

43:21-24.2/

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(Unemployment)

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LAWS OF: 1996 CHAPTER: 30

BILL NO: A1786

SPONSOR(S): Zecker and others

DATE INTRODUCED: March 18, 1996

COMMITTEE: ASSEMBLY: Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes Assembly Committee Substitute
Enacted (1R) enacted

DATE OF PASSAGE: ASSEMBLY: May 6, 1996

SENATE: May 16, 1996

DATE OF APPROVAL: May 16, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes Also attached: Statement
with floor amendments,
adopted 5-2-96

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

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[First Reprint]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1786

STATE OF NEW JERSEY

ADOPTED MAY 2, 1996

Sponsored by Assemblymen **ZECKER, GREGG** and
Assemblywoman **WRIGHT**

1 AN ACT concerning unemployment insurance benefits, amending and
2 supplementing chapter 21 of Title 43 of the Revised Statutes.

3

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

6

7 1. (New section) For the purposes of the Emergency
8 Unemployment Benefits Program and as used in this act:

9 "Emergency unemployment benefits" means benefits financed
10 entirely by the State and paid to exhaustees pursuant to this act.

11 "Emergency unemployment benefit period" means a period not
12 within an extended benefit period which:

13 a. Begins on June 2, 1996, and

14 b. Ends upon the conclusion of the second week after the first
15 week for which there is a State "on" indicator as defined in section 5
16 of P.L.1970, c.324 (C.43:21-24.11) or other federally-financed
17 supplemental benefits program, or

18 c. If there is no such "on" indicator, ends with the occurrence of
19 either of the following:

20 (1) The third week after the first week for which there is a State
21 emergency unemployment benefits "off" indicator; or

22 (2) The calendar week after the calendar week in which total
23 expenditures of emergency unemployment compensation fund
24 Statewide first exceed \$350 million.

25 There is a State emergency unemployment benefits "off" indicator
26 for any week in which it is determined by the division based on data
27 reported by the U.S. Bureau of Labor Statistics that, for the prior four
28 calendar months, the average total unemployment rate (seasonally

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted May 2, 1996.

1 adjusted) in this State is less than 6.0 percent.

2 Notwithstanding any other provision of this subsection c., no
3 emergency unemployment benefits shall be paid after December 1,
4 1996, except that emergency benefits shall be paid to individuals who
5 established emergency unemployment claims prior to that date. No
6 emergency unemployment benefits shall be paid to any individual after
7 March 1, 1997.

8 "Eligibility period" of an exhaustee means the period consisting of
9 the weeks in the exhaustee's benefit year which begin in an emergency
10 unemployment benefit period and, if that benefit year ends in the
11 emergency unemployment benefit period, any weeks thereafter which
12 begin in the period.

13 "Exhaustee" means an individual who exhausted all of the regular
14 benefits that were available to the individual pursuant to the
15 "unemployment compensation law," R.S.43:21-1 et seq., (including
16 benefits payable to federal civilian employees and ex-service persons
17 or payable under the combined wage program), after December 2,
18 1995 and before June 2, 1996, or during any calendar week of the
19 emergency unemployment benefit period. No individual who
20 exhausted all of the available regular benefits prior to December 3,
21 1995 shall be eligible for emergency unemployment benefits. An
22 individual whose benefit year has expired prior to the beginning of the
23 emergency unemployment benefit period shall not be eligible for such
24 benefits.

25
26 2. (New section) During an emergency unemployment benefit
27 period exhaustees, who otherwise continue to meet the eligibility
28 requirements for regular benefits pursuant to the provisions of the
29 "unemployment compensation law," R.S.43:21-1 et seq., and who are
30 not eligible for any other unemployment benefits, including benefits
31 provided for by any federal law extending benefits beyond those
32 provided for as regular benefits or extended benefits, may receive
33 weekly emergency unemployment benefits for weeks subsequent to
34 June 2, 1996 in an amount equal to the weekly benefit amount of the
35 individual's most recent regular unemployment benefit claim subject to
36 the provisions of the "unemployment compensation law," R.S.43:21-1
37 et seq. The maximum emergency unemployment benefits an individual
38 may receive pursuant to this act is 50 percent of the regular
39 unemployment benefits which were payable to the individual pursuant
40 to the "unemployment compensation law," R.S.43:21-1 et seq.,
41 (including benefits payable to federal civilian employees and ex-service
42 persons or payable under the combined wage program) in the
43 individual's applicable benefit year.

44
45 3. (New section) No employer's account shall be charged for
46 emergency unemployment benefits paid to an unemployed individual

1 pursuant to this act, except for the account of an out-of -State
2 employer who is liable for charges under the Combined Wage
3 Program. However, nothing in this section shall be construed to
4 relieve employers electing to make payments in lieu of contributions
5 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or
6 C.43:21-7.3) from reimbursing the unemployment benefits paid to an
7 unemployed individual pursuant to this act.

8 Emergency unemployment benefits paid to federal civilian
9 employees shall be charged to the appropriate federal account.
10 Emergency unemployment benefits paid to ex-service persons shall be
11 charged to the unemployment compensation fund.

12
13 4. (New section) Emergency unemployment benefits may be paid
14 pursuant to the provisions of this act only with respect to weeks not
15 within an extended benefit period, and not within a period covered by
16 any federal law allowing the filing of new claims extending benefits
17 beyond those provided for as regular or extended benefits. If a federal
18 extended benefits period triggers "on," maximum benefits payable to
19 an individual under the federal extended benefits program or any
20 federal supplemental benefits program shall be reduced by an amount
21 equal to that received by the individual under the emergency
22 unemployment benefits program.

23
24 5. (New section) Notwithstanding the provisions of any other law,
25 the division shall use appropriate administrative means to insure that
26 emergency unemployment benefits are paid only to individuals who
27 meet the requirements of this act. These administrative actions may
28 include, but shall not be limited to, the following procedure: the
29 division shall match the claimant's social security number against
30 available wage records to insure that no earnings were reported for
31 that claimant by employers under R.S.43:21-14 for periods in which
32 emergency unemployment benefits were paid. ¹All necessary
33 administrative costs related to implementation of this act shall be paid
34 from contributions made pursuant to section 29 of P.L.1992, c.160
35 (C.43:21-7b).¹

36
37 6. R.S.43:21-7 is amended to read as follows:

38 43:21-7. Contributions. Employers other than governmental
39 entities, whose benefit financing provisions are set forth in section 4
40 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
41 liable for payment in lieu of contributions on the basis set forth in
42 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
43 for the unemployment compensation fund, contributions as set forth
44 in subsections (a), (b) and (c) hereof, and the provisions of subsections
45 (d) and (e) shall be applicable to all employers, consistent with the
46 provisions of the "unemployment compensation law" and the

1 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
2 seq.).

3 (a) Payment.

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

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

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

17 (1) For the calendar year 1947, and each calendar year thereafter,
18 $2\frac{7}{10}\%$ of wages paid by him during each such calendar year, except
19 as otherwise prescribed by subsection (c) of this 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 subsections
22 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
23 during calendar year 1975, for services performed either within or
24 without this State; provided that no contribution shall be required by
25 this State with respect to services performed in another state if such
26 other state imposes contribution liability with respect thereto. If an
27 employer (hereinafter referred to as a successor employer) during any
28 calendar year acquires substantially all the property used in a trade or
29 business of another employer (hereinafter referred to as a
30 predecessor), or used in a separate unit of a trade or business of a
31 predecessor, and immediately after the acquisition employs in his
32 trade or business an individual who immediately prior to the
33 acquisition was employed in the trade or business of such predecessor,
34 then, for the purpose of determining whether the successor employer
35 has paid wages with respect to employment equal to the first
36 \$4,800.00 paid during calendar year 1975, any wages paid to such
37 individual by such predecessor during such calendar year and prior to
38 such acquisition shall be considered as having been paid by such
39 successor employer.

40 (3) For calendar years beginning on and after January 1, 1976, the
41 "wages" of any individual, as defined in the preceding paragraph (2)
42 of this subsection (b), shall be established and promulgated by the
43 Commissioner of Labor on or before September 1 of the preceding
44 year and shall be 28 times the Statewide average weekly remuneration
45 paid to workers by employers, as determined under R.S.43:21-3(c),
46 raised 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, that
4 if the amount of such wages so determined does not equal or exceed
5 the amount of wages as defined in subsection (b) of section 3306 of
6 the Federal Unemployment Tax Act, Chapter 23 of the Internal
7 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined
8 in this paragraph in any calendar year shall be raised to equal the
9 amount established under the Federal Unemployment Tax Act for that
10 calendar year.

11 (c) Future rates based on benefit experience.

