurer if the insurer has
23 indemnified the employer with respect thereto, the prorated amount.
24 The provisions of R.S.43:21-14 with respect to collection of
25 employer contributions shall apply to such assessments. The
26 amount so recovered by the controller shall be paid into the "Family
27 Temporary Disability Leave Account" of the State disability
28 benefits fund.

29 (4) If an individual does not receive any wages from the
30 employing unit which for the purposes of this chapter (R.S.43:21-1
31 et seq.) is treated as his employer, or receives his wages from some
32 other employing unit, such employer shall nevertheless be liable for
33 such individual's contributions in the first instance; and after
34 payment thereof such employer may deduct the amount of such
35 contributions from any sums payable by him to such employing
36 unit, or may recover the amount of such contributions from such
37 employing unit, or, in the absence of such an employing unit, from
38 such individual, in a civil action; provided proceedings therefor are
39 instituted within three months after the date on which such
40 contributions are payable. General rules shall be prescribed
41 whereby such an employing unit may recover the amount of such
42 contributions from such individuals in the same manner as if it were
43 the employer.

44 (5) Every employer who has elected to become an employer
45 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
46 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to
47 the provisions of R.S.43:21-8, shall post and maintain printed
48 notices of such election on his premises, of such design, in such

1 numbers, and at such places as the director may determine to be
2 necessary to give notice thereof to persons in his service.

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

6 (e) Contributions by employers to the State disability benefits
7 fund.

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

29 (2) During the continuance of coverage of a worker by an
30 approved private plan of disability benefits under the "Temporary
31 Disability Benefits Law," the employer shall be exempt from the
32 contributions required by paragraph (1) above with respect to wages
33 paid to such worker.

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

37 (B) A separate disability benefits account shall be maintained for
38 each employer required to contribute to the State disability benefits
39 fund and such account shall be credited with contributions
40 deposited in and credited to such fund with respect to employment
41 occurring on and after January 1, 1949. Each employer's account
42 shall be credited with all contributions paid on or before January 31
43 of any calendar year on his own behalf and on behalf of individuals
44 in his service with respect to employment occurring in preceding
45 calendar years; provided, however, that if January 31 of any
46 calendar year falls on a Saturday or Sunday an employer's account
47 shall be credited as of January 31 of such calendar year with all the
48 contributions which he has paid on or before the next succeeding

1 day which is not a Saturday or Sunday. But nothing in this act shall
2 be construed to grant any employer or individuals in his service
3 prior claims or rights to the amounts paid by him to the fund either
4 on his own behalf or on behalf of such individuals. Benefits paid to
5 any covered individual in accordance with Article III of the
6 "Temporary Disability Benefits Law" on or before December 31 of
7 any calendar year with respect to disability in such calendar year
8 and in preceding calendar years shall be charged against the account
9 of the employer by whom such individual was employed at the
10 commencement of such disability or by whom he was last
11 employed, if out of employment.

12 (C) The controller may prescribe regulations for the
13 establishment, maintenance, and dissolution of joint accounts by
14 two or more employers, and shall, in accordance with such
15 regulations and upon application by two or more employers to
16 establish such an account, or to merge their several individual
17 accounts in a joint account, maintain such joint account as if it
18 constituted a single employer's account.

19 (D) Prior to July 1 of each calendar year, the controller shall
20 make a preliminary determination of the rate of contribution for the
21 12 months commencing on such July 1 for each employer subject to
22 the contribution requirements of this subsection (e).

23 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the
24 preceding January 31 of such year such employer shall have been a
25 covered employer who has paid contributions to the State disability
26 benefits fund with respect to employment in the three calendar
27 years immediately preceding such year.

28 (2) If the minimum requirements in subparagraph (D) (1) above
29 have been fulfilled and the credited contributions exceed the
30 benefits charged by more than \$500.00, such preliminary rate shall
31 be as follows:

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

35 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
36 $1\frac{1}{4}$ % but is less than $1\frac{1}{2}$ % of his average annual payroll;

37 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
38 $\frac{1}{2}$ % of his average annual payroll.

