

43:21-7

LEGISLATIVE HISTORY CHECKLIST
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(Job Training)

NJSA: 43:21-7

LAWS OF: 1995 CHAPTER: 422

BILL NO: A3214

SPONSOR(S): Roma and others

DATE INTRODUCED: November 9, 1995

COMMITTEE: ASSEMBLY: Labor

SENATE: ---

AMENDED DURING PASSAGE: No Assembly committee
substitute enacted

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FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

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COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: ~~No~~ Yes

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ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 3214

STATE OF NEW JERSEY

ADOPTED NOVEMBER 20, 1995

Sponsored by Assemblymen ROMA, MIKULAK,
DALTON and FOLEY

1 AN ACT concerning job training programs and revising various
2 parts of the statutory law.

3

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

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

7 43:21-7. Contributions. Employers other than governmental
8 entities, whose benefit financing provisions are set forth in
9 section 4 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit
10 organizations liable for payment in lieu of contributions on the
11 basis set forth in section 3 of P.L.1971, c.346 (C.43:21-7.2), shall
12 pay to the controller for the unemployment compensation fund,
13 contributions as set forth in subsections (a), (b) and (c) hereof,
14 and the provisions of subsections (d) and (e) shall be applicable to
15 all employers, consistent with the provisions of the
16 "unemployment compensation law" and the "Temporary
17 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

18 (a) Payment.

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

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

31 (b) Rate of contributions. Each employer shall pay the
32 following contributions:

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

37 (2) The "wages" of any individual, with respect to any one
38 employer, as the term is used in this subsection (b) and in
39 subsections (c), (d) and (e) of this section 7, shall include the first
40 \$4,800.00 paid during calendar year 1975, for services performed
41 either within or without this State; provided that no contribution
42 shall be required by this State with respect to services performed
43 in another state if such other state imposes contribution liability
44 with respect thereto. If an employer (hereinafter referred to as a
45 successor employer) during any calendar year acquires

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

Matter underlined thus is new matter.

1 substantially all the property used in a trade or business of
2 another employer (hereinafter referred to as a predecessor), or
3 used in a separate unit of a trade or business of a predecessor,
4 and immediately after the acquisition employs in his trade or
5 business an individual who immediately prior to the acquisition
6 was employed in the trade or business of such predecessor, then,
7 for the purpose of determining whether the successor employer
8 has paid wages with respect to employment equal to the first
9 \$4,800.00 paid during calendar year 1975, any wages paid to such
10 individual by such predecessor during such calendar year and prior
11 to such acquisition shall be considered as having been paid by
12 such successor employer.

13 (3) For calendar years beginning on and after January 1, 1976,
14 the "wages" of any individual, as defined in the preceding
15 paragraph (2) of this subsection (b), shall be established and
16 promulgated by the Commissioner of Labor on or before
17 September 1 of the preceding year and shall be 28 times the
18 Statewide average weekly remuneration paid to workers by
19 employers, as determined under R.S.43:21-3(c), raised to the next
20 higher multiple of \$100.00 if not already a multiple thereof,
21 provided that if the amount of wages so determined for a
22 calendar year is less than the amount similarly determined for
23 the preceding year, the greater amount will be used; provided,
24 further, that if the amount of such wages so determined does not
25 equal or exceed the amount of wages as defined in subsection (b)
26 of section 3306 of the Federal Unemployment Tax Act, Chapter
27 23 of the Internal Revenue Code of 1986 (26 U.S.C. §3306(b)), the
28 wages as determined in this paragraph in any calendar year shall
29 be raised to equal the amount established under the Federal
30 Unemployment Tax Act for that calendar year.

31 (c) Future rates based on benefit experience.

32 (1) A separate account for each employer shall be maintained
33 and this shall be credited with all the contributions which he has
34 paid on his own behalf on or before January 31 of any calendar
35 year with respect to employment occurring in the preceding
36 calendar year; provided, however, that if January 31 of any
37 calendar year falls on a Saturday or Sunday, an employer's
38 account shall be credited as of January 31 of such calendar year
39 with all the contributions which he has paid on or before the next
40 succeeding day which is not a Saturday or Sunday. But nothing in
41 this chapter (R.S.43:21-1 et seq.) shall be construed to grant any
42 employer or individuals in his service prior claims or rights to the
43 amounts paid by him into the fund either on his own behalf or on
44 behalf of such individuals. Benefits paid with respect to benefit
45 years commencing on and after January 1, 1953, to any individual
46 on or before December 31 of any calendar year with respect to
47 unemployment in such calendar year and in preceding calendar
48 years shall be charged against the account or accounts of the
49 employer or employers in whose employment such individual
50 established base weeks constituting the basis of such benefits.
51 Benefits paid under a given benefit determination shall be
52 charged against the account of the employer to whom such
53 determination relates. When each benefit payment is made,
54 either a copy of the benefit check or other form of notification

1 shall be promptly sent to the employer against whose account the
2 benefits are to be charged. Such copy or notification shall
3 identify the employer against whose account the amount of such
4 payment is being charged, shall show at least the name and social
5 security account number of the claimant and shall specify the
6 period of unemployment to which said check applies. If the total
7 amount of benefits paid to a claimant and charged to the account
8 of the appropriate employer exceeds 50% of the total base year,
9 base week wages paid to the claimant by that employer, then
10 such employer shall have canceled from his account such excess
11 benefit charges as specified above.

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

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

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

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

40 (1) $2 \frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
41 5%, of his average annual payroll (as defined in paragraph (2),
42 subsection (a) of R.S.43:21-19);

43 (2) $2 \frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
44 than 6%, of his average annual payroll;

45 (3) $1 \frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
46 than 7%, of his average annual payroll;

47 (4) $1 \frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
48 than 8%, of his average annual payroll;

49 (5) $1 \frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
50 than 9%, of his average annual payroll;

51 (6) 1%, if such excess equals or exceeds 9%, but is less than
52 10%, of his average annual payroll;

53 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is
54 less than 11%, of his average annual payroll;

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

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

7 (1) 4%, if such excess is less than 10% of his average annual
8 payroll;

9 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
10 than 20%, of his average annual payroll;

11 (3) 4 6/10%, if such excess equals or exceeds 20% of his
12 average annual payroll.

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

18 (i) if the reserve balance in its account is positive, its assigned
19 rate shall be the highest rate in effect for positive balance
20 accounts for that period, or 5.4%, whichever is higher, and (ii) if
21 the reserve balance in its account is negative, its assigned rate
22 shall be the highest rate in effect for deficit accounts for that
23 period.

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

28 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
29 31 of any calendar year the balance in the unemployment trust
30 fund equals or exceeds 4% but is less than 7% of the total taxable
31 wages reported to the controller as of that date in respect to
32 employment during the preceding calendar year, the contribution
33 rate, effective July 1 following, of each employer eligible for a
34 contribution rate calculation based upon benefit experience, shall
35 be increased by 3/10 of 1% over the contribution rate otherwise
36 established under the provisions of paragraph (3) or (4) of this
37 subsection. If on March 31 of any calendar year the balance of
38 the unemployment trust fund exceeds 2 1/2% but is less than 4%
39 of the total taxable wages reported to the controller as of that
40 date in respect to employment during the preceding calendar
41 year, the contribution rate, effective July 1 following, of each
42 employer eligible for a contribution rate calculation based upon
43 benefit experience, shall be increased by 6/10 of 1% over the
44 contribution rate otherwise established under the provisions of
45 paragraph (3) or (4) of this subsection.

46 If on March 31 of any calendar year the balance of the
47 unemployment trust fund is less than 2 1/2% of the total taxable
48 wages reported to the controller as of that date in respect to
49 employment during the preceding calendar year, the contribution
50 rate, effective July 1 following, of each employer (1) eligible for
51 a contribution rate calculation based upon benefit experience,
52 shall be increased by (i) 6/10 of 1% over the contribution rate
53 otherwise established under the provisions of paragraph (3), (4)(A)
54 or (4)(B) of this subsection, and (ii) an additional amount equal to

1 20% of the total rate established herein, provided, however, that
2 the final contribution rate for each employer shall be computed
3 to the nearest multiple of 1/10% if not already a multiple
4 thereof; (2) not eligible for a contribution rate calculation based
5 upon benefit experience, shall be increased by 6/10 of 1% over
6 the contribution rate otherwise established under the provisions
7 of paragraph (4) of this subsection. For the period commencing
8 July 1, 1984 and ending June 30, 1986, the contribution rate for
9 each employer liable to pay contributions under R.S.43:21-7 shall
10 be increased by a factor of 10% computed to the nearest multiple
11 of 1/10% if not already a multiple thereof.

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

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

43 (D) Prior to July 1 of each calendar year the controller shall
44 determine the Unemployment Trust Reserve Ratio, which shall be
45 calculated by dividing the balance of the unemployment trust
46 fund as of the prior March 31 by total taxable wages reported to
47 the controller by all employers as of March 31 with respect to
48 their employment during the last calendar year.