12 (1) A separate account for each employer shall be maintained and
13 this shall be credited with all the contributions which he has paid on
14 his own behalf on or before January 31 of any calendar year with
15 respect to employment occurring in the preceding calendar year;
16 provided, however, that if January 31 of any calendar year falls on a
17 Saturday or Sunday, an employer's account shall be credited as of
18 January 31 of such calendar year with all the contributions which he
19 has paid on or before the next succeeding day which is not a Saturday
20 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
21 construed to grant any employer or individuals in his service prior
22 claims or rights to the amounts paid by him into the fund either on his
23 own behalf or on behalf of such individuals. Benefits paid with respect
24 to benefit years commencing on and after January 1, 1953, to any
25 individual on or before December 31 of any calendar year with respect
26 to unemployment in such calendar year and in preceding calendar years
27 shall be charged against the account or accounts of the employer or
28 employers in whose employment such individual established base
29 weeks constituting the basis of such benefits. Benefits paid under a
30 given benefit determination shall be charged against the account of the
31 employer to whom such determination relates. When each benefit
32 payment is made, either a copy of the benefit check or other form of
33 notification shall be promptly sent to the employer against whose
34 account the benefits are to be charged. Such copy or notification shall
35 identify the employer against whose account the amount of such
36 payment is being charged, shall show at least the name and social
37 security account number of the claimant and shall specify the period
38 of unemployment to which said check applies. If the total amount of
39 benefits paid to a claimant and charged to the account of the
40 appropriate employer exceeds 50% of the total base year, base week
41 wages paid to the claimant by that employer, then such employer shall
42 have canceled from his account such excess benefit charges as
43 specified above.

44 Each employer shall be furnished an annual summary statement of
45 benefits charged to his account.

46 (2) Regulations may be prescribed for the establishment,

1 maintenance, and dissolution of joint accounts by two or more
2 employers, and shall, in accordance with such regulations and upon
3 application by two or more employers to establish such an account, or
4 to merge their several individual accounts in a joint account, maintain
5 such joint account as if it constituted a single employer's account.

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

11 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
12 $8/10\%$, except as otherwise provided in the following provisions. No
13 employer's rate for the 12 months commencing July 1 of any calendar
14 year shall be other than $2\ 8/10\%$, unless as of the preceding January 31
15 such employer shall have paid contributions with respect to wages paid
16 in each of the three calendar years immediately preceding such year,
17 in which case such employer's rate for the 12 months commencing July
18 1 of any calendar year shall be determined on the basis of his record up
19 to the beginning of such calendar year. If, at the beginning of such
20 calendar year, the total of all his contributions, paid on his own behalf,
21 for all past years exceeds the total benefits charged to his account for
22 all such years, his contribution rate shall be:

23 (1) $2\ 5/10\%$, if such excess equals or exceeds 4%, but less than
24 5%, of his average annual payroll (as defined in paragraph (2),
25 subsection (a) of R.S.43:21-19);

26 (2) $2\ 2/10\%$, if such excess equals or exceeds 5%, but is less than
27 6%, of his average annual payroll;

28 (3) $1\ 9/10\%$, if such excess equals or exceeds 6%, but is less than
29 7%, of his average annual payroll;

30 (4) $1\ 6/10\%$, if such excess equals or exceeds 7%, but is less than
31 8%, of his average annual payroll;

32 (5) $1\ 3/10\%$, if such excess equals or exceeds 8%, but is less than
33 9%, of his average annual payroll;

34 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
35 of his average annual payroll;

36 (7) $7/10$ of 1%, if such excess equals or exceeds 10%, but is less
37 than 11%, of his average annual payroll;

38 (8) $4/10$ of 1%, if such excess equals or exceeds 11% of his
39 average annual payroll.

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

44 (1) 4%, if such excess is less than 10% of his average annual
45 payroll;

46 (2) $4\ 3/10\%$, if such excess equals or exceeds 10%, but is less than

1 20%, of his average annual payroll;

2 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
3 annual payroll.

4 (C) Specially assigned rates. If no contributions were paid on
5 wages for employment in any calendar year used in determining the
6 average annual payroll of an employer eligible for an assigned rate
7 under this paragraph (4), the employer's rate shall be specially assigned
8 as follows:

9 (i) if the reserve balance in its account is positive, its assigned rate
10 shall be the highest rate in effect for positive balance accounts for that
11 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
12 its account is negative, its assigned rate shall be the highest rate in
13 effect for deficit accounts for that period.

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

18 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
19 31 of any calendar year the balance in the unemployment trust fund
20 equals or exceeds 4% but is less than 7% of the total taxable wages
21 reported to the controller as of that date in respect to employment
22 during the preceding calendar year, the contribution rate, effective July
23 1 following, of each employer eligible for a contribution rate
24 calculation based upon benefit experience, shall be increased by $\frac{3}{10}$
25 of 1% over the contribution rate otherwise established under the
26 provisions of paragraph (3) or (4) of this subsection. If on March 31
27 of any calendar year the balance of the unemployment trust fund
28 exceeds $2\frac{1}{2}\%$ but is less than 4% of the total taxable wages reported
29 to the controller as of that date in respect to employment during the
30 preceding calendar year, the contribution rate, effective July 1
31 following, of each employer eligible for a contribution rate calculation
32 based upon benefit experience, shall be increased by $\frac{6}{10}$ of 1% over
33 the contribution rate otherwise established under the provisions of
34 paragraph (3) or (4) of this subsection.

35 If on March 31 of any calendar year the balance of the
36 unemployment trust fund is less than $2\frac{1}{2}\%$ of the total taxable wages
37 reported to the controller as of that date in respect to employment
38 during the preceding calendar year, the contribution rate, effective July
39 1 following, of each employer (1) eligible for a contribution rate
40 calculation based upon benefit experience, shall be increased by (i)
41 $\frac{6}{10}$ of 1% over the contribution rate otherwise established under the
42 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
43 (ii) an additional amount equal to 20% of the total rate established
44 herein, provided, however, that the final contribution rate for each
45 employer shall be computed to the nearest multiple of $\frac{1}{10}\%$ if not
46 already a multiple thereof; (2) not eligible for a contribution rate

1 calculation based upon benefit experience, shall be increased by 6/10
2 of 1% over the contribution rate otherwise established under the
3 provisions of paragraph (4) of this subsection. For the period
4 commencing July 1, 1984 and ending June 30, 1986, the contribution
5 rate for each employer liable to pay contributions under R.S.43:21-7
6 shall be increased by a factor of 10% computed to the nearest multiple
7 of 1/10% if not already a multiple thereof.

8 (B) If on March 31 of any calendar year the balance in the
9 unemployment trust fund equals or exceeds 10% but is less than 12
10 1/2% of the total taxable wages reported to the controller as of that
11 date in respect to employment during the preceding calendar year, the
12 contribution rate, effective July 1 following, of each employer eligible
13 for a contribution rate calculation based upon benefit experience, shall
14 be reduced by 3/10 of 1% under the contribution rate otherwise
15 established under the provisions of paragraphs (3) and (4) of this
16 subsection; provided that in no event shall the contribution rate of any
17 employer be reduced to less than 4/10 of 1%. If on March 31 of any
18 calendar year the balance in the unemployment trust fund equals or
19 exceeds 12 1/2% of the total taxable wages reported to the controller
20 as of that date in respect to employment during the preceding calendar
21 year, the contribution rate, effective July 1 following, of each
22 employer eligible for a contribution rate calculation based upon benefit
23 experience, shall be reduced by 6/10 of 1% if his account for all past
24 periods reflects an excess of contributions paid over total benefits
25 charged of 3% or more of his average annual payroll, otherwise by
26 3/10 of 1% under the contribution rate otherwise established under the
27 provisions of paragraphs (3) and (4) of this subsection; provided that
28 in no event shall the contribution rate of any employer be reduced to
29 less than 4/10 of 1%.

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

36 (D) Prior to July 1 of each calendar year the controller shall
37 determine the Unemployment Trust Reserve Ratio, which shall be
38 calculated by dividing the balance of the unemployment trust fund as
39 of the prior March 31 by total taxable wages reported to the controller
40 by all employers as of March 31 with respect to their employment
41 during the last calendar year.