39 (3) If the minimum requirements in subparagraph (D) (1) above
40 have been fulfilled and the contributions credited exceed the
41 benefits charged but by not more than \$500.00 plus 1% of his
42 average annual payroll, or if the benefits charged exceed the
43 contributions credited but by not more than \$500.00, the
44 preliminary rate shall be $\frac{1}{4}$ of 1%.

45 (4) If the minimum requirements in subparagraph (D) (1) above
46 have been fulfilled and the benefits charged exceed the
47 contributions credited by more than \$500.00, such preliminary rate
48 shall be as follows:

- 1 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
2 1% of his average annual payroll;
- 3 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
4 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 5 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
6 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;
- 7 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
8 3/4 of 1% but is less than 1% of his average annual payroll;
- 9 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
10 1% of his average annual payroll.

11 (5) Determination of the preliminary rate as specified in
12 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
13 to the condition that it shall in no event be decreased by more than
14 1/10 of 1% of wages or increased by more than 2/10 of 1% of
15 wages from the preliminary rate determined for the preceding year
16 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
17 shall have been applicable.

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

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

36 (i) If the percentage determined in accordance with
37 subparagraph (E)(1) of this paragraph equals or exceeds 1 1/4%, the
38 final employer rates shall be the preliminary rates determined as
39 provided in subparagraph (D) hereof, except that if the employer's
40 preliminary rate is determined as provided in subparagraph (D)(2)
41 or subparagraph (D)(3) hereof, the final employer rate shall be the
42 preliminary employer rate decreased by such percentage of excess
43 taken to the nearest 5/100 of 1%, but in no case shall such final rate
44 be less than 1/10 of 1%.

45 (ii) If the percentage determined in accordance with
46 subparagraph (E)(1) of this paragraph equals or exceeds 3/4 of 1%
47 and is less than 1 1/4 of 1%, the final employer rates shall be the
48 preliminary employer rates.

1 (iii) If the percentage determined in accordance with
2 subparagraph (E)(1) of this paragraph is less than $\frac{3}{4}$ of 1%, but in
3 excess of $\frac{1}{4}$ of 1%, the final employer rates shall be the
4 preliminary employer rates determined as provided in subparagraph
5 (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and such
6 percentage taken to the nearest $\frac{5}{100}$ of 1%; provided, however,
7 that no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an
8 employer whose preliminary rate is determined as provided in
9 subparagraph (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
10 employer whose preliminary rate is determined as provided in
11 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
12 $\frac{3}{4}$ of 1% in the case of an employer whose preliminary rate is
13 determined as provided in subparagraph (D)(4) hereof.

14 (iv) If the amount of the State disability benefits fund determined
15 as provided in subparagraph (E)(1) of this paragraph is equal to or
16 less than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case
17 of an employer whose preliminary rate is determined as provided in
18 subparagraph (D)(2) hereof, $\frac{7}{10}$ of 1% in the case of an employer
19 whose preliminary rate is determined as provided in subparagraph
20 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
21 employer whose preliminary rate is determined as provided in
22 subparagraph (D)(4) hereof. Notwithstanding any other provision of
23 law or any determination made by the controller with respect to any
24 12-month period commencing on July 1, 1970, the final rates for all
25 employers for the period beginning January 1, 1971, shall be as set
26 forth herein.

27 (F) Notwithstanding any other provisions of this subsection (e),
28 the rate of contribution paid to the State disability benefits fund by
29 each covered employer as defined in paragraph (1) of subsection (a)
30 of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as
31 if:

32 (i) No disability benefits have been paid with respect to periods
33 of family temporary disability leave;

34 (ii) No worker paid any contributions to the State disability
35 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
36 this section;

37 (iii) No amounts were transferred from the State disability
38 benefits fund to the "Family Temporary Disability Leave Account"
39 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;
40 and

41 (iv) The total amount of benefits paid for periods of disability
42 were not subject to the increases in the weekly benefit rate for those
43 benefits commencing July 1, 2020 pursuant to section 16 of
44 P.L.1948, c.110 (C.43:21-40).

45 (cf: P.L.2019, c.37, s.6)

46

47 3. This act shall take effect immediately.