49 (E) With respect to experience rating years beginning on or
50 after July 1, 1986, the new employer rate or the unemployment
51 experience rate of an employer under this section shall be the
52 rate which appears in the column headed by the Unemployment
53 Trust Fund Reserve Ratio as of the applicable calculation date
54 and on the line with the Employer Reserve Ratio, as defined in

1 paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in
 2 the following table:

3 EXPERIENCE RATING TAX TABLE

4

5 Fund Reserve Ratio¹

6

7	10.00%	7.00%	4.00%	2.50%	2.49%
8 Employer	and	to	to	to	and
9 Reserve	Over	9.99%	6.99%	3.99%	Under
10 Ratio ²	A	B	C	D	E
11					
12 Positive Reserve Ratio:					
13 17% and over	0.3	0.4	0.5	0.6	1.2
14 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
16 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
17 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
18 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
19 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
20 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
21 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
22 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
23 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
24 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
25 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
26 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
27 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
28 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
29 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
30 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
31 Deficit Reserve Ratio:					
32 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
33 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
34 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
35 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
36 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
37 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
38 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
39 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
40 -30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
41 -35.00% and under	5.4	5.4	5.8	6.4	7.0
42 New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

47

48 (F) With respect to experience rating years beginning on or after
 49 July 1, 1986, if the balance of the unemployment trust fund as of
 50 the prior March 31 is negative, the contribution rate for each
 51 employer liable to pay contributions, as computed under
 52 subparagraph E of this paragraph (5), shall be increased by a
 53 factor of 10% computed to the nearest multiple of 1/10% if not
 54 already a multiple thereof.

1 (G) On or after January 1, 1993, [and ending December 31,
2 1997,] notwithstanding any other provisions of this paragraph (5),
3 the contribution rate for each employer liable to pay
4 contributions, as computed under subparagraph (E) of this
5 paragraph (5), shall be decreased by 0.1%, except that, during any
6 experience rating year in which the fund reserve ratio is equal to
7 or greater than 7.00%, there shall be no decrease pursuant to this
8 subparagraph (G) in the contribution of any employer who has a
9 deficit reserve ratio of negative 35.00% or under.

10 (H) On or after January 1, 1993 until December 31, 1993,
11 notwithstanding any other provisions of this paragraph (5), the
12 contribution rate for each employer liable to pay contributions,
13 as computed under subparagraph (E) of this paragraph (5), shall be
14 decreased by a factor of 52.0% computed to the nearest multiple
15 of 1/10%, except that, if an employer has a deficit reserve ratio
16 of negative 35.0% or under, the employer's rate of contribution
17 shall not be reduced pursuant to this subparagraph (H) to less than
18 5.4%. The amount of the reduction in the employer contributions
19 stipulated by this subparagraph (H) shall be in addition to the
20 amount of the reduction in the employer contributions stipulated
21 by subparagraph (G) of this paragraph (5), except that the rate of
22 contribution of an employer who has a deficit reserve ratio of
23 negative 35.0% or under shall not be reduced pursuant to this
24 subparagraph (H) to less than 5.4% and the rate of contribution of
25 any other employer shall not be reduced to less than 0.0%.

26 On or after January 1, 1994 until December 31, 1995, except as
27 provided pursuant to subparagraph (I) of this paragraph (5),
28 notwithstanding any other provisions of this paragraph (5), the
29 contribution rate for each employer liable to pay contributions,
30 as computed under subparagraph (E) of this paragraph (5), shall be
31 decreased by a factor of 36.0% computed to the nearest multiple
32 of 1/10%, except that, if an employer has a deficit reserve ratio
33 of negative 35.0% or under, the employer's rate of contribution
34 shall not be reduced pursuant to this subparagraph (H) to less than
35 5.4%. The amount of the reduction in the employer contributions
36 stipulated by this subparagraph (H) shall be in addition to the
37 amount of the reduction in the employer contributions stipulated
38 by subparagraph (G) of this paragraph (5), except that the rate of
39 contribution of an employer who has a deficit reserve ratio of
40 negative 35.0% or under shall not be reduced pursuant to this
41 subparagraph (H) to less than 5.4% and the rate of contribution of
42 any other employer shall not be reduced to less than 0.0%.

43 (I) If the fund reserve ratio decreases to a level of less than
44 4.00% on March 31 of calendar year 1994 or calendar year 1995,
45 the provisions of subparagraph (H) of this paragraph (5) shall
46 cease to be in effect as of July 1 of that calendar year.

47 (6) Additional contributions.

48 Notwithstanding any other provision of law, any employer who
49 has been assigned a contribution rate pursuant to subsection (c) of
50 this section for the year commencing July 1, 1948, and for any
51 year commencing July 1 thereafter, may voluntarily make
52 payment of additional contributions, and upon such payment shall
53 receive a recomputation of the experience rate applicable to such
54 employer, including in the calculation the additional

1 contribution so made. Any such additional contribution shall be
2 made during the 30-day period following the date of the mailing
3 to the employer of the notice of his contribution rate as
4 prescribed in this section, unless, for good cause, the time for
5 payment has been extended by the controller for not to exceed an
6 additional 60 days; provided that in no event may such payments
7 which are made later than 120 days after the beginning of the
8 year for which such rates are effective be considered in
9 determining the experience rate for the year in which the
10 payment is made. Any employer receiving any extended period of
11 time within which to make such additional payment and failing to
12 make such payment timely shall be, in addition to the required
13 amount of additional payment, a penalty of 5% thereof or \$5.00,
14 whichever is greater, not to exceed \$50.00. Any adjustment under
15 this subsection shall be made only in the form of credits against
16 accrued or future contributions.

17 (7) Transfers.

18 (A) Upon the transfer of the organization, trade or business, or
19 substantially all the assets of an employer to a successor in
20 interest, whether by merger, consolidation, sale, transfer,
21 descent or otherwise, the controller shall transfer the
22 employment experience of the predecessor employer to the
23 successor in interest, including credit for past years,
24 contributions paid, annual payrolls, benefit charges, et cetera,
25 applicable to such predecessor employer, pursuant to regulation,
26 if it is determined that the employment experience of the
27 predecessor employer with respect to the organization, trade,
28 assets or business which has been transferred may be considered
29 indicative of the future employment experience of the successor
30 in interest. Unless the predecessor employer was owned or
31 controlled (by legally enforceable means or otherwise), directly
32 or indirectly, by the successor in interest, or the predecessor
33 employer and the successor in interest were owned or controlled
34 (by legally enforceable means or otherwise), directly or
35 indirectly, by the same interest or interests, the transfer of the
36 employment experience of the predecessor shall not be effective
37 if such successor in interest, within four months of the date of
38 such transfer of the organization, trade, assets or business, or
39 thereafter upon good cause shown, files a written notice
40 protesting the transfer of the employment experience of the
41 predecessor employer.

42 (B) An employer who transfers part of his or its organization,
43 trade, assets or business to a successor in interest, whether by
44 merger, consolidation, sale, transfer, descent or otherwise, may
45 jointly make application with such successor in interest for
46 transfer of that portion of the employment experience of the
47 predecessor employer relating to the portion of the organization,
48 trade, assets or business transferred to the successor in interest,
49 including credit for past years, contributions paid, annual
50 payrolls, benefit charges, et cetera, applicable to such
51 predecessor employer. The transfer of employment experience
52 may be allowed pursuant to regulation only if it is found that the
53 employment experience of the predecessor employer with respect
54 to the portion of the organization, trade, assets or business which

1 has been transferred may be considered indicative of the future
2 employment experience of the successor in interest. Credit shall
3 be given to the successor in interest only for the years during
4 which contributions were paid by the predecessor employer with
5 respect to that part of the organization, trade, assets or business
6 transferred.

7 (C) A transfer of the employment experience in whole or in
8 part having become final, the predecessor employer thereafter
9 shall not be entitled to consideration for an adjusted rate based
10 upon his or its experience or the part thereof, as the case may be,
11 which has thus been transferred. A successor in interest to whom
12 employment experience or a part thereof is transferred pursuant
13 to this subsection shall, as of the date of the transfer of the
14 organization, trade, assets or business, or part thereof,
15 immediately become an employer if not theretofore an employer
16 subject to this chapter (R.S.43:21-1 et seq.).

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

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

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

44 (C)(i) Notwithstanding the above provisions of this paragraph
45 (1), during the period starting July 1, 1986 and ending December
46 31, 1992, each worker shall contribute to the fund 1.125% of
47 wages paid with respect to his employment with a governmental
48 employer electing or required to pay contributions or
49 nongovernmental employer, including a nonprofit organization
50 which is an employer as defined under R.S.43:21-19(h)(6),
51 regardless of whether that nonprofit organization elects or is
52 required to finance its benefit costs with contributions to the
53 fund or by payments in lieu of contributions, after that employer
54 has satisfied the conditions set forth in subsection

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

18 (ii) [Notwithstanding the above provisions of this paragraph (1),
19 during the period starting January 1, 1998, each worker shall
20 contribute to the fund 0.625% of wages paid with respect to his
21 employment with a governmental employer electing or required
22 to pay contributions, or nongovernmental employer, including a
23 nonprofit organization which is an employer as defined under
24 R.S.43:21-19(h)(6), regardless of whether that nonprofit
25 organization elects or is required to finance its benefit costs with
26 contributions to the fund or by payments in lieu of contributions,
27 after that employer has satisfied the conditions set forth in
28 subsection R.S.43:21-19(h) with respect to becoming an employer,
29 provided that such contributions shall be at the rate of 0.125% of
30 wages paid with respect to employment with the State of New
31 Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.]
33 (Deleted by amendment, P.L. , c.)