42 (E)(i) With respect to experience rating years beginning on or
43 after July 1, 1986 and before July 1, 1997, the new employer rate or
44 the unemployment experience rate of an employer under this section
45 shall be the rate which appears in the column headed by the
46 Unemployment Trust Fund Reserve Ratio as of the applicable

1 calculation date and on the line with the Employer Reserve Ratio, as
 2 defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set
 3 forth in the following table:

4
 5 EXPERIENCE RATING TAX TABLE

6
 7 Fund Reserve Ratio¹
 8
 9 10.00% 7.00% 4.00% 2.50% 2.49%
 10 Employer and to to to and
 11 Reserve Over 9.99% 6.99% 3.99% Under
 12 Ratio² A B C D E
 13
 14 Positive Reserve Ratio:
 15 17% and over 0.3 0.4 0.5 0.6 1.2
 16 16.00% to 16.99% 0.4 0.5 0.6 0.6 1.2
 17 15.00% to 15.99% 0.4 0.6 0.7 0.7 1.2
 18 14.00% to 14.99% 0.5 0.6 0.7 0.8 1.2
 19 13.00% to 13.99% 0.6 0.7 0.8 0.9 1.2
 20 12.00% to 12.99% 0.6 0.8 0.9 1.0 1.2
 21 11.00% to 11.99% 0.7 0.8 1.0 1.1 1.2
 22 10.00% to 10.99% 0.9 1.1 1.3 1.5 1.6
 23 9.00% to 9.99% 1.0 1.3 1.6 1.7 1.9
 24 8.00% to 8.99% 1.3 1.6 1.9 2.1 2.3
 25 7.00% to 7.99% 1.4 1.8 2.2 2.4 2.6
 26 6.00% to 6.99% 1.7 2.1 2.5 2.8 3.0
 27 5.00% to 5.99% 1.9 2.4 2.8 3.1 3.4
 28 4.00% to 4.99% 2.0 2.6 3.1 3.4 3.7
 29 3.00% to 3.99% 2.1 2.7 3.2 3.6 3.9
 30 2.00% to 2.99% 2.2 2.8 3.3 3.7 4.0
 31 1.00% to 1.99% 2.3 2.9 3.4 3.8 4.1
 32 0.00% to 0.99% 2.4 3.0 3.6 4.0 4.3
 33 Deficit Reserve Ratio:
 34 -0.00% to -2.99% 3.4 4.3 5.1 5.6 6.1
 35 -3.00% to -5.99% 3.4 4.3 5.1 5.7 6.2
 36 -6.00% to -8.99% 3.5 4.4 5.2 5.8 6.3
 37 -9.00% to -11.99% 3.5 4.5 5.3 5.9 6.4
 38 -12.00% to -14.99% 3.6 4.6 5.4 6.0 6.5
 39 -15.00% to -19.99% 3.6 4.6 5.5 6.1 6.6
 40 -20.00% to -24.99% 3.7 4.7 5.6 6.2 6.7
 41 -25.00% to -29.99% 3.7 4.8 5.6 6.3 6.8
 42 -30.00% to -34.99% 3.8 4.8 5.7 6.3 6.9
 43 -35.00% and under 5.4 5.4 5.8 6.4 7.0
 44 New Employer Rate 2.8 2.8 2.8 3.1 3.4

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

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

49
 50
 51 (ii) With respect to experience rating years beginning on or after July
 52 1, 1997, the new employer rate or the unemployment experience rate of
 53 an employer under this section shall be the rate which appears in the
 54 column headed by the Unemployment Trust Fund Reserve Ratio as of the

1 applicable calculation date and on the line with the Employer Reserve
2 Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)),
3 as set forth in the following table:

4
5 EXPERIENCE RATING TAX TABLE

6
7 Fund Reserve Ratio¹
8

	<u>5.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.00%</u>	<u>1.99%</u>
9					
10 <u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
11 <u>Reserve</u>	<u>Over</u>	<u>4.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
12 <u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
13	<u>6.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.49%</u>
14 <u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
15 <u>Reserve</u>	<u>Over</u>	<u>5.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
16 <u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E¹</u>
17					
18 <u>Positive Reserve Ratio:</u>					
19 <u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
20 <u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
21 <u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
22 <u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
23 <u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
24 <u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
25 <u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
26 <u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
27 <u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
28 <u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
29 <u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
30 <u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
31 <u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
32 <u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
33 <u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
34 <u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
35 <u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
36 <u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
37 <u>Deficit Reserve Ratio:</u>					
38 <u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
39 <u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
40 <u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
41 <u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
42 <u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
43 <u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
44 <u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
45 <u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
46 <u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
47 <u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
48 <u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

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

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

53
54 (F)(i) With respect to experience rating years beginning on or after

1 July 1, 1986 and before July 1, 1997, if the balance of the unemployment
2 trust fund as of the prior March 31 is negative, the contribution rate for
3 each employer liable to pay contributions, as computed under
4 subparagraph E of this paragraph (5), shall be increased by a factor of
5 10% computed to the nearest multiple of 1/10% if not already a multiple
6 thereof.

7 (ii) With respect to experience rating years beginning on or after July
8 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior
9 March 31, is less than 1.00%, the contribution rate for each employer
10 liable to pay contributions, as computed under subparagraph E of this
11 paragraph (5), shall be increased by a factor of 10% computed to the
12 nearest multiple of 1/10% if not already a multiple thereof.

13 (G) On or after January 1, 1993, notwithstanding any other provisions
14 of this paragraph (5), the contribution rate for each employer liable to pay
15 contributions, as computed under subparagraph (E) of this paragraph (5),
16 shall be decreased by 0.1%, except that, during any experience rating year
17 in which the fund reserve ratio is equal to or greater than 7.00%, there
18 shall be no decrease pursuant to this subparagraph (G) in the contribution
19 of any employer who has a deficit reserve ratio of negative 35.00% or
20 under.

21 (H) On or after January 1, 1993 until December 31, 1993,
22 notwithstanding any other provisions of this paragraph (5), the
23 contribution rate for each employer liable to pay contributions, as
24 computed under subparagraph (E) of this paragraph (5), shall be decreased
25 by a factor of 52.0% computed to the nearest multiple of 1/10%, except
26 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
27 the employer's rate of contribution shall not be reduced pursuant to this
28 subparagraph (H) to less than 5.4%. The amount of the reduction in the
29 employer contributions stipulated by this subparagraph (H) shall be in
30 addition to the amount of the reduction in the employer contributions
31 stipulated by subparagraph (G) of this paragraph (5), except that the rate
32 of contribution of an employer who has a deficit reserve ratio of negative
33 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
34 less than 5.4% and the rate of contribution of any other employer shall not
35 be reduced to less than 0.0%.

36 On or after January 1, 1994 until December 31, 1995, except as
37 provided pursuant to subparagraph (I) of this paragraph (5),
38 notwithstanding any other provisions of this paragraph (5), the
39 contribution rate for each employer liable to pay contributions, as
40 computed under subparagraph (E) of this paragraph (5), shall be decreased
41 by a factor of 36.0% computed to the nearest multiple of 1/10%, except
42 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
43 the employer's rate of contribution shall not be reduced pursuant to this
44 subparagraph (H) to less than 5.4%. The amount of the reduction in the
45 employer contributions stipulated by this subparagraph (H) shall be in
46 addition to the amount of the reduction in the employer contributions

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

6 On or after April 1, 1996 until December 31, 1996, the contribution
7 rate for each employer liable to pay contributions, as computed under
8 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
9 25.0% computed to the nearest multiple of 1/10%, except that, if an
10 employer has a deficit reserve ratio of negative 35.0% or under, the
11 employer's rate of contribution shall not be reduced pursuant to this
12 subparagraph (H) to less than 5.4%. The amount of the reduction in the
13 employer contributions stipulated by this subparagraph (H) shall be in
14 addition to the amount of the reduction in the employer contributions
15 stipulated by subparagraph (G) of this paragraph (5), except that the rate
16 of contribution of an employer who has a deficit reserve ratio of negative
17 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
18 less than 5.4% and the rate of contribution of any other employer shall not
19 be reduced to less than 0.0%.

20 On or after January 1, 1997 until December 31, 1997, the contribution
21 rate for each employer liable to pay contributions, as computed under
22 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
23 10.0% computed to the nearest multiple of 1/10%, except that, if an
24 employer has a deficit reserve ratio of negative 35.0% or under, the
25 employer's rate of contribution shall not be reduced pursuant to this
26 subparagraph (H) to less than 5.4%. The amount of the reduction in the
27 employer contributions stipulated by this subparagraph (H) shall be in
28 addition to the amount of the reduction in the employer contributions
29 stipulated by subparagraph (G) of this paragraph (5), except that the rate
30 of contribution of an employer who has a deficit reserve ratio of negative
31 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
32 less than 5.4% and the rate of contribution of any other employer shall not
33 be reduced to less than 0.0%.

34 (I) If the fund reserve ratio decreases to a level of less than 4.00% on
35 March 31 of calendar year 1994 or calendar year 1995, the provisions of
36 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July
37 1 of that calendar year.

38 If, upon calculating the unemployment compensation fund reserve ratio
39 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, ¹[1998,] 1997,¹ the
40 controller finds that the fund reserve ratio has decreased to a level of less
41 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
42 of this fact and of the dollar amount necessary to bring the fund reserve
43 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
44 ¹[1998,] 1997,¹ transfer from the General Fund to the unemployment
45 compensation fund, revenues in the amount specified by the commissioner
46 and which, upon deposit in the unemployment compensation fund, shall

1 result, upon recalculation, in a fund reserve ratio used to determine
2 employer contributions beginning July 1, '1998' 1997, ' of at least
3 3.00%.