STATEMENT

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This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefit to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 3011

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2020

The Senate Labor Committee reports favorably Senate Bill, No. 3011.

This bill, for the period of the public health emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency, excludes the cost of unemployment benefits paid to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);

2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and

3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3011
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 17, 2020

SUMMARY

- Synopsis:** Reduces or delays increases in employer unemployment taxes related to benefits paid during coronavirus disease 2019 pandemic state of emergency.
- Type of Impact:** Multi-year decrease in revenue collections to the Unemployment Insurance Compensation Fund. Multi-year cost savings to the State, public institutions of higher education, local governments, and school districts.
- Agencies Affected:** Potentially all State entities, local governments, institutions of higher education, and school districts; Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Revenue Decrease- Unemployment Insurance Compensation Fund	At Least \$660 Million	At Least \$450 Million	At Least \$230 Million
Cost Savings-State entities, Public Institutions of Higher Education, Local Governments, and School Districts	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will reduce revenues to the Unemployment Insurance (UI) Compensation Fund by at least \$660 million in FY 2022, \$450 million in FY 2023, and \$230 million in FY 2024 relative to amounts that would have been collected from employers based on the fund’s reserve ratio and statutory funding formula. Beginning in FY 2025, employer contribution rates will return to their statutory levels and remain in place until the UI fund is replenished and federal loans are repaid.
- By providing that all UI benefits paid during the Covid-19 state of emergency will be excluded when calculating an individual employer’s reserve ratio, the bill will result in further,

potentially significant, decreases in revenues to the UI fund on top of the amounts enumerated above.

- This bill may result in cost savings to potentially all State entities, public institutions of higher education, local governments, and school districts tied to the reduced liabilities to the UI fund for those entities that choose to not make contributions to the UI fund on an annual basis but instead reimburse the UI fund for benefits paid to laid off employees.

BILL DESCRIPTION

This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefits to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E).

2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and

3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The New Jersey Department of Labor and Workforce Development (DOLWD) provided data concerning revenues and expenditures of the State's UI fund.

OFFICE OF LEGISLATIVE SERVICES

UI Fund Revenue Reductions:

The OLS estimates that the bill will reduce revenues to the UI Fund by at least \$660 million in FY 2022, \$450 million in FY 2023, and \$230 million in FY 2024 relative to amounts that would have been collected from employers based on the fund's reserve ratio and statutory funding formula. These revenue reductions are in actuality deferrals of employer contributions to the UI Fund because beginning in FY 2025, employer contribution rates will return to their statutory levels and remain in place until the UI fund is replenished and federal loans are repaid.

The UI fund’s reserve ratio, in part, determines an employer’s tax rate, which will increase as the reserve ratio falls in order to replenish the fund balance as unemployment benefits get paid out. As a result of the Covid-19 pandemic, a significant amount of benefits have been paid during calendar year (CY) 2020 and the fund balance has been reduced. The decline in the reserve ratio would have automatically triggered the highest possible employer contribution rate beginning in FY 2022, but this bill excludes the fund’s reserve ratio in calculating an employer’s contribution rate and instead provides for lower employer contributions over a three-year period.

Currently, unemployment contribution rates for FY 2021 are set by column “B” of the Experience Rating Tax Table. If this bill is not enacted, the UI fund will most likely have a negative balance when the employer UI tax rates are calculated on March 31, 2021 for FY 2022 because of the large amount of UI benefits paid out to employees during CY 2020. Consequently, the taxes on employers for FY 2022 would be the taxes indicated in column “E” plus the 10% surcharge currently provided, imposing the highest level of UI taxes provided by law. According to data provided by the DOLWD and displayed in the table below, total FY 2022 taxes would be increased by \$940 million compared with FY 2021, or 58%, from \$1.62 billion under the “B” schedule to \$2.56 billion under the “E” plus 10% schedule.

Absent this bill or other intervention, the OLS notes that the statutory tax schedule would have resulted in the “E” plus 10% schedule applying to FY2022 and possibly subsequent years. However, the bill replaces this increase with a new mandated progression (overriding any higher tax rates triggered by the reserve ratios) of the “C” schedule in FY 2022, the “D” schedule in FY 2023, and the “E” schedule in FY 2024.