34 (D) Notwithstanding any other provisions of this paragraph (1),
35 during the period starting January 1, 1993 and ending June 30,
36 1994, each worker shall contribute to the unemployment
37 compensation fund 0.5% of wages paid with respect to the
38 worker's employment with a governmental employer electing or
39 required to pay contributions or nongovernmental employer,
40 including a nonprofit organization which is an employer as
41 defined under paragraph 6 of subsection (h) of R.S.43:21-19,
42 regardless of whether that nonprofit organization elects or is
43 required to finance its benefit costs with contributions to the
44 fund or by payments in lieu of contributions, after that employer
45 has satisfied the conditions set forth in subsection (h) of
46 R.S.43:21-19 with respect to becoming an employer. No
47 contributions, however, shall be made by the worker while the
48 worker is covered by an approved private plan under the
49 "Temporary Disability Benefits Law," P.L.1948, c.110
50 (C.43:21-25 et seq.) or while the worker is exempt under section
51 7 of P.L.1948, c.110 (C.43:21-31) or any other provision of that
52 law; provided that the contributions shall be at the rate of 0.50%
53 of wages paid with respect to employment with the State of New
54 Jersey or any other governmental entity or instrumentality

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

9 Each worker shall, starting on January 1, 1996 [and ending
10 December 31, 1997, or, if the unemployment compensation fund
11 reserve ratio, as determined pursuant to paragraph (5) of
12 subsection (c) of this section, decreases to a level of less than
13 4.00% on March 31 of calendar year 1994 or calendar year 1995,
14 starting on July 1 of that calendar year and ending December 31,
15 1997], contribute to the unemployment compensation fund 0.60%
16 of wages paid with respect to the worker's employment with a
17 governmental employer electing or required to pay contributions
18 or nongovernmental employer, including a nonprofit organization
19 which is an employer as defined under paragraph 6 of subsection
20 (h) of R.S.43:21-19, regardless of whether that nonprofit
21 organization elects or is required to finance its benefit costs with
22 contributions to the fund or by payments in lieu of contributions,
23 after that employer has satisfied the conditions set forth in
24 subsection (h) of R.S.43:21-19 with respect to becoming an
25 employer, provided that the contributions shall be at the rate of
26 0.10% of wages paid with respect to employment with the State
27 of New Jersey or any other governmental entity or
28 instrumentality electing or required to make payments in lieu of
29 contributions.

30 (E) Each employer shall, notwithstanding any provision of law
31 in this State to the contrary, withhold in trust the amount of his
32 workers' contributions from their wages at the time such wages
33 are paid, shall show such deduction on his payroll records, shall
34 furnish such evidence thereof to his workers as the division or
35 controller may prescribe, and shall transmit all such
36 contributions, in addition to his own contributions, to the office
37 of the controller in such manner and at such times as may be
38 prescribed. If any employer fails to deduct the contributions of
39 any of his workers at the time their wages are paid, or fails to
40 make a deduction therefor at the time wages are paid for the
41 next succeeding payroll period, he alone shall thereafter be liable
42 for such contributions, and for the purpose of R.S.43:21-14, such
43 contributions shall be treated as employer's contributions
44 required from him.

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

48 (G) Each worker shall, starting on July 1, 1994, contribute to
49 the State disability benefits fund an amount equal to 0.50% of
50 wages paid with respect to the worker's employment with a
51 government employer electing or required to pay contributions to
52 the State disability benefits fund or nongovernmental employer,
53 including a nonprofit organization which is an employer as
54 defined under paragraph 6 of subsection (h) of R.S. 43:21-19,

1 unless the employer is covered by an approved private disability
2 plan or is exempt from the provisions of the "Temporary
3 Disability Benefits Law," P.L.1948 c.110 (C.43:21-25 et seq.)
4 under section 7 of that law (C.43:21-31) or any other provision of
5 that law.

6 (2) (A) (Deleted by amendment, P.L.1984, c.24.)
7 (B) (Deleted by amendment, P.L.1984, c.24.)
8 (C) (Deleted by amendment, P.L.1994, c.112.)
9 (D) (Deleted by amendment, P.L.1994, c.112.)
10 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
11 (ii) Notwithstanding any other provision of this paragraph (2),
12 with respect to wages paid during the period beginning on January
13 1, 1993 and ending June 30, 1994, there shall be deposited in and
14 credited to the State disability benefits fund all worker
15 contributions received by the controller.

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

17 (3) If an employee receives wages from more than one
18 employer during any calendar year, and either the sum of his
19 contributions deposited in and credited to the State disability
20 benefits fund (in accordance with paragraph (2) of this subsection)
21 plus the amount of his contributions, if any, required towards the
22 costs of benefits under one or more approved private plans under
23 the provisions of section 9 of the "Temporary Disability Benefits
24 Law" (C.43:21-33) and deducted from his wages, or the sum of
25 such latter contributions, if the employee is covered during such
26 calendar year only by two or more private plans, exceeds an
27 amount equal to 1/2 of 1% of the "wages" determined in
28 accordance with the provisions of R.S.43:21-7(b)(3) during the
29 calendar years beginning on or after January 1, 1976, the
30 employee shall be entitled to a refund of the excess if he makes a
31 claim to the controller within two years after the end of the
32 calendar year in which the wages are received with respect to
33 which the refund is claimed and establishes his right to such
34 refund. Such refund shall be made by the controller from the
35 State disability benefits fund. No interest shall be allowed or
36 paid with respect to any such refund. The controller shall, in
37 accordance with prescribed regulations, determine the portion of
38 the aggregate amount of such refunds made during any calendar
39 year which is applicable to private plans for which deductions
40 were made under section 9 of the "Temporary Disability Benefits
41 Law," such determination to be based upon the ratio of the
42 amount of such wages exempt from contributions to such fund, as
43 provided in subparagraph (B) of paragraph (1) of this subsection
44 with respect to coverage under private plans, to the total wages
45 so exempt plus the amount of such wages subject to contributions
46 to the disability benefits fund, as provided in subparagraph (B) of
47 paragraph (2) of this subsection. The controller shall, in
48 accordance with prescribed regulations, prorate the amount so
49 determined among the applicable private plans in the proportion
50 that the wages covered by each plan bear to the total private
51 plan wages involved in such refunds, and shall assess against and
52 recover from the employer, or the insurer if the insurer has
53 indemnified the employer with respect thereto, the amount so
54 prorated. The provisions of R.S.43:21-14 with respect to

1 collection of employer contributions shall apply to such
2 assessments. The amount so recovered by the controller shall be
3 paid into the State disability benefits fund.

4 (4) If an individual does not receive any wages from the
5 employing unit which for the purposes of this chapter
6 (R.S.43:21-1 et seq.) is treated as his employer, or receives his
7 wages from some other employing unit, such employer shall
8 nevertheless be liable for such individual's contributions in the
9 first instance; and after payment thereof such employer may
10 deduct the amount of such contributions from any sums payable
11 by him to such employing unit, or may recover the amount of
12 such contributions from such employing unit, or, in the absence of
13 such an employing unit, from such individual, in a civil action;
14 provided proceedings therefor are instituted within three months
15 after the date on which such contributions are payable. General
16 rules shall be prescribed whereby such an employing unit may
17 recover the amount of such contributions from such individuals in
18 the same manner as if it were the employer.

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

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

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

31 (1) Except as hereinafter provided, each employer shall, in
32 addition to the contributions required by subsections (a), (b), and
33 (c) of this section, contribute 1/2 of 1% of the wages paid by such
34 employer to workers with respect to employment unless he is not
35 a covered employer as defined in section 3 of the "Temporary
36 Disability Benefits Law" (C.43:21-27 (a)), except that the rate
37 for the State of New Jersey shall be 1/10 of 1% for the calendar
38 year 1980 and for the first six months of 1981. Prior to July 1,
39 1981 and prior to July 1 each year thereafter, the controller shall
40 review the experience accumulated in the account of the State of
41 New Jersey and establish a rate for the next following fiscal year
42 which, in combination with worker contributions, will produce
43 sufficient revenue to keep the account in balance; except that
44 the rate so established shall not be less than 1/10 of 1%. Such
45 contributions shall become due and be paid by the employer to
46 the controller for the State disability benefits fund as established
47 by law, in accordance with such regulations as may be prescribed,
48 and shall not be deducted, in whole or in part, from the
49 remuneration of individuals in his employ. In the payment of any
50 contributions, a fractional part of a cent shall be disregarded
51 unless it amounts to \$0.005 or more, in which case it shall be
52 increased to \$0.01.