4 If, upon calculating the unemployment compensation fund reserve ratio
5 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, '1999,' 1998, ' the
6 controller finds that the fund reserve ratio has decreased to a level of less
7 than 3.00%, the Commissioner of Labor shall notify the State Treasurer
8 of this fact and of the dollar amount necessary to bring the fund reserve
9 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,
10 '1999,' 1998, ' transfer from the General Fund to the unemployment
11 compensation fund, revenues in the amount specified by the commissioner
12 and which, upon deposit in the unemployment compensation fund, shall
13 result, upon recalculation, in a fund reserve ratio used to determine
14 employer contributions beginning July 1, '1999' 1998' of at least 3.00%.

15 (6) Additional contributions.

16 Notwithstanding any other provision of law, any employer who has
17 been assigned a contribution rate pursuant to subsection (c) of this section
18 for the year commencing July 1, 1948, and for any year commencing July
19 1 thereafter, may voluntarily make payment of additional contributions,
20 and upon such payment shall receive a recomputation of the experience
21 rate applicable to such employer, including in the calculation the additional
22 contribution so made. Any such additional contribution shall be made
23 during the 30-day period following the date of the mailing to the
24 employer of the notice of his contribution rate as prescribed in this
25 section, unless, for good cause, the time for payment has been extended
26 by the controller for not to exceed an additional 60 days; provided that in
27 no event may such payments which are made later than 120 days after the
28 beginning of the year for which such rates are effective be considered in
29 determining the experience rate for the year in which the payment is made.
30 Any employer receiving any extended period of time within which to make
31 such additional payment and failing to make such payment timely shall be,
32 in addition to the required amount of additional payment, a penalty of 5%
33 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any
34 adjustment under this subsection shall be made only in the form of credits
35 against accrued or future contributions.

36 (7) Transfers.

37 (A) Upon the transfer of the organization, trade or business, or
38 substantially all the assets of an employer to a successor in interest,
39 whether by merger, consolidation, sale, transfer, descent or otherwise, the
40 controller shall transfer the employment experience of the predecessor
41 employer to the successor in interest, including credit for past years,
42 contributions paid, annual payrolls, benefit charges, et cetera, applicable
43 to such predecessor employer, pursuant to regulation, if it is determined
44 that the employment experience of the predecessor employer with respect
45 to the organization, trade, assets or business which has been transferred
46 may be considered indicative of the future employment experience of the

1 successor in interest. Unless the predecessor employer was owned or
2 controlled (by legally enforceable means or otherwise), directly or
3 indirectly, by the successor in interest, or the predecessor employer and
4 the successor in interest were owned or controlled (by legally enforceable
5 means or otherwise), directly or indirectly, by the same interest or
6 interests, the transfer of the employment experience of the predecessor
7 shall not be effective if such successor in interest, within four months of
8 the date of such transfer of the organization, trade, assets or business, or
9 thereafter upon good cause shown, files a written notice protesting the
10 transfer of the employment experience of the predecessor employer.

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

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

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

39 (1) (A) For periods after January 1, 1975, each worker shall
40 contribute to the fund 1% of his wages with respect to his employment
41 with an employer, which occurs on and after January 1, 1975, after such
42 employer has satisfied the condition set forth in subsection (h) of
43 R.S.43:21-19 with respect to becoming an employer; provided, however,
44 that such contributions shall be at the rate of 1/2 of 1% of wages paid with
45 respect to employment while the worker is in the employ of the State of
46 New Jersey, or any governmental entity or instrumentality which is an

1 employer as defined under R.S.43:21-19(h)(5), or is covered by an
2 approved private plan under the "Temporary Disability Benefits Law" or
3 while the worker is exempt from the provisions of the "Temporary
4 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
5 (C.43:21-31).

6 (B) Effective January 1, 1978 there shall be no contributions by
7 workers in the employ of any governmental or nongovernmental employer
8 electing or required to make payments in lieu of contributions unless the
9 employer is covered by the State plan under the "Temporary Disability
10 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be
11 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers
12 in the employ of any nongovernmental employer electing or required to
13 make payments in lieu of contributions shall be required to make
14 contributions to the fund at the same rate prescribed for workers of other
15 nongovernmental employers.

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

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

41 (D) Notwithstanding any other provisions of this paragraph (1), during
42 the period starting January 1, 1993 and ending June 30, 1994, each worker
43 shall contribute to the unemployment compensation fund 0.5% of wages
44 paid with respect to the worker's employment with a governmental
45 employer electing or required to pay contributions or nongovernmental
46 employer, including a nonprofit organization which is an employer as

1 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
2 of whether that nonprofit organization elects or is required to finance its
3 benefit costs with contributions to the fund or by payments in lieu of
4 contributions, after that employer has satisfied the conditions set forth in
5 subsection (h) of R.S.43:21-19 with respect to becoming an employer. No
6 contributions, however, shall be made by the worker while the worker is
7 covered by an approved private plan under the "Temporary Disability
8 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker
9 is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
10 provision of that law; provided that the contributions shall be at the rate
11 of 0.50% of wages paid with respect to employment with the State of New
12 Jersey or any other governmental entity or instrumentality electing or
13 required to make payments in lieu of contributions and which is covered
14 by the State plan under the "Temporary Disability Benefits Law," except
15 that, while the worker is exempt from the provisions of the "Temporary
16 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
17 (C.43:21-31) or any other provision of that law, or is covered for
18 disability benefits by an approved private plan of the employer, no
19 contributions shall be made to the fund.

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

34 Each worker shall, starting on January 1, 1998 contribute to the
35 unemployment compensation fund 0.40% of wages paid with respect to
36 the worker's employment with a governmental employer electing or
37 required to pay contributions or nongovernmental employer, including a
38 nonprofit organization which is an employer as defined under paragraph
39 6 of subsection (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, after that
42 employer has satisfied the conditions set forth in subsection (h) of
43 R.S.43:21-19 with respect to becoming an employer, provided that the
44 contributions shall be at the rate of 0.10% of wages paid with respect to
45 employment with the State of New Jersey or any other governmental
46 entity or instrumentality electing or required to make payments in lieu of

1 contributions.

2 (E) Each employer shall, notwithstanding any provision of law in this
3 State to the contrary, withhold in trust the amount of his workers'
4 contributions from their wages at the time such wages are paid, shall show
5 such deduction on his payroll records, shall furnish such evidence thereof
6 to his workers as the division or controller may prescribe, and shall
7 transmit all such contributions, in addition to his own contributions, to the
8 office of the controller in such manner and at such times as may be
9 prescribed. If any employer fails to deduct the contributions of any of his
10 workers at the time their wages are paid, or fails to make a deduction
11 therefor at the time wages are paid for the next succeeding payroll period,
12 he alone shall thereafter be liable for such contributions, and for the
13 purpose 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 the
16 context clearly requires otherwise, the term "contributions" shall include
17 the contributions of workers pursuant to this section.

18 (G) Each worker shall, starting on July 1, 1994, contribute to the State
19 disability benefits fund an amount equal to 0.50% of wages paid with
20 respect to the worker's employment with a government employer electing
21 or required to pay contributions to the State disability benefits fund or
22 nongovernmental employer, including a nonprofit organization which is an
23 employer as defined under paragraph 6 of subsection (h) of R.S. 43:21-19,
24 unless the employer is covered by an approved private disability plan or
25 is exempt from the provisions of the "Temporary Disability Benefits Law,"
26 P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law
27 (C.43:21-31) or any other provision of that law.

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

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

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

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

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

33 (ii) [Notwithstanding any other provision of this paragraph (2), with
34 respect to wages paid during the period beginning on January 1, 1993 and
35 ending June 30, 1994, there shall be deposited in and credited to the State
36 disability benefits fund all worker contributions received by the
37 controller.](Deleted by amendment, P.L. , c.).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is less than
28 1 1/4% of his average annual payroll (as defined in this chapter
29 (R.S.43:21-1 et seq.));

30 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds 1
31 1/4% but is less than 1 1/2% of his average annual payroll;

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

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

39 (4) If the minimum requirements in (1) above have been fulfilled and
40 the benefits charged exceed the contributions credited by more than
41 \$500.00, such preliminary rate shall be as follows:

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

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

46 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds 1/2

1 of 1% but is less than 3/4 of 1% of his average annual payroll;

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

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

6 (5) Determination of the preliminary rate as specified in (2), (3) and
7 (4) above shall be subject, however, to the condition that it shall in no
8 event be decreased by more than 1/10 of 1% of wages or increased by
9 more than 2/10 of 1% of wages from the preliminary rate determined for
10 the preceding year in accordance with (1), (2), (3) or (4), whichever shall
11 have been applicable.