UNEMPLOYMENT COMPENSATION FUND
EMPLOYER CONTRIBUTIONS
TABLE A - E & 10% (CASH BASIS)
FISCAL YEARS 2021 & 2022

UI TAX TABLE	FY 2021 (\$ billions)	FY 2022		
		Projected Contribution (\$ billions)	Change over "B"	
			Increase (\$ billions)	Percent Increase
A	1.29	1.33	NA	NA
B	1.56	1.62	NA	NA
C	1.84	1.90	0.28	17.3%
D	2.04	2.11	0.49	30.2%
E	2.25	2.33	0.71	43.8%
E+10%	2.48	2.56	0.94	58.0%

Source: NJ Department of Labor & Workforce Development.

According to the table shown above, and assuming that all else remains unchanged, the OLS notes that the “C” schedule in FY 2022 will result in \$1.90 billion in UI employer tax collection for that year. Consequently, if the bill is enacted, keeping the schedule in the “C” column will result in a decrease in UI tax revenue of \$660 million as compared to the \$2.56 billion that would have been otherwise realized under the “E” plus 10% schedule. Keeping the “D” schedule in FY 2023 will likely result in \$450 million less than what would have been otherwise realized under the “E” plus 10% schedule. And for FY 2024, the “E” schedule will likely result in a decrease in UI tax revenue of about \$230 million as compared to what would have been otherwise realized under the “E” plus 10% schedule.

The OLS estimates that the bill would thereby reduce, over the three fiscal years, the total amount of employer UI taxes by at least \$1.34 billion. Moreover, the OLS notes that the bill will result in additional, potentially significant, decreases in revenue to the UI fund by providing that

all UI benefits paid during the emergency are to be excluded when calculating the individual employer reserve ratio, which is the other component of the UI Fund's funding formula.

The OLS expects that the totality of the revenue reductions will make the State reliant on federal loans to be able to pay UI benefits. The DOLWD currently projects that the State's UI fund will have net borrowings from the federal government of \$1.9 billion as of April 2021 and that they will be reduced to \$1.6 billion by the end of CY 2021. However, that is premised on the current statutory employer contribution tax rate. Under the bill, net federal borrowing is likely to see little to no reduction in CY 2021 or during the three years that revenues are reduced under this bill. Beginning in FY 2025, employer contribution rates will return to their statutory levels and will remain there until the UI Fund's reserve is replenished and federal borrowings are repaid. It is not known how many years this will take.

Cost Savings to Governmental Employers:

The OLS further notes that this bill may result in cost savings to potentially all State entities, public institutions of higher education, local governments, and school districts tied to reduced liabilities to the UI fund for those employers that choose to not pay contributions to the unemployment UI fund on annual basis, but instead reimburse the UI fund for UI benefits paid to laid off employees on a dollar for dollar basis. Given that during the Covid-19 emergency, federal funds from the CARES Act are paying for 50% of the liability for payments in lieu of contributions with respect to unemployment benefits paid to employees laid off by the employer, the bill's payment provision of 50% of the costs will result in potential savings for those employers who would otherwise be liable for payments with respect to 100% of the payments of unemployment compensation benefits made by the UI fund to their employees. Currently, there are 1,164 active governmental reimbursable employers in the State.

Section: Commerce, Labor and Industry

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Legislation to Reduce UI Payroll Tax

01/4/2021

TRENTON – To continue supporting our small businesses impacted by the COVID-19 pandemic, Governor Phil Murphy today signed A-4853/S-3011 to reduce businesses' UI contribution rate for a period of time.

"COVID-19 continues to pose economic challenges to businesses across the state," **said Governor Murphy**. "Today's bill signing will alleviate the financial burdens many businesses are facing and help them get back on their feet during this difficult time."