53 (2) During the continuance of coverage of a worker by an
54 approved private plan of disability benefits under the "Temporary

1 Disability Benefits Law," the employer shall be exempt from the
2 contributions required by subparagraph (1) above with respect to
3 wages paid to such worker.

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

7 (B) A separate disability benefits account shall be maintained
8 for each employer required to contribute to the State disability
9 benefits fund and such account shall be credited with
10 contributions deposited in and credited to such fund with respect
11 to employment occurring on and after January 1, 1949. Each
12 employer's account shall be credited with all contributions paid
13 on or before January 31 of any calendar year on his own behalf
14 and on behalf of individuals in his service with respect to
15 employment occurring in preceding calendar years; provided,
16 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
19 he has paid on or before the next succeeding day which is not a
20 Saturday or Sunday. But nothing in this act shall be construed to
21 grant any employer or individuals in his service prior claims or
22 rights to the amounts paid by him to the fund either on his own
23 behalf or on behalf of such individuals. Benefits paid to any
24 covered individual in accordance with Article III of the
25 "Temporary Disability Benefits Law" on or before December 31
26 of any calendar year with respect to disability in such calendar
27 year and in preceding calendar years shall be charged against the
28 account of the employer by whom such individual was employed
29 at the commencement of such disability or by whom he was last
30 employed, if out of employment.

31 (C) The controller may prescribe regulations for the
32 establishment, maintenance, and dissolution of joint accounts by
33 two or more employers, and shall, in accordance with such
34 regulations and upon application by two or more employers to
35 establish such an account, or to merge their several individual
36 accounts in a joint account, maintain such joint account as if it
37 constituted a single employer's account.

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

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

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

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

54 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds

- 1 1 1/4% but is less than 1 1/2% of his average annual payroll;
- 2 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1
- 3 1/2% of his average annual payroll.
- 4 (3) If the minimum requirements in (1) above have been
- 5 fulfilled and the contributions credited exceed the benefits
- 6 charged but by not more than \$500.00 plus 1% of his average
- 7 annual payroll, or if the benefits charged exceed the
- 8 contributions credited but by not more than \$500.00, the
- 9 preliminary rate shall be 1/4 of 1%.
- 10 (4) If the minimum requirements in (1) above have been
- 11 fulfilled and the benefits charged exceed the contributions
- 12 credited by more than \$500.00, such preliminary rate shall be as
- 13 follows:
- 14 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
- 15 1% of his average annual payroll;
- 16 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
- 17 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 18 (iii) 55/100 of 1% if such excess over \$500.00 equals or
- 19 exceeds 1/2 of 1% but is less than 3/4 of 1% of his average annual
- 20 payroll;
- 21 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
- 22 3/4 of 1% but is less than 1% of his average annual payroll;
- 23 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
- 24 1% of his average annual payroll.
- 25 (5) Determination of the preliminary rate as specified in (2),
- 26 (3) and (4) above shall be subject, however, to the condition that
- 27 it shall in no event be decreased by more than 1/10 of 1% of
- 28 wages or increased by more than 2/10 of 1% of wages from the
- 29 preliminary rate determined for the preceding year in accordance
- 30 with (1), (2), (3) or (4), whichever shall have been applicable.
- 31 (E) (1) Prior to July 1 of each calendar year the controller
- 32 shall determine the amount of the State disability benefits fund
- 33 as of December 31 of the preceding calendar year, increased by
- 34 the contributions paid thereto during January of the current
- 35 calendar year with respect to employment occurring in the
- 36 preceding calendar year. If such amount exceeds the net amount
- 37 withdrawn from the unemployment trust fund pursuant to section
- 38 23 of the "Temporary Disability Benefits Law," P.L.1948, c.110
- 39 (C.43:21-47) plus the amount at the end of such preceding
- 40 calendar year of the unemployment disability account (as defined
- 41 in section 22 of said law (C.43:21-46)), such excess shall be
- 42 expressed as a percentage of the wages on which contributions
- 43 were paid to the State disability benefits fund on or before
- 44 January 31 with respect to employment in the preceding calendar
- 45 year.
- 46 (2) The controller shall then make a final determination of the
- 47 rates of contribution for the 12 months commencing July 1 of
- 48 such year for employers whose preliminary rates are determined
- 49 as provided in (D) hereof, as follows:
- 50 (i) If the percentage determined in accordance with paragraph
- 51 (E)(1) of this subsection equals or exceeds 1 1/4%, the final
- 52 employer rates shall be the preliminary rates determined as
- 53 provided in (D) hereof, except that if the employer's preliminary
- 54 rate is determined as provided in (D)(2) or (D)(3) hereof, the final

1 employer rate shall be the preliminary employer rate decreased
2 by such percentage of excess taken to the nearest 5/100 of 1%,
3 but in no case shall such final rate be less than 1/10 of 1%.

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

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

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

32 (cf: P.L.1994, c.112, s.1)

33 2. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read
34 as follows:

35 4. a. The Workforce Development Partnership Program is
36 hereby established in the Department of Labor and shall be
37 administered by the Commissioner of Labor. The purpose of the
38 program is to provide qualified displaced, disadvantaged and
39 employed workers with the employment and training services
40 most likely to provide the greatest opportunity for long-range
41 career advancement with high levels of productivity and earning
42 power. To implement that purpose, the program shall provide
43 those services by means of training grants or customized training
44 services, to the extent that funding for the services is not
45 available from federal or other sources. The commissioner is
46 authorized to expend moneys from the Workforce Development
47 Partnership Fund to provide the training grants or customized
48 training services and provide for each of the following:

49 (1) The cost of counseling required pursuant to section 7 of
50 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding
51 for counseling is not available from federal or other sources;

52 (2) Reasonable administrative costs not to exceed 10% of the
53 revenues collected pursuant to section 2 of P.L.1992, c.44
54 (C.34:15D-13) during any one fiscal year, except for additional

- 1 start-up administrative costs approved by the Director of the
2 Office of Management and Budget during the first year of the
3 program's operation;
- 4 (3) Reasonable costs, not exceeding 0.5% of the revenues
5 collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13)
6 during any one fiscal year, as required by the State Employment
7 and Training Commission to design criteria and conduct an annual
8 evaluation of the program; and
- 9 (4) The cost of reimbursement to individuals for excess
10 contributions pursuant to section 6 of P.L.1992, c.44
11 (C.34:15D-17).
- 12 b. Not more than 10% of the moneys received by any service
13 provider pursuant to this act shall be expended on anything other
14 than direct costs to the provider of providing the employment and
15 training services, which direct costs shall not include any
16 administrative or overhead expense of the provider.
- 17 c. Training and employment services shall be provided to a
18 worker who receives counseling pursuant to section 7 of P.L.1992,
19 c.43 (C.34:15D-7) only if the counselor who evaluates the worker
20 pursuant to that section determines that the worker can
21 reasonably be expected to successfully complete the training and
22 education identified in the Employability Development Plan
23 developed pursuant to that section for the worker.
- 24 d. All vocational training provided under this act:
- 25 (1) Shall be training which is likely to substantially enhance
26 the individual's marketable skills and earning power; and
- 27 (2) Shall be training for a labor demand occupation, except
28 for:
- 29 (a) Customized training provided to the present employees of a
30 business which the commissioner deems to be in need of the
31 training to prevent job loss caused by obsolete skills,
32 technological change or national or global competition; or
- 33 (b) Customized training provided to employees at a facility
34 which is being relocated from another state into New Jersey.
- 35 e. Not less than ~~[27%]~~ 25% of the total revenues dedicated to
36 the program during any one fiscal year shall be reserved to
37 provide employment and training services for qualified displaced
38 workers. ~~[Eight]~~ Not less than six percent of the total revenues
39 dedicated to the program during any one fiscal year shall be
40 reserved to provide employment and training services for
41 qualified disadvantaged workers. Not less than 45% of the total
42 revenues dedicated to the program during any one fiscal year
43 shall be reserved for and appropriated to the Office of
44 Customized Training. Not less than 3% of the total revenues
45 dedicated to the program during any one fiscal year shall be
46 reserved for occupational safety and health training. Beginning
47 July 1, 1994, 5% of the total revenues dedicated to the program
48 during any one fiscal year shall be reserved for and appropriated
49 to the Youth Transitions to Work Partnership created pursuant to
50 P.L.1993, c.268 (C.34:15E-1 et seq.).
- 51 f. Funds available under the program shall not be used for
52 activities which induce, encourage or assist: any displacement of
53 currently employed workers by trainees, including partial
54 displacement by means such as reduced hours of currently

1 employed workers; any replacement of laid off workers by
2 trainees; or any relocation of operations resulting in a loss of
3 employment at a previous workplace located in the State.