12 (E) (1) Prior to July 1 of each calendar year the controller shall
13 determine the amount of the State disability benefits fund as of December
14 31 of the preceding calendar year, increased by the contributions paid
15 thereto during January of the current calendar year with respect to
16 employment occurring in the preceding calendar year. If such amount
17 exceeds the net amount withdrawn from the unemployment trust fund
18 pursuant to section 23 of the "Temporary Disability Benefits Law,"
19 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such
20 preceding calendar year of the unemployment disability account (as
21 defined in section 22 of said law (C.43:21-46)), such excess shall be
22 expressed as a percentage of the wages on which contributions were paid
23 to the State disability benefits fund on or before January 31 with respect
24 to employment in the preceding calendar year.

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

29 (i) If the percentage determined in accordance with paragraph (E)(1)
30 of this subsection equals or exceeds 1 1/4%, the final employer rates shall
31 be the preliminary rates determined as provided in (D) hereof, except that
32 if the employer's preliminary rate is determined as provided in (D)(2) or
33 (D)(3) hereof, the final employer rate shall be the preliminary employer
34 rate decreased by such percentage of excess taken to the nearest 5/100 of
35 1%, but in no case shall such final rate be less than 1/10 of 1%.

36 (ii) If the percentage determined in accordance with paragraph (E)(1)
37 of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4 of
38 1%, the final employer rates shall be the preliminary employer rates.

39 (iii) If the percentage determined in accordance with paragraph (E)(1)
40 of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the
41 final employer rates shall be the preliminary employer rates determined as
42 provided in (D) hereof increased by the difference between 3/4 of 1% and
43 such percentage taken to the nearest 5/100 of 1%; provided, however, that
44 no such final rate shall be more than 1/4 of 1% in the case of an employer
45 whose preliminary rate is determined as provided in (D)(2) hereof, more
46 than 1/2 of 1% in the case of an employer whose preliminary rate is

1 determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of
2 1% in the case of an employer whose preliminary rate is determined as
3 provided in (D)(4) hereof.

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

15 (cf: P.L.1995, c.422, s.1)

16

17 7. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read as
18 follows:

19 4. (a) Notwithstanding any other provisions of the "unemployment
20 compensation law" for the payment of contributions, benefits paid to
21 individuals based upon wages earned in the employ of any governmental
22 entity or instrumentality which is an employer defined under
23 R.S.43:21-19(h)(5) shall, to the extent that such benefits are chargeable
24 to the account of such governmental entity or instrumentality in
25 accordance with the provisions of R.S.43:21-1 et seq., be financed by
26 payments in lieu of contributions.

27 (b) Any governmental entity or instrumentality may, as an alternative
28 to financing benefits by payments in lieu of contributions, elect to pay
29 contributions beginning with the date on which its subjectivity begins by
30 filing written notice of its election with the department no later than 120
31 days after such subjectivity begins, provided that such election shall be
32 effective for at least two full calendar years; or it may elect to pay
33 contributions for a period of not less than two calendar years beginning
34 January 1 of any year if written notice of such election is filed with the
35 department not later than February 1 of such year; provided, further, that
36 such governmental entity or instrumentality shall remain liable for
37 payments in lieu of contributions with respect to all benefits paid based on
38 base year wages earned in the employ of such entity or instrumentality in
39 the period during which it financed its benefits by payments in lieu of
40 contributions.

41 (c) Any governmental entity or instrumentality may terminate its
42 election to pay contributions as of January 1 of any year by filing written
43 notice not later than February 1 of any year with respect to which
44 termination is to become effective. It may not revert to a contributions
45 method of financing for at least two full calendar years after such
46 termination.

1 (d) Any governmental entity or instrumentality electing the option for
2 contributions financing shall report and pay contributions in accordance
3 with the provisions of R.S.43:21-7 except that, notwithstanding the
4 provisions of that section, the contribution rate for such governmental
5 entity or instrumentality shall be 1% for the entire calendar year 1978 and
6 the contribution rate for any subsequent calendar years shall be the rate
7 established for governmental entities or instrumentalities under subsection
8 (e) of this section.

9 (e) On or before September 1 of each year, the Commissioner of Labor
10 shall review the composite benefit cost experience of all governmental
11 entities and instrumentalities electing to pay contributions and, on the
12 basis of that experience, establish the contribution rate for the next
13 following calendar year which can be expected to yield sufficient revenue
14 in combination with worker contributions to equal or exceed the projected
15 costs for that calendar year.

16 (f) Any covered governmental entity or instrumentality electing to pay
17 contributions shall each year appropriate, out of its general funds, moneys
18 to pay the projected costs of benefits at the rate determined under
19 subsection (e) of this section. These funds shall be held in a trust fund
20 maintained by the governmental entity for this purpose. Any surplus
21 remaining in this trust fund may be retained in reserve for payment of
22 benefit costs for subsequent years either by contributions or payments in
23 lieu of contributions.

24 (g) Any governmental entity or instrumentality electing to finance
25 benefit costs with payments in lieu of contributions shall pay into the fund
26 an amount equal to all benefit costs for which it is liable pursuant to the
27 provisions of the "unemployment compensation law." Each subject
28 governmental entity or instrumentality shall require payments from its
29 workers in the same manner and amount as prescribed under
30 R.S.43:21-7(d) for governmental entities and instrumentalities financing
31 their benefit costs with contributions. No such payment shall be used for
32 a purpose other than to meet the benefits liability of such governmental
33 entity or instrumentality. In addition, each subject governmental entity or
34 instrumentality shall appropriate out of its general funds sufficient moneys
35 which, in addition to any worker payments it requires, are necessary to
36 pay its annual benefit costs estimated on the basis of its past benefit cost
37 experience; provided that for its first year of coverage, its benefit costs
38 shall be deemed to require an appropriation equal to 1% of the projected
39 total of its taxable wages for the year. These appropriated moneys and
40 worker payments shall be held in a trust fund maintained by the
41 governmental entity or instrumentality for this purpose. Any surplus
42 remaining in this trust fund shall be retained in reserve for payment of
43 benefit costs in subsequent years. If a governmental entity or
44 instrumentality requires its workers to make payments as authorized
45 herein, such workers shall not be subject to the contributions required in
46 R.S.43:21-7(d).

1 (h) Notwithstanding the provisions of the above subsection (g),
2 commencing July 1, 1986 worker contributions to the unemployment trust
3 fund with respect to wages paid by any governmental entity or
4 instrumentality electing or required to make payments in lieu of
5 contributions, including the State of New Jersey, shall be made in
6 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
7 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each governmental
8 entity or instrumentality electing or required to make payments in lieu of
9 contributions shall, except during the period starting January 1, 1993 and
10 ending December 31, 1995 and the period starting April 1, 1996 and
11 ending December 31, 1996 or, if the unemployment compensation fund
12 reserve ratio, as determined pursuant to paragraph (5) of subsection (c)
13 of R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
14 calendar year 1994 or calendar year 1995, ending July 1 of that calendar
15 year, require payments from its workers at the **[rate of 0.50%]** following
16 rates of wages paid, which amounts are to be held in the trust fund
17 maintained by the governmental entity or instrumentality for payment of
18 benefit costs: for calendar year 1998 and each calendar year thereafter,
19 0.30%.

20 (cf: P.L.1992, c.205, s.1)

21

22 8. Section 1 of P.L.1944, c.81(C.43:21-14.1) is amended to read as
23 follows:

24 1. Any employee who is paid wages by two or more employers
25 aggregating more than **[\$3,000.00** during any calendar year prior to
26 January 1, 1968, \$3,600.00 during any calendar year commencing on or
27 after January 1, 1968 and prior to January 1, 1972, \$4,200.00 during any
28 calendar year commencing on or after January 1, 1972 and prior to
29 January 1, 1975, or \$4,800.00 during any calendar year commencing on
30 or after January 1, 1975, and prior to January 1, 1976, and thereafter**]** the
31 amount of "wages" determined in accordance with the provisions of
32 R.S.43:21-7(b)(3) shall be entitled to a refund of the amount of
33 contributions deducted from such wages and paid to the Division of
34 Employment Security in excess of the contribution which is determined
35 pursuant to R.S.43:21-7(d)(1)(D) required on **[\$3,000.00** of such wages
36 paid during any calendar year prior to January 1, 1968, \$3,600.00 during
37 any calendar year commencing on or after January 1, 1968 and prior to
38 January 1, 1972, \$4,200.00 during any calendar year commencing on or
39 after January 1, 1972 and prior to January 1, 1975, or \$4,800.00 during
40 any calendar year commencing on or after January 1, 1975, and prior to
41 January 1, 1976, and thereafter**]** the amount of "wages" determined in
42 accordance with the provisions of R.S.43:21-7(b)(3) except that no such
43 refund shall be made unless the employee makes a claim, establishing his
44 right thereto, within 2 years after the calendar year in which the wages are
45 paid with respect to which refund of contribution is claimed. No interest

1 shall be allowed or paid with respect to any such refund.
2 (cf: P.L.1974, c.86, s.6)

3

4 9. This act shall take effect immediately.