This legislation will reduce the amount of an employer's unemployment taxes through Fiscal Year 2023. Additionally, the bill will permit nonprofit and governmental employers that elect to make UI payments equal to the full amount of benefits paid to individuals attributable to service in the employ of the nonprofit or governmental employer to reduce their UI benefit payments by fifty percent for the duration of the public health emergency. The bill will result in cost savings to State entities, public institutions of higher education, local governments, and school districts during the pandemic. The short-term savings will be made possible by federal unemployment insurance advances. The recently enacted federal stimulus package extended interest free borrowing of these loans through March 14, 2021. As of December 17, 2020, 20 states and the U.S. Virgin Islands have availed themselves of these loans.

"The contributions New Jersey employers have made to our Unemployment Trust Fund have helped keep a record number of workers afloat during this pandemic," **said Labor Commissioner Robert Asaro-Angelo**. "This new law will help reduce further hardship on employers, while protecting the vital lifeline of unemployment for the future."

"Many New Jersey businesses are struggling right now, and we cannot allow them to be further penalized by a rise in Unemployment Insurance costs when layoffs were the only option for them to save their business," **said Senate President Steve Sweeney**. "This law will be influential in preventing further economic damage to our businesses and communities."

"Due to a loss of revenue, COVID-19 has forced many small businesses to lay off or furlough dedicated employees in an effort to stay in business," **said Senator Fred Madden, chair of the Senate Labor Committee**. "These layoffs were not wanted by any employer and, as a result, they should not be punished with paying the cost for Unemployment Insurance claims."

"The coronavirus has left businesses reeling from months of closures, mass layoffs and declining revenue," **said Assemblyman Louis Greenwald**. "By next year, the unemployment tax rate is expected to rise to the highest bracket, requiring employers to pay more at a time when many will likely still be getting back on their feet. We need to take action to ease the tax burden on employers during this economic crisis."

"Many businesses were required to close quickly at the start of the pandemic. New Jersey's economic recovery will not come as swiftly," **said Assemblyman Vince Mazzeo**. "Anything we can do to reduce rising tax obligations resulting from COVID-19 is a step we need to take."

"Not since the Great Depression has our country faced an economic crisis like the one we are seeing today," **said Assemblyman Anthony Verrelli**. "After all they've endured, businesses need relief so that they can keep employees on the payroll and rise to meet any future challenges brought on by the coronavirus. This new law will provide critical tax relief to employers as they continue on the long road to recovery."

"A similar phase-in payroll tax measure was utilized after the financial crisis of 2007-2009," **said Michael Egenton, Executive Vice President of Government Relations for the New Jersey State Chamber of Commerce**. "This legislation will provide predictability and certainty to employers, especially during these challenging economic times due to the pandemic. Rather than move businesses into the most expensive of six columns to replenish the unemployment insurance fund, the bill will shift them one column over instead of five this July. Additionally, this bill prevents a rate increase for employers who had to carry out layoffs through no fault of their own. We commend the Governor, Senate President Sweeney, Assembly Speaker Coughlin, and the

sponsors – Senator Madden and Assembly Majority Leader Greenwald - for their support in making sure our employers do not experience “sticker shock” as we all work towards replenishing the UI fund.”

“NJBIA thanks Governor Murphy and the bipartisan supporters of this important legislation,” **said NJBIA President and CEO Michele Siekerka**. “Without it, New Jersey business owners would be looking at a massive payroll tax increase this summer, effectively penalizing struggling employers who were forced into workforce reductions beyond their control. Spreading out this increase over three years makes this increase more palatable and helps give our businesses a fighting chance.

“The CCSNJ commends Governor Murphy for signing this vital piece of legislation,” **said Christina Renna, President and CEO of the Chamber of Commerce Southern New Jersey**. “With most businesses having to temporarily close their doors to help slow the spread of COVID-19, employers were forced to make tough choices in order to survive. An additional increase to the employer contribution of the UI Fund would have been a tax increase businesses did not deserve and could not afford as the pandemic continues. Thank you to the Governor and Legislature for recognizing and taking swift action to assure employers were not faced with this difficult burden.”

“The NJ YMCA State Alliance would like to commend the Governor for providing much needed relief to the non-profit community,” **said Dr. Darrin Anderson, CEO, New Jersey YMCA State Alliance**. “The signing of this bill allows us to concentrate our resources on supporting the unprecedented needs in the community.”