4 g. On-the-job training shall not be funded by the program for
5 any employment found by the commissioner to be of a level of
6 skill and complexity too low to merit training. The duration of
7 on-the-job training funded by the program for any worker shall
8 not exceed the duration indicated by the Specific Vocational
9 Preparation Code developed by the United States Department of
10 Labor for the occupation for which the training is provided and
11 shall in no case exceed 26 weeks. The department shall set the
12 duration of on-the-job training for a worker for less than the
13 indicated maximum, when training for the maximum duration is
14 not warranted because of the level of the individual's previous
15 training, education or work experience. On-the-job training shall
16 not be funded by the program unless it is accompanied,
17 concurrently or otherwise, by whatever amount of
18 classroom-based vocational training, remedial education or both,
19 is deemed appropriate for the worker by the commissioner.

20 h. Employment and training services funded by the program
21 shall not replace, supplant, compete with or duplicate in any way
22 approved apprenticeship programs.

23 i. No activities funded by the program shall impair existing
24 contracts for services or collective bargaining agreements,
25 except that activities which would be inconsistent with the terms
26 of a collective bargaining agreement may be undertaken with the
27 written concurrence of the collective bargaining unit and
28 employer who are parties to the agreement.

29 (cf: P.L.1994, c.73, s.1)

30 3. Section 13 of P.L.1992, c.43 (C.34:15C-8.1) is amended to
31 read as follows:

32 13. The State Employment and Training Commission shall, in a
33 manner which complies with all provisions of this act and with
34 the provisions of section 11 of P.L.1989, c.293 (C.34:15C-8):

35 a. Establish criteria and procedures for the evaluation of
36 employment and training services funded pursuant to this act;

37 b. Establish criteria and procedures for the evaluation and
38 approval of service providers pursuant to section 8 of this act; and

39 c. Conduct an annual evaluation of the program and make an
40 annual report to the Governor and the Legislature regarding the
41 effectiveness of the program in implementing the purposes of this
42 act during the previous State fiscal year. The report shall include
43 information regarding the effectiveness of the program and of
44 individual service providers in enhancing the long-term
45 productivity and earning power of trainees and in placing the
46 trainees in permanent employment. [The report made by the
47 commission pursuant to this subsection for the fiscal year ending
48 June 30, 1996 shall be provided to the Governor and the
49 Legislature not later than December 31, 1996 and shall include an
50 assessment of the appropriateness of continuing the program and,
51 if the commission determines that the program should be
52 continued, draft legislation to do so, which shall include any
53 modifications in this act deemed appropriate by the commission.]

54 (cf: P.L.1992, c.43, s.13)

1 4. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to
2 read as follows:

3 2. Beginning on January 1, 1993 [and ending on December 31,
4 1997], each worker shall contribute to the Workforce
5 Development Partnership Fund an amount equal to 0.025% of the
6 worker's wages as determined in accordance with paragraph (3)
7 of subsection (b) of R.S.43:21-7 regarding the worker's
8 employment with an employer.

9 Also beginning on January 1, 1993 [and ending on December 31,
10 1997], each employer shall contribute to the Workforce
11 Development Partnership Fund an amount equal to the amount
12 that the employer's contribution to the Unemployment
13 Compensation Fund is decreased pursuant to subparagraph (G) of
14 paragraph (5) of subsection (c) of R.S.43:21-7.

15 (cf: P.L.1992, c.44, s.2)

16 5. Section 6 of P.L.1992, c.44 (C.34:15D-17) is amended to
17 read as follows:

18 6. a. If an employee receives wages from more than one
19 employer during any calendar year, and the sum of the
20 employee's contributions deposited in the Workforce
21 Development Partnership Fund exceeds an amount equal to
22 0.025% of the wages determined in accordance with the
23 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 during
24 the calendar year beginning January 1, 1993 or any subsequent
25 calendar year [ending prior to January 1, 1998], the employee
26 shall be entitled to a refund of the excess if a claim establishing
27 the employee's right to the refund is made within two years after
28 the end of the respective calendar year in which the wages are
29 received and are the subject of the claim. The commissioner
30 shall refund any overpayment from the fund without interest.

31 b. Any employee who is a taxpayer and entitled, pursuant to
32 the provisions of subsection a. of this section, to a refund of
33 contributions deducted during a tax year from his wages shall, in
34 lieu of the refund, be entitled to a credit in the full amount
35 thereof against the tax otherwise due on his New Jersey gross
36 income for that tax year if he submits his claim for the credit
37 and accompanies that claim with evidence of his right to the
38 credit in the manner provided by regulation by the Director of
39 the Division of Taxation. In any case in which the amount, or any
40 portion thereof, of any credit allowed hereunder results in or
41 increases an excess of income tax payment over income tax
42 liability, the amount of the new or increased excess shall be
43 considered an overpayment and shall be refunded to the taxpayer
44 in the manner provided by subsection (a) of N.J.S.54A:9-7.

45 (cf: P.L.1992, c.44, s.6)

46 6. Section 16 of P.L.1992, c.43 is amended to read as follows:

47 16. This act shall take effect immediately [and sections 1
48 through 13 of this act shall expire on December 31, 1997].

49 (cf: P.L.1992, c.43, s.16)

50 7. Section 13 of P.L.1992, c.47 is amended to read as follows:

51 13. This act shall take effect immediately [and sections 1
52 through 11 of this act shall expire on December 31, 1997].

53 (cf: P.L.1992, c.47, s.13)

54 8. Section 9 of P.L.1993, c.268 (34:15C-8.3) is amended to
55 read as follows:

1 9. The State Employment and Training Commission shall
2 conduct an annual, comprehensive evaluation of the activities of
3 the partnership and make an annual report to the Governor, the
4 Legislature and the committee and the council regarding the
5 effectiveness of the partnership in implementing the purposes of
6 this act during the previous State fiscal year. [The report made
7 by the commission pursuant to this section for the fiscal year
8 ending June 30, 1996 shall be provided to the Governor, the
9 Legislature and the committee and the council not later than
10 December 31, 1996 and shall include an assessment of the
11 appropriateness of continuing or expanding the partnership and, if
12 the commission determines that the partnership should be
13 continued or expanded, draft legislation to do so, which shall
14 include any modifications in this act or other law deemed
15 appropriate by the commission, including possible modifications
16 of P.L.1992, c.44 (C.34:15D-12 et al.) to increase funding of the
17 partnership and the possible provision of ongoing funding by the
18 partnership of apprenticeship programs, linkage programs or both.]
19 (cf: P.L.1993, c.268, s.9)

20 9. Section 13 of P.L.1993, c.268 is amended to read as follows:

21 13. This act shall take effect immediately [and shall expire on
22 December 31, 1997].

23 (cf: P.L.1993, c.268, s.13)

24 10. Section 10 of P.L.1992, c.47 (C.43:21-66) is repealed.

25 11. This act shall take effect immediately.

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28

29

30 Concerns job training programs.

1 through 11 of this act shall expire on December 31, 1997].
2 (cf: P.L.1992, c.47, s.13)

3 8. Section 10 of P.L.1992, c.47 (C.43:21-66) is repealed.

4 9. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill amends the "1992 New Jersey Employment and
10 Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et
11 seq.), to increase funding for the Office of Customized Training
12 by more than \$7 million per year, thus providing additional job
13 training funds for business retention and attraction activities.
14 The bill also assures the business community of a continuing
15 source of workplace training resources by eliminating the
16 "sunset" date of December 31, 1997 in that act and related laws
17 concerning the funding for job training programs. Finally, the bill
18 removes requirements that the State Employment and Training
19 Commission prepare a report assessing the appropriateness of
20 continuing the programs.

21

22

23

24

25 _____
Concerns job training programs.

ASSEMBLY, No. 3214
STATE OF NEW JERSEY

INTRODUCED NOVEMBER 9, 1995

By Assemblymen ROMA, MIKULAK, Warsh
and Assemblywoman Wright

1 AN ACT concerning job training programs and revising various
2 parts of the statutory law.

3

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

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

7 43:21-7. Contributions. Employers other than governmental
8 entities, whose benefit financing provisions are set forth in
9 section 4 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit
10 organizations liable for payment in lieu of contributions on the
11 basis set forth in section 3 of P.L.1971, c.346 (C.43:21-7.2), shall
12 pay to the controller for the unemployment compensation fund,
13 contributions as set forth in subsections (a), (b) and (c) hereof,
14 and the provisions of subsections (d) and (e) shall be applicable to
15 all employers, consistent with the provisions of the
16 "unemployment compensation law" and the "Temporary
17 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.).

18 (a) Payment.

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

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

31 (b) Rate of contributions. Each employer shall pay the
32 following contributions:

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

37 (2) The "wages" of any individual, with respect to any one
38 employer, as the term is used in this subsection (b) and in
39 subsections (c), (d) and (e) of this section 7, shall include the first
40 \$4,800.00 paid during calendar year 1975, for services performed
41 either within or without this State; provided that no contribution
42 shall be required by this State with respect to services performed

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

Matter underlined thus is new matter.