5

6

7

8

9 Concerns unemployment compensation.

ASSEMBLY, No. 1786

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1996

By Assemblyman ZECKER, Assemblywomen WRIGHT,
Vandervalk, Assemblymen DiGaetano, Bucco and Kelly

1 AN ACT concerning unemployment insurance benefits and revising
2 various parts of the statutory law.

3

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

6

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

9 5. For the purposes of the extended benefit program and as used
10 in this act, unless the context clearly requires otherwise:

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

12 (1) Begins with the third week after a week for which there is a
13 state "on" indicator; and

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

15 (a) The third week after the first week for which there is a state
16 "off" indicator; or

17 (b) The thirteenth consecutive week of such period; provided, that
18 no extended benefit period may begin by reason of a state "on"
19 indicator before the fourteenth week after the close of a prior extended
20 benefit period which was in effect with respect to this State; and
21 provided further, that no extended benefit period may become
22 effective in this State prior to the effective date of this act.

23 b. (Deleted by amendment.)

24 c. (Deleted by amendment.)

25 d. There is a "state 'on' indicator" for this State for a week if
26 **[the]:**

27 (1) The division determines, in accordance with the regulations of
28 the United States Secretary of Labor, that for the period consisting of
29 the respective week and the immediately preceding 12 weeks, the rate
30 of insured unemployment (not seasonally adjusted) under the
31 **[Unemployment Compensation Law]** "unemployment compensation
32 law" (R.S. 43:21-1 et seq.):

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

Matter underlined thus is new matter.

1 **[(1)] (a)** Equaled or exceeded 120% of the average of these rates
2 for the corresponding 13-week period during each of the preceding 2
3 calendar years, and **[equaled or exceeded 4%; provided that]**, for
4 weeks beginning after September 25, 1982, **[the rate]** equaled or
5 exceeded 5%; or

6 **[(2)] (b)** With respect to benefits for weeks of unemployment
7 beginning after **[March 30, 1977, equaled or exceeded 5%; provided**
8 **that for weeks beginning after]** September 25, 1982, **[the rate]**
9 equaled or exceeded 6%; or

10 (2) With respect to any week of unemployment beginning after
11 June 30, 1996, the average seasonally adjusted rate of total
12 unemployment in the State, as determined by the United States
13 Secretary of Labor for the most recent three-month period for which
14 data for all states are published before the close of that week:

15 (a) Equals or exceeds 6.5%; and

16 (b) Equals or exceeds 110% of the average seasonally adjusted rate
17 of total unemployment in the State during either of the corresponding
18 three-month periods ending in the two preceding calendar years.

19 e. There is a "state "off" indicator" for this State for a week if the
20 division determines, in accordance with the regulations of the United
21 States Secretary of Labor, that for the period consisting of the
22 respective week and the immediately preceding 12 weeks, neither
23 **[subparagraph] paragraph** (1) or (2) of **[paragraph] subsection** d. was
24 satisfied.

25 f. "Rate of insured unemployment," for purposes of subsections
26 d. and e. means the percentage derived by dividing

27 (1) The average weekly number of individuals filing claims for
28 regular benefits in this State for weeks of unemployment with respect
29 to the most recent 13-consecutive-week period, as determined by the
30 division on the basis of its reports to the United States Secretary of
31 Labor, by

32 (2) The average monthly covered employment for the specified
33 period.

34 g. "Regular benefits" means benefits payable to an individual
35 under the **[Unemployment Compensation Law]** "unemployment
36 compensation law" (R.S. 43:21-1 et seq.) or under any other State law
37 (including benefits payable to Federal civilian employees and to
38 ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended
39 benefits.

40 h. "Extended benefits" means benefits (including benefits payable
41 to Federal civilian employees and to ex-servicemen pursuant to 5
42 U.S.C. chapter 85) payable to an individual under the provisions of
43 this act for weeks of unemployment in his eligibility period.

44 i. "Eligibility period" of an individual means the period consisting
45 of the weeks in his benefit year which begin in an extended benefit
46 period and, if his benefit year ends within the extended benefit period,

1 any weeks thereafter which begin in the period.

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

4 (1) Has received prior to the week, all of the regular benefits that
5 were available to him under the **【Unemployment Compensation Law】**
6 "unemployment compensation law" or any other State law (including
7 dependents' allowances and benefits payable to Federal civilian
8 employees and ex-servicemen under 5 U.S.C. chapter 85) in his
9 current benefit year that includes such week, provided, that for the
10 purposes of this **【subparagraph】** paragraph, an individual shall be
11 deemed to have received all of the regular benefits that were available
12 to him although as a result of a pending appeal with respect to wages
13 and/or employment that were not considered in the original monetary
14 determination in his benefit year, he may subsequently be determined
15 to be entitled to added regular benefits; or

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

19 (3)(a) has no right to unemployment benefits or allowances, as the
20 case may be, under the Railroad Unemployment Insurance Act, the
21 Trade Expansion Act of 1962, the Automotive Products Trade Act of
22 1965 and such other Federal laws as are specified in regulations
23 issued by the United States Secretary of Labor; and

24 (b) has not received and is not seeking unemployment benefits
25 under the Unemployment Compensation Law of Canada; but if he is
26 seeking these benefits and the appropriate agency finally determines
27 that he is not entitled to benefits under that law he is considered an
28 exhaustee if the other provisions of this definition are met.

29 k. "State law" means the unemployment insurance law of any
30 state approved by the United States Secretary of Labor under section
31 3304 of the Internal Revenue Code of **【1954】** 1986, 26 U.S.C.
32 §3304.

33 l. "High unemployment period" means any period during which the
34 average seasonally adjusted rate of total unemployment in the State,
35 as determined by the United States Secretary of Labor for the most
36 recent three-month period for which data for all states are published:

37 (1) Equals or exceeds 8%; and

38 (2) Equals or exceeds 110% of the average seasonally adjusted rate
39 of total unemployment in the State during either of the corresponding
40 three-month periods ending in the two preceding calendar years.

41 (cf: P.L.1982, c. 144, s. 1)

42

43 2. Section 9 of P.L.1970, c.324 (C.43:21-24.15) is amended to
44 read as follows:

45 9. **【The】** a. Except as provided in subsection b. of this section,
46 the total extended benefit amount payable to any eligible individual

1 with respect to his applicable benefit year shall be the lesser of the
2 following amounts:

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

7 **[b.] (2)** thirteen times his weekly benefit amount which was
8 payable to him under the **[Unemployment Compensation Law]**
9 "unemployment compensation law" (R.S. 43:21-1 et seq.) for a week
10 of total unemployment in the applicable benefit year.

11 b. With respect to weeks beginning during a high unemployment
12 period, the total extended benefit amount payable to an eligible
13 individual with respect to his applicable benefit year shall be the lesser
14 of the following amounts:

15 (1) 80% of the total of regular benefits which were payable to the
16 individual under the "unemployment compensation law" (R.S.43:21-1
17 et seq.) during the applicable benefit year; or

18 (2) Twenty times the weekly benefit amount which was payable to
19 the individual under the "unemployment compensation law"
20 (R.S.43:21-1 et seq.) for a week of total unemployment during the
21 applicable benefit year.

22 c. Notwithstanding any other provisions of the **[Unemployment**
23 **Compensation Law]** "unemployment compensation law" (R.S. 43:21-1
24 et seq.), if the benefit year of an adversely affected worker covered by
25 a certification under subchapter A, chapter 2, Title II of the Trade Act
26 of 1974, P.L. 93-618, 5 U.S.C. 5312 et seq. as amended, ends within
27 an extended benefit period, the remaining balance of extended benefits
28 that the individual would, but for this section, be entitled to receive
29 in that extended benefit period, with respect to weeks of
30 unemployment beginning after the end of the benefit year, shall be
31 reduced (but not below zero) by the product of the number of weeks
32 for which the individual received any amounts as trade readjustment
33 allowances within that benefit year, multiplied by the individual's
34 weekly benefit amount for extended benefits.

35 (cf: P.L.1982, c. 144, s. 3)

36

37 3. (New Section) For the purposes of the Emergency
38 Unemployment Benefits Program and as used in sections 3 through 8
39 of this 1996 amendatory and supplementary act:

40 "Emergency unemployment benefits" means benefits financed
41 entirely by the State and paid to exhaustees pursuant to sections 3
42 through 8 of this 1996 amendatory and supplementary act.