1 in another state if such other state imposes contribution liability
2 with respect thereto. If an employer (hereinafter referred to as a
3 successor employer) during any calendar year acquires
4 substantially all the property used in a trade or business of
5 another employer (hereinafter referred to as a predecessor), or
6 used in a separate unit of a trade or business of a predecessor,
7 and immediately after the acquisition employs in his trade or
8 business an individual who immediately prior to the acquisition
9 was employed in the trade or business of such predecessor, then,
10 for the purpose of determining whether the successor employer
11 has paid wages with respect to employment equal to the first
12 \$4,800.00 paid during calendar year 1975, any wages paid to such
13 individual by such predecessor during such calendar year and prior
14 to such acquisition shall be considered as having been paid by
15 such successor employer.

16 (3) For calendar years beginning on and after January 1, 1976,
17 the "wages" of any individual, as defined in the preceding
18 paragraph (2) of this subsection (b), shall be established and
19 promulgated by the Commissioner of Labor on or before
20 September 1 of the preceding year and shall be 28 times the
21 Statewide average weekly remuneration paid to workers by
22 employers, as determined under R.S.43:21-3(c), raised to the next
23 higher multiple of \$100.00 if not already a multiple thereof,
24 provided that if the amount of wages so determined for a
25 calendar year is less than the amount similarly determined for
26 the preceding year, the greater amount will be used; provided,
27 further, that if the amount of such wages so determined does not
28 equal or exceed the amount of wages as defined in subsection (b)
29 of section 3306 of the Federal Unemployment Tax Act, Chapter
30 23 of the Internal Revenue Code of 1986 (26 U.S.C. §3306(b)), the
31 wages as determined in this paragraph in any calendar year shall
32 be raised to equal the amount established under the Federal
33 Unemployment Tax Act for that calendar year.

34 (c) Future rates based on benefit experience.

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

1 charged against the account of the employer to whom such
2 determination relates. When each benefit payment is made,
3 either a copy of the benefit check or other form of notification
4 shall be promptly sent to the employer against whose account the
5 benefits are to be charged. Such copy or notification shall
6 identify the employer against whose account the amount of such
7 payment is being charged, shall show at least the name and social
8 security account number of the claimant and shall specify the
9 period of unemployment to which said check applies. If the total
10 amount of benefits paid to a claimant and charged to the account
11 of the appropriate employer exceeds 50% of the total base year,
12 base week wages paid to the claimant by that employer, then
13 such employer shall have canceled from his account such excess
14 benefit charges as specified above.

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

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

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

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

43 (1) $2 \frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
44 5%, of his average annual payroll (as defined in paragraph (2),
45 subsection (a) of R.S.43:21-19);

46 (2) $2 \frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
47 than 6%, of his average annual payroll;

48 (3) $1 \frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
49 than 7%, of his average annual payroll;

50 (4) $1 \frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
51 than 8%, of his average annual payroll;

52 (5) $1 \frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
53 than 9%, of his average annual payroll;

54 (6) 1%, if such excess equals or exceeds 9%. but is less than

1 10%, of his average annual payroll;

2 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is
3 less than 11%, of his average annual payroll;

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

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

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

12 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
13 than 20%, of his average annual payroll;

14 (3) 4 6/10%, if such excess equals or exceeds 20% of his
15 average annual payroll.

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

21 (i) if the reserve balance in its account is positive, its assigned
22 rate shall be the highest rate in effect for positive balance
23 accounts for that period, or 5.4%, whichever is higher, and (ii) if
24 the reserve balance in its account is negative, its assigned rate
25 shall be the highest rate in effect for deficit accounts for that
26 period.

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

31 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
32 31 of any calendar year the balance in the unemployment trust
33 fund equals or exceeds 4% but is less than 7% of the total taxable
34 wages reported to the controller as of that date in respect to
35 employment during the preceding calendar year, the contribution
36 rate, effective July 1 following, of each employer eligible for a
37 contribution rate calculation based upon benefit experience, shall
38 be increased by 3/10 of 1% over the contribution rate otherwise
39 established under the provisions of paragraph (3) or (4) of this
40 subsection. If on March 31 of any calendar year the balance of
41 the unemployment trust fund exceeds 2 1/2% but is less than 4%
42 of the total taxable wages reported to the controller as of that
43 date in respect to employment during the preceding calendar
44 year, the contribution rate, effective July 1 following, of each
45 employer eligible for a contribution rate calculation based upon
46 benefit experience, shall be increased by 6/10 of 1% over the
47 contribution rate otherwise established under the provisions of
48 paragraph (3) or (4) of this subsection.

49 If on March 31 of any calendar year the balance of the
50 unemployment trust fund is less than 2 1/2% of the total taxable
51 wages reported to the controller as of that date in respect to
52 employment during the preceding calendar year, the contribution
53 rate, effective July 1 following, of each employer (1) eligible for
54 a contribution rate calculation based upon benefit experience,

1 shall be increased by (i) 6/10 of 1% over the contribution rate
2 otherwise established under the provisions of paragraph (3), (4)(A)
3 or (4)(B) of this subsection, and (ii) an additional amount equal to
4 20% of the total rate established herein, provided, however, that
5 the final contribution rate for each employer shall be computed
6 to the nearest multiple of 1/10% if not already a multiple
7 thereof; (2) not eligible for a contribution rate calculation based
8 upon benefit experience, shall be increased by 6/10 of 1% over
9 the contribution rate otherwise established under the provisions
10 of paragraph (4) of this subsection. For the period commencing
11 July 1, 1984 and ending June 30, 1986, the contribution rate for
12 each employer liable to pay contributions under R.S.43:21-7 shall
13 be increased by a factor of 10% computed to the nearest multiple
14 of 1/10% if not already a multiple thereof.

15 (B) If on March 31 of any calendar year the balance in the
16 unemployment trust fund equals or exceeds 10% but is less than
17 12 1/2% of the total taxable wages reported to the controller as
18 of that date in respect to employment during the preceding
19 calendar year, the contribution rate, effective July 1 following,
20 of each employer eligible for a contribution rate calculation
21 based upon benefit experience, shall be reduced by 3/10 of 1%
22 under the contribution rate otherwise established under the
23 provisions of paragraphs (3) and (4) of this subsection; provided
24 that in no event shall the contribution rate of any employer be
25 reduced to less than 4/10 of 1%. If on March 31 of any calendar
26 year the balance in the unemployment trust fund equals or
27 exceeds 12 1/2% of the total taxable wages reported to the
28 controller as of that date in respect to employment during the
29 preceding calendar year, the contribution rate, effective July 1
30 following, of each employer eligible for a contribution rate
31 calculation based upon benefit experience, shall be reduced by
32 6/10 of 1% if his account for all past periods reflects an excess of
33 contributions paid over total benefits charged of 3% or more of
34 his average annual payroll, otherwise by 3/10 of 1% under the
35 contribution rate otherwise established under the provisions of
36 paragraphs (3) and (4) of this subsection; provided that in no event
37 shall the contribution rate of any employer be reduced to less
38 than 4/10 of 1%.

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

46 (D) Prior to July 1 of each calendar year the controller shall
47 determine the Unemployment Trust Reserve Ratio, which shall be
48 calculated by dividing the balance of the unemployment trust
49 fund as of the prior March 31 by total taxable wages reported to
50 the controller by all employers as of March 31 with respect to
51 their employment during the last calendar year.

52 (E) With respect to experience rating years beginning on or
53 after July 1, 1986, the new employer rate or the unemployment
54 experience rate of an employer under this section shall be the

1 rate which appears in the column headed by the Unemployment
 2 Trust Fund Reserve Ratio as of the applicable calculation date
 3 and on the line with the Employer Reserve Ratio, as defined in
 4 paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in
 5 the following table:

6
 7
 8 **EXPERIENCE RATING TAX TABLE**

9
 10 **Fund Reserve Ratio¹**

11	12	13	14	15	16	
	10.00%	7.00%	4.00%	2.50%	2.49%	
17	and	to	to	to	and	
18	Over	9.99%	6.99%	3.99%	Under	
19	Ratio ²	A	B	D	E	
20	Positive Reserve Ratio:					
21	17% and over	0.3	0.4	0.5	0.6	1.2
22	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
23	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
24	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
25	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
26	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
27	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
28	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
29	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
30	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
31	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
32	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
33	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
34	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
35	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
36	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
37	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
38	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
39	Deficit Reserve Ratio:					
40	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
41	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
42	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
43	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
44	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
45	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
46	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
47	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
48	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
49	-35.00% and under	5.4	5.4	5.8	6.4	7.0
50	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

(F) With respect to experience rating years beginning on or
 after July 1, 1986, if the balance of the unemployment trust fund

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

6 (G) On or after January 1, 1993, [and ending December 31,
7 1997.] notwithstanding any other provisions of this paragraph (5),
8 the contribution rate for each employer liable to pay
9 contributions, as computed under subparagraph (E) of this
10 paragraph (5), shall be decreased by 0.1%, except that, during any
11 experience rating year in which the fund reserve ratio is equal to
12 or greater than 7.00%, there shall be no decrease pursuant to this
13 subparagraph (G) in the contribution of any employer who has a
14 deficit reserve ratio of negative 35.00% or under.