43 "Emergency unemployment benefit period" means a period not
44 within an extended benefit period, which:

45 a. Begins on March 3, 1996, and

1 b. Ends upon the conclusion of the second week after the first week
2 for which there is a State "on" indicator as defined in section 5 of
3 P.L.1970, c.324 (C.43:21-24.11) or other federally-financed
4 supplemental benefits program, or

5 c. If there is no such "on" indicator, ends with the occurrence of
6 either of the following:

7 (1) The third week after the first week for which there is a State
8 emergency unemployment benefits "off" indicator; or

9 (2) The calendar week after the calendar week in which total
10 expenditures of emergency unemployment compensation fund
11 Statewide first exceed \$250 million.

12 There is a State emergency unemployment benefits "off" indicator
13 for any week in which it is determined by the division based on data
14 reported by the U.S. Bureau of Labor Statistics that, for the prior four
15 calendar months, the average total unemployment rate (seasonally
16 adjusted) in this State is less than 6.0 percent.

17 Notwithstanding any other provision of this subsection c., no
18 emergency unemployment benefits shall be paid after September 1,
19 1996, except that emergency benefits shall be paid to individuals who
20 established emergency unemployment claims prior to that date. No
21 emergency unemployment benefits shall be paid to any individual after
22 December 8, 1996.

23 "Eligibility period" of an exhaustee means the period consisting of
24 the weeks in the exhaustee's benefit year which begin in an emergency
25 unemployment benefit period and, if that benefit year ends in the
26 emergency unemployment benefit period, any weeks thereafter which
27 begin in the period.

28 "Exhaustee" means an individual who exhausted all of the regular
29 benefits that were available to the individual pursuant to the
30 "unemployment compensation law," R.S.43:21-1 et seq., (including
31 benefits payable to federal civilian employees and ex-service persons
32 or payable under the combined wage program), after September 2,
33 1995 and before March 3, 1996, or during any calendar week of the
34 emergency unemployment benefit period. No individual who
35 exhausted all of the available regular benefits prior to September 3,
36 1995 shall be eligible for emergency unemployment benefits. An
37 individual whose benefit year has expired prior to the beginning of the
38 emergency unemployment benefit period shall not be eligible for such
39 benefits.

40
41 4. (New section) During an emergency unemployment benefit
42 period exhaustees, who otherwise continue to meet the eligibility
43 requirements for regular benefits pursuant to the provisions of the
44 "unemployment compensation law," R.S.43:21-1 et seq., and who are
45 not eligible for any other unemployment benefits, including benefits
46 provided for by any federal law extending benefits beyond those

1 provided for as regular benefits or extended benefits, may receive
2 weekly emergency unemployment benefits for weeks subsequent to
3 March 3, 1996 in an amount equal to the weekly benefit amount of the
4 individual's most recent regular unemployment benefit claim subject to
5 the provisions of the "unemployment compensation law," R.S.43:21-1
6 et seq. The maximum emergency unemployment benefits an individual
7 may receive pursuant to sections 3 through 8 of this 1996 amendatory
8 and supplementary act is 25 percent of the regular unemployment
9 benefits which were payable to the individual pursuant to the
10 "unemployment compensation law," R.S.43:21-1 et seq., (including
11 benefits payable to federal civilian employees and ex-service persons
12 or payable under the combined wage program) in the individual's
13 applicable benefit year.

14

15 5. (New section) No employer's account shall be charged for
16 emergency unemployment benefits paid to an unemployed individual
17 pursuant to sections 3 through 8 of this 1996 amendatory and
18 supplementary act, except for the account of an out-of-State employer
19 who is liable for charges under the Combined Wage Program.
20 However, nothing in this section shall be construed to relieve
21 employers electing to make payments in lieu of contributions pursuant
22 to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or C.43:21-7.3)
23 from reimbursing the unemployment benefits paid to an unemployed
24 individual pursuant to sections 3 through 8 of this 1996 amendatory
25 and supplementary act.

26 Emergency unemployment benefits paid to federal civilian
27 employees shall be charged to the appropriate federal account.
28 Emergency unemployment benefits paid to ex-service persons shall be
29 charged to the General Fund.

30

31 6. (New section) Emergency unemployment benefits may be paid
32 pursuant to the provisions of sections 3 through 8 of this 1996
33 amendatory and supplementary act only with respect to weeks not
34 within an extended benefit period, and not within a period covered by
35 any federal law allowing the filing of new claims extending benefits
36 beyond those provided for as regular or extended benefits. If a federal
37 extended benefits period triggers "on", maximum benefits payable to
38 an individual under the federal extended benefits program or any
39 federal supplemental benefits program shall be reduced by an amount
40 equal to that received by the individual under the emergency
41 unemployment benefits program.

42

43 7. (New section) Notwithstanding the provisions of any other law,
44 the division shall use appropriate administrative means to insure that
45 emergency unemployment benefits are paid only to individuals who
46 meet the requirements of sections 3 through 8 of this 1996 amendatory

1 and supplementary act. These administrative actions may include, but
2 shall not be limited to, the following procedure. The division shall
3 match the claimant's social security number against available wage
4 records to insure that no earnings were reported for that claimant by
5 employers under R.S.43:21-14 for periods in which emergency
6 unemployment benefits were paid.

7

8 8. (New section) No exhaustee shall receive benefits pursuant to
9 sections 3 through 8 of this 1996 amendatory and supplementary act
10 during the portion of the emergency unemployment benefit period
11 which occurs prior to the effective date of this 1996 amendatory and
12 supplementary act unless the exhaustee submits to the division a
13 signed written statement, on a form approved by the division, that the
14 exhaustee was actively seeking work during that portion of the benefit
15 period and was otherwise eligible for the benefits.

16

17 9. This act shall take effect immediately.

18

19

20

STATEMENT

21

22 This bill establishes an Emergency Unemployment Benefits Program
23 and provides that the program would permit up to 6 1/2 weeks of
24 additional unemployment benefits to claimants who have exhausted
25 their entitlement to regular unemployment benefits. The bill is
26 intended to assist a growing number of unemployed workers who have
27 exhausted their claims for regular unemployment and have remained
28 unemployed, in light of the more restrictive trigger mechanism under
29 the amended "Federal-State Extended Unemployment Compensation
30 Act of 1970," (26 U.S.C. §3304 fn.). The program extends through
31 September 1, 1996, except that it would automatically terminate if the
32 Federal-State Extended Benefits Program or any federally funded
33 supplemental benefits program were to be triggered, or if the total
34 unemployment rate were to fall below 6%. Total benefits expenditure
35 is capped at \$250 million.

36

37 The program is limited to those unemployment claimants who have
38 filed intrastate claims, and includes claims filed by federal civilian
39 employees, ex-service persons and those filed under the Combined
40 Wage Program. Benefits paid under the Emergency Unemployment
41 Benefits Program would be funded by the unemployment
42 compensation fund; employers' Experience Rating Accounts would not
43 be charged.

44

45 The bill also modifies the conditions under which extended UI
46 benefits are made available to laid off workers who exhaust their
47 regular UI benefits but are not able to obtain employment.

48

49 The provisions of the bill regarding extended UI benefits are based

1 on the federal Unemployment Compensation Amendments of 1992,
2 Pub.L.102-318. That law permits each state to enact legislation to
3 provide an alternative unemployment threshold or "trigger" to start a
4 program under which the State and the federal government share the
5 costs of the benefits on a 50-50 basis.

6 This bill contains that alternative trigger, which provides 13 weeks
7 of extended benefits for each worker if the State's total unemployment
8 rate is 6.5% or more and is also at least 10% higher than the rate for
9 the corresponding 13-week period during either of the preceding two
10 calendar years. Twenty weeks of extended benefits are provided if the
11 State's total unemployment rate reaches 8%. The cost of the extended
12 benefits is shared equally by the State and the federal government.

13 Under current State law, the trigger for 50-50 State/federal
14 extended employment benefits is that New Jersey must have an insured
15 unemployment rate of at least 6% or at least 5% and also at least 20%
16 higher than the rate for the corresponding 13-week period during both
17 of the preceding two calendar years. This trigger was unattainable for
18 New Jersey and most other states during the recent recession, because
19 most unemployed workers do not receive regular unemployment
20 benefits and therefore are not counted when the insured unemployment
21 rate is calculated. Throughout the period from 1990 to 1993, New
22 Jersey's insured unemployment rate remained well below 5% even
23 when the State's total unemployment rate rose above 9%. Before
24 1984, extended benefits were available in most states, including New
25 Jersey, only due to the more attainable trigger for the 100%
26 federally-funded emergency unemployment program.

27 This bill is designed to help alleviate the pain inflicted by long-term
28 unemployment on many New Jersey households, including home
29 mortgage foreclosures, severe depression, increased substance abuse,
30 marital breakups and even suicides.

31 For the last three years, New Jersey has had the highest rate of any
32 state of laid-off workers exhausting their UI benefits without being
33 able to find new work. During the last four years more than 430,000
34 New Jersey workers ran out of all federal and State UI benefits. The
35 State has also had the highest home mortgage foreclosure rate in the
36 nation. During that time, New Jersey's home foreclosure rate was
37 more than twice as high as any time in the recessions of the 1970's and
38 the 1980's.

39

40

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43 _____
Concerns extended UI benefits.

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 1786**

with Assembly Floor Amendments

(Proposed By Assemblyman ZECKER and Assemblywoman WRIGHT)

ADOPTED: MAY 2, 1996

These Assembly amendments make the following changes in the bill:

1. The changes that the bill makes in the reserve ratios used to determine which tax schedule is applied to employers are modified so that the fund reserve ratio that "triggers" the change from tax schedule "B" to tax schedule "A" is increased from 5% to 6% and the trigger from tax schedule "E" to schedule "D" is increased from 2% to 2.5%;

2. The years in which the Treasurer will transfer from the General Fund the amount necessary to raise the reserve ratio to a level of 3.00% are changed from 1998 and 1999 to 1997 and 1998; and

3. The cost of administrating the provisions of the bill is paid from contributions made to the Health Care Subsidy Fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 1786

STATE OF NEW JERSEY

DATED: MAY 1, 1996

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 1786.

This committee substitute establishes an Emergency Unemployment Benefits Program and provides up to 13 weeks of additional unemployment benefits to claimants who have exhausted their entitlement to regular unemployment benefits. The committee substitute is intended to assist a growing number of unemployed workers who have exhausted their claims for regular unemployment and have remained unemployed, in light of the more restrictive trigger mechanism under the amended "Federal-State Extended Unemployment Compensation Act of 1970," (26 U.S.C. §3304 fn.). The program will extend through October 1, 1996, except that it will automatically terminate if the Federal-State Extended Benefits Program or any federally funded supplemental benefits program is triggered, or if the Total Unemployment Rate falls below 6%. Total benefits expenditure is capped at \$350 million.

The substitute also makes changes in the funding of the unemployment compensation fund as follows:

1. No payroll taxes will be collected from workers from April 1, 1996 through December 31, 1997; on and after January 1, 1998, the rate is set at 0.4%, 0.2 percentage points less than the current rate of 0.6%.

2. Starting on July 1, 1997, the fund reserve ratios used to determine which tax schedule is applied to employers are reduced, which will make it easier in the future for tax schedules to go into effect which will result in lower tax rates for employers in most cases. The fund reserve ratio that "triggers" tax schedule "A," which is the lowest tax rate schedule, is reduced from 10% to 5%. The trigger for schedule "B" is reduced from 7% to 4%, the trigger for schedule "C" is reduced from 4% to 3% and the trigger for schedule "D" is reduced from 2.5% to 2%. The only increased reserve ratio is the trigger for a 10% tax surcharge, which is increased from 0 to 1%.

3. If the fund reserve ratio declines to a level below 3.00% on March 31 of either 1998 or 1999, the Treasurer will transfer the amount necessary to raise the reserve ratio to a level of 3.00%,

thereby preventing the imposition of schedule "D" tax rates on employers during those years.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 1786

STATE OF NEW JERSEY

DATED: May 7, 1996

The First Reprint to the Assembly Committee Substitute for Assembly Bill No. 1786 of 1996 establishes an Emergency Unemployment Benefits Program and provides up to 13 weeks of additional unemployment benefits to claimants who have exhausted their entitlement to regular unemployment benefits. The bill is intended to assist a growing number of unemployed workers who have exhausted their claims for regular unemployment and have remained unemployed, in light of the more restrictive trigger mechanism under the amended "Federal-State Extended Unemployment Compensation Act of 1970," (26 U.S.C. §3304 fn.). The emergency unemployment benefit period begins on June 2, 1996 and extends through December 1, 1996, except that it will terminate automatically if the Federal-State Extended Benefits Program or any federally funded supplemental benefits program is triggered, or if the Total Unemployment Rate falls below 6 percent. Total expenditure on emergency unemployment benefits is capped at \$350 million.

The bill also makes changes in the funding of the unemployment compensation fund as follows:

1. Starting on July 1, 1997, the fund reserve ratios used to determine which tax rate schedule is applied to employers are reduced. The fund reserve ratio that "triggers" use of tax schedule "A," which provides the lowest tax rates, is reduced from the current rate of 10 percent to 6 percent. The trigger for schedule "B" is reduced from 7 percent to 4 percent, the trigger for schedule "C" is reduced from 4 percent to 3 percent. The trigger for schedule "D," currently 2.5 percent, is unchanged. However, the fund reserve ratio which triggers a 10 percent tax surcharge is increased from 0 to 1.0 percent.

2. If the fund reserve ratio declines to a level below 3 percent on March 31 of either 1997 or 1998, the Treasurer will transfer from the General Fund the amount necessary to raise the reserve ratio to a level of 3 percent, thereby making impossible the imposition of tax schedule "D" on employers during those years.

3. No payroll taxes for the unemployment compensation fund are collected from workers starting April 1, 1996 and ending December 31, 1997. (During this period, pursuant to P.L. 1996, c. , now pending before the Legislature as the First Reprint of the ACS for Assembly Bill No. 1532, employee payroll tax contributions will be

dedicated to the Health Care Subsidy Fund.) In addition, beginning on January 1, 1998, the worker contribution rate for the unemployment compensation fund is reduced from 0.6 percent to 0.4 percent.

4. The cost of administering the provisions of the bill is paid from contributions made to the Health Care Subsidy Fund.

IMPACT ON THE UNEMPLOYMENT COMPENSATION FUND

As outlined above, the fiscal impact of the bill on the unemployment compensation fund is threefold: first, with certain restrictions, the bill provides for up to \$350 million in emergency unemployment benefits to individuals who exhaust their regular unemployment benefits between December 2, 1995 and December 1, 1996; second, the bill changes the fund reserve ratios used to determine the tax rate schedule applied to employers such that, given the current fund reserve ratio, employer contributions would be reduced by approximately 15 percent beginning July 1, 1997; and third: the bill eliminates employee contributions to the unemployment compensation fund between April 1, 1996 and December 31, 1997, and beginning January 1, 1998 reduces the payroll tax rate paid by employees by approximately 33 percent, from .6 percent to .4 percent.

At the outset, the Office of Legislative Services (OLS) notes that it is reasonable to assume that most, if not all, of the \$350 million cap established for the emergency benefits program will be expended. This assumption is based upon State unemployment compensation data available through the U.S. Department of Labor (USDOL) which indicates that there have been approximately 139,592 "exhaustions" in this State over the last 12 months (an increase over the prior 12 month period), the current average weekly benefit amount, and the average number of extended benefit weeks likely to be claimed by exhaustees in this State as calculated by the USDOL.

The OLS further notes, based upon information provided by the State Department of Labor, that given the current unemployment compensation fund balance of approximately \$2.4 billion and projected total taxable wages, employer and employee payroll tax contributions will be sufficient for the purposes of funding the proposed emergency unemployment benefits program. Additionally, the OLS anticipates that under most foreseeable economic conditions, the impact of the bill would leave unemployment compensation fund balances sufficiently high so that the unemployment compensation fund reserve ratio will remain above 4.0 percent. Thus, assuming only the extension of emergency unemployment benefits, employers can anticipate a shift from the current tax schedule, schedule "C," to a lower-rate employer tax schedule, schedule "B," by fiscal 1997.

The OLS further acknowledges that pending legislation (see ACS (1R) for Assembly Bill No. 1532 of 1996) would extend the provisions of the "Health Care Reform Act of 1992," P.L.1992, c.160

(c 26:2H-18.51 et seq.), through employer and employee payroll tax contributions to the Health Care Subsidy Fund in lieu of contributions to the unemployment compensation fund. Assuming the enactment of both bills, the State Department of Labor has projected that the lower rated employer tax schedule, schedule "B," can be anticipated in both 1997 and 1998. However, the department has further indicated that by 1999, the fund reserve ratio will have decreased such that the higher rates of the employer tax schedule, schedule "C," will be reinstated. In contrast, the OLS anticipates that with respect to the cumulative impact of the two bills, a shift to the lower employer tax rate schedule, schedule "B," may not be achieved until 1998.

Lastly, the OLS is unable to determine the administrative costs associated with the bill, but notes it provides for these costs to be paid from contributions made to the Health Care Subsidy Fund.

IMPACT ON THE GENERAL FUND:

As indicated above, the bill provides that if the fund reserve ratio declines to a level below 3 percent on March 31 of either 1997 or 1998, the Treasurer will transfer the amount necessary to raise the reserve ratio to a level of 3 percent. However, neither the OLS nor the State Department of Labor anticipates that a transfer of General Fund revenues will be necessary to prevent the higher tax schedule "D" from becoming effective.

The 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.