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

31 On or after January 1, 1994 until December 31, 1995, except as
32 provided pursuant to subparagraph (I) of this paragraph (5),
33 notwithstanding any other provisions of this paragraph (5), the
34 contribution rate for each employer liable to pay contributions,
35 as computed under subparagraph (E) of this paragraph (5), shall be
36 decreased by a factor of 36.0% computed to the nearest multiple
37 of 1/10%, except that, if an employer has a deficit reserve ratio
38 of negative 35.0% or under, the employer's rate of contribution
39 shall not be reduced pursuant to this subparagraph (H) to less than
40 5.4%. The amount of the reduction in the employer contributions
41 stipulated by this subparagraph (H) shall be in addition to the
42 amount of the reduction in the employer contributions stipulated
43 by subparagraph (G) of this paragraph (5), except that the rate of
44 contribution of an employer who has a deficit reserve ratio of
45 negative 35.0% or under shall not be reduced pursuant to this
46 subparagraph (H) to less than 5.4% and the rate of contribution of
47 any other employer shall not be reduced to less than 0.0%.

48 (I) If the fund reserve ratio decreases to a level of less than
49 4.00% on March 31 of calendar year 1994 or calendar year 1995,
50 the provisions of subparagraph (H) of this paragraph (5) shall
51 cease to be in effect as of July 1 of that calendar year.

52 (6) Additional contributions.

53 Notwithstanding any other provision of law, any employer who
54 has been assigned a contribution rate pursuant to subsection (c) of

1 this section for the year commencing July 1, 1948, and for any
2 year commencing July 1 thereafter, may voluntarily make
3 payment of additional contributions, and upon such payment shall
4 receive a recomputation of the experience rate applicable to such
5 employer, including in the calculation the additional contribution
6 so made. Any such additional contribution shall be made during
7 the 30-day period following the date of the mailing to the
8 employer of the notice of his contribution rate as prescribed in
9 this section, unless, for good cause, the time for payment has
10 been extended by the controller for not to exceed an additional
11 60 days; provided that in no event may such payments which are
12 made later than 120 days after the beginning of the year for
13 which such rates are effective be considered in determining the
14 experience rate for the year in which the payment is made. Any
15 employer receiving any extended period of time within which to
16 make such additional payment and failing to make such payment
17 timely shall be, in addition to the required amount of additional
18 payment, a penalty of 5% thereof or \$5.00, whichever is greater,
19 not to exceed \$50.00. Any adjustment under this subsection shall
20 be made only in the form of credits against accrued or future
21 contributions.

22 (7) Transfers.

23 (A) Upon the transfer of the organization, trade or business, or
24 substantially all the assets of an employer to a successor in
25 interest, whether by merger, consolidation, sale, transfer,
26 descent or otherwise, the controller shall transfer the
27 employment experience of the predecessor employer to the
28 successor in interest, including credit for past years,
29 contributions paid, annual payrolls, benefit charges, et cetera,
30 applicable to such predecessor employer, pursuant to regulation,
31 if it is determined that the employment experience of the
32 predecessor employer with respect to the organization, trade,
33 assets or business which has been transferred may be considered
34 indicative of the future employment experience of the successor
35 in interest. Unless the predecessor employer was owned or
36 controlled (by legally enforceable means or otherwise), directly
37 or indirectly, by the successor in interest, or the predecessor
38 employer and the successor in interest were owned or controlled
39 (by legally enforceable means or otherwise), directly or
40 indirectly, by the same interest or interests, the transfer of the
41 employment experience of the predecessor shall not be effective
42 if such successor in interest, within four months of the date of
43 such transfer of the organization, trade, assets or business, or
44 thereafter upon good cause shown, files a written notice
45 protesting the transfer of the employment experience of the
46 predecessor employer.

47 (B) An employer who transfers part of his or its organization,
48 trade, assets or business to a successor in interest, whether by
49 merger, consolidation, sale, transfer, descent or otherwise, may
50 jointly make application with such successor in interest for
51 transfer of that portion of the employment experience of the
52 predecessor employer relating to the portion of the organization,
53 trade, assets or business transferred to the successor in interest,
54 including credit for past years, contributions paid, annual

1 payrolls, benefit charges, et cetera, applicable to such
2 predecessor employer. The transfer of employment experience
3 may be allowed pursuant to regulation only if it is found that the
4 employment experience of the predecessor employer with respect
5 to the portion of the organization, trade, assets or business which
6 has been transferred may be considered indicative of the future
7 employment experience of the successor in interest. Credit shall
8 be given to the successor in interest only for the years during
9 which contributions were paid by the predecessor employer with
10 respect to that part of the organization, trade, assets or business
11 transferred.

12 (C) A transfer of the employment experience in whole or in
13 part having become final, the predecessor employer thereafter
14 shall not be entitled to consideration for an adjusted rate based
15 upon his or its experience or the part thereof, as the case may be,
16 which has thus been transferred. A successor in interest to whom
17 employment experience or a part thereof is transferred pursuant
18 to this subsection shall, as of the date of the transfer of the
19 organization, trade, assets or business, or part thereof,
20 immediately become an employer if not theretofore an employer
21 subject to this chapter (R.S.43:21-1 et seq.).

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

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

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

49 (C) (i) Notwithstanding the above provisions of this paragraph
50 (1), during the period starting July 1, 1986 and ending December
51 31, 1992, each worker shall contribute to the fund 1.125% of
52 wages paid with respect to his employment with a governmental
53 employer electing or required to pay contributions or
54 nongovernmental employer, including a nonprofit organization

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

23 (ii) [Notwithstanding the above provisions of this paragraph (1),
24 during the period starting January 1, 1998, each worker shall
25 contribute to the fund 0.625% of wages paid with respect to his
26 employment with a governmental employer electing or required
27 to pay contributions, or nongovernmental employer, including a
28 nonprofit organization which is an employer as defined under
29 R.S.43:21-19(h)(6), regardless of whether that nonprofit
30 organization elects or is required to finance its benefit costs with
31 contributions to the fund or by payments in lieu of contributions,
32 after that employer has satisfied the conditions set forth in
33 subsection R.S.43:21-19(h) with respect to becoming an employer,
34 provided that such contributions shall be at the rate of 0.125% of
35 wages paid with respect to employment with the State of New
36 Jersey or any other governmental entity or instrumentality
37 electing or required to make payments in lieu of contributions.]
38 (Deleted by amendment, P.L.1995, c. .)

39 (D) Notwithstanding any other provisions of this paragraph (1),
40 during the period starting January 1, 1993 and ending June 30,
41 1994, each worker shall contribute to the unemployment
42 compensation fund 0.5% of wages paid with respect to the
43 worker's employment with a governmental employer electing or
44 required to pay contributions or nongovernmental employer,
45 including a nonprofit organization which is an employer as
46 defined under paragraph 6 of subsection (h) of R.S.43:21-19,
47 regardless of whether that nonprofit organization elects or is
48 required to finance its benefit costs with contributions to the
49 fund or by payments in lieu of contributions, after that employer
50 has satisfied the conditions set forth in subsection (h) of
51 R.S.43:21-19 with respect to becoming an employer. No
52 contributions, however, shall be made by the worker while the
53 worker is covered by an approved private plan under the
54 "Temporary Disability Benefits Law," P.L.1948, c.110

1 (C.43:21-25 et seq.) or while the worker is exempt under section
2 7 of P.L.1948, c.110 (C.43:21-31) or any other provision of that
3 law; provided that the contributions shall be at the rate of 0.50%
4 of wages paid with respect to employment with the State of New
5 Jersey or any other governmental entity or instrumentality
6 electing or required to make payments in lieu of contributions
7 and which is covered by the State plan under the "Temporary
8 Disability Benefits Law," except that, while the worker is exempt
9 from the provisions of the "Temporary Disability Benefits Law"
10 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
11 other provision of that law, or is covered for disability benefits
12 by an approved private plan of the employer, no contributions
13 shall be made to the fund.

14 Each worker shall, starting on January 1, 1996 [and ending
15 December 31, 1997, or, if the unemployment compensation fund
16 reserve ratio, as determined pursuant to paragraph (5) of
17 subsection (c) of this section, decreases to a level of less than
18 4.00% on March 31 of calendar year 1994 or calendar year 1995,
19 starting on July 1 of that calendar year and ending December 31,
20 1997], contribute to the unemployment compensation fund 0.60%
21 of wages paid with respect to the worker's employment with a
22 governmental employer electing or required to pay contributions
23 or nongovernmental employer, including a nonprofit organization
24 which is an employer as defined under paragraph 6 of subsection
25 (h) of R.S.43:21-19, regardless of whether that nonprofit
26 organization elects or is required to finance its benefit costs with
27 contributions to the fund or by payments in lieu of contributions,
28 after that employer has satisfied the conditions set forth in
29 subsection (h) of R.S.43:21-19 with respect to becoming an
30 employer, provided that the contributions shall be at the rate of
31 0.10% of wages paid with respect to employment with the State
32 of New Jersey or any other governmental entity or
33 instrumentality electing or required to make payments in lieu of
34 contributions.

35 (E) Each employer shall, notwithstanding any provision of law
36 in this State to the contrary, withhold in trust the amount of his
37 workers' contributions from their wages at the time such wages
38 are paid, shall show such deduction on his payroll records, shall
39 furnish such evidence thereof to his workers as the division or
40 controller may prescribe, and shall transmit all such
41 contributions, in addition to his own contributions, to the office
42 of the controller in such manner and at such times as may be
43 prescribed. If any employer fails to deduct the contributions of
44 any of his workers at the time their wages are paid, or fails to
45 make a deduction therefor at the time wages are paid for the
46 next succeeding payroll period, he alone shall thereafter be liable
47 for such contributions, and for the purpose of R.S.43:21-14, such
48 contributions shall be treated as employer's contributions
49 required from him.

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

53 (G) Each worker shall, starting on July 1, 1994, contribute to
54 the State disability benefits fund an amount equal to 0.50% of

1 wages paid with respect to the worker's employment with a
2 government employer electing or required to pay contributions to
3 the State disability benefits fund or nongovernmental employer,
4 including a nonprofit organization which is an employer as
5 defined under paragraph 6 of subsection (h) of R.S.43:21-19,
6 unless the employer is covered by an approved private disability
7 plan or is exempt from the provisions of the "Temporary
8 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.)
9 under section 7 of that law (C.43:21-31) or any other provision of
10 that law.

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

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

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

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

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

16 (ii) Notwithstanding any other provision of this paragraph (2),
17 with respect to wages paid during the period beginning on January
18 1, 1993 and ending June 30, 1994, there shall be deposited in and
19 credited to the State disability benefits fund all worker
20 contributions received by the controller.

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

22 (3) If an employee receives wages from more than one
23 employer during any calendar year, and either the sum of his
24 contributions deposited in and credited to the State disability
25 benefits fund (in accordance with paragraph (2) of this subsection)
26 plus the amount of his contributions, if any, required towards the
27 costs of benefits under one or more approved private plans under
28 the provisions of section 9 of the "Temporary Disability Benefits
29 Law" (C.43:21-33) and deducted from his wages, or the sum of
30 such latter contributions, if the employee is covered during such
31 calendar year only by two or more private plans, exceeds an
32 amount equal to 1/2 of 1% of the "wages" determined in
33 accordance with the provisions of R.S.43:21-7(b)(3) during the
34 calendar years beginning on or after January 1, 1976, the
35 employee shall be entitled to a refund of the excess if he makes a
36 claim to the controller within two years after the end of the
37 calendar year in which the wages are received with respect to
38 which the refund is claimed and establishes his right to such
39 refund. Such refund shall be made by the controller from the
40 State disability benefits fund. No interest shall be allowed or
41 paid with respect to any such refund. The controller shall, in
42 accordance with prescribed regulations, determine the portion of
43 the aggregate amount of such refunds made during any calendar
44 year which is applicable to private plans for which deductions
45 were made under section 9 of the "Temporary Disability Benefits
46 Law," such determination to be based upon the ratio of the
47 amount of such wages exempt from contributions to such fund, as
48 provided in subparagraph (B) of paragraph (1) of this subsection
49 with respect to coverage under private plans, to the total wages
50 so exempt plus the amount of such wages subject to contributions
51 to the disability benefits fund, as provided in subparagraph (B) of
52 paragraph (2) of this subsection. The controller shall, in
53 accordance with prescribed regulations, prorate the amount so
54 determined among the applicable private plans in the proportion

1 that the wages covered by each plan bear to the total private
2 plan wages involved in such refunds, and shall assess against and
3 recover from the employer, or the insurer if the insurer has
4 indemnified the employer with respect thereto, the amount so
5 prorated. The provisions of R.S.43:21-14 with respect to
6 collection of employer contributions shall apply to such
7 assessments. The amount so recovered by the controller shall be
8 paid into the State disability benefits fund.

9 (4) If an individual does not receive any wages from the
10 employing unit which for the purposes of this chapter
11 (R.S.43:21-1 et seq.) is treated as his employer, or receives his
12 wages from some other employing unit, such employer shall
13 nevertheless be liable for such individual's contributions in the
14 first instance; and after payment thereof such employer may
15 deduct the amount of such contributions from any sums payable
16 by him to such employing unit, or may recover the amount of
17 such contributions from such employing unit, or, in the absence of
18 such an employing unit, from such individual, in a civil action;
19 provided proceedings therefor are instituted within three months
20 after the date on which such contributions are payable. General
21 rules shall be prescribed whereby such an employing unit may
22 recover the amount of such contributions from such individuals in
23 the same manner as if it were the employer.

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

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

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

35 (1) Except as hereinafter provided, each employer shall, in
36 addition to the contributions required by subsections (a), (b), and
37 (c) of this section, contribute 1/2 of 1% of the wages paid by such
38 employer to workers with respect to employment unless he is not
39 a covered employer as defined in section 3 of the "Temporary
40 Disability Benefits Law" (C.43:21-27 (a)), except that the rate
41 for the State of New Jersey shall be 1/10 of 1% for the calendar
42 year 1980 and for the first six months of 1981. Prior to July 1,
43 1981 and prior to July 1 each year thereafter, the controller shall
44 review the experience accumulated in the account of the State of
45 New Jersey and establish a rate for the next following fiscal year
46 which, in combination with worker contributions, will produce
47 sufficient revenue to keep the account in balance; except that
48 the rate so established shall not be less than 1/10 of 1%. Such
49 contributions shall become due and be paid by the employer to
50 the controller for the State disability benefits fund as established
51 by law, in accordance with such regulations as may be prescribed,
52 and shall not be deducted, in whole or in part, from the
53 remuneration of individuals in his employ. In the payment of any
54 contributions, a fractional part of a cent shall be disregarded

- 1 unless it amounts to \$0.005 or more, in which case it shall be
2 increased to \$0.01.
- 3 (2) During the continuance of coverage of a worker by an
4 approved private plan of disability benefits under the "Temporary
5 Disability Benefits Law," the employer shall be exempt from the
6 contributions required by subparagraph (1) above with respect to
7 wages paid to such worker.
- 8 (3) (A) The rates of contribution as specified in subparagraph
9 (1) above shall be subject to modification as provided herein with
10 respect to employer contributions due on and after July 1, 1951.
- 11 (B) A separate disability benefits account shall be maintained
12 for each employer required to contribute to the State disability
13 benefits fund and such account shall be credited with
14 contributions deposited in and credited to such fund with respect
15 to employment occurring on and after January 1, 1949. Each
16 employer's account shall be credited with all contributions paid
17 on or before January 31 of any calendar year on his own behalf
18 and on behalf of individuals in his service with respect to
19 employment occurring in preceding calendar years; provided,
20 however, that if January 31 of any calendar year falls on a
21 Saturday or Sunday an employer's account shall be credited as of
22 January 31 of such calendar year with all the contributions which
23 he has paid on or before the next succeeding day which is not a
24 Saturday or Sunday. But nothing in this act shall be construed to
25 grant any employer or individuals in his service prior claims or
26 rights to the amounts paid by him to the fund either on his own
27 behalf or on behalf of such individuals. Benefits paid to any
28 covered individual in accordance with Article III of the
29 "Temporary Disability Benefits Law" on or before December 31
30 of any calendar year with respect to disability in such calendar
31 year and in preceding calendar years shall be charged against the
32 account of the employer by whom such individual was employed
33 at the commencement of such disability or by whom he was last
34 employed, if out of employment.
- 35 (C) The controller may prescribe regulations for the
36 establishment, maintenance, and dissolution of joint accounts by
37 two or more employers, and shall, in accordance with such
38 regulations and upon application by two or more employers to
39 establish such an account, or to merge their several individual
40 accounts in a joint account, maintain such joint account as if it
41 constituted a single employer's account.
- 42 (D) Prior to July 1 of each calendar year, the controller shall
43 make a preliminary determination of the rate of contribution for
44 the 12 months commencing on such July 1 for each employer
45 subject to the contribution requirements of this subsection (e).
- 46 (1) Such preliminary rate shall be 1/2 of 1% unless on the
47 preceding January 31 of such year such employer shall have been
48 a covered employer who has paid contributions to the State
49 disability benefits fund with respect to employment in the three
50 calendar years immediately preceding such year.
- 51 (2) If the minimum requirements in (1) above have been
52 fulfilled and the credited contributions exceed the benefits
53 charged by more than \$500.00, such preliminary rate shall be as
54 follows:

- 1 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is
2 less than 1 1/4% of his average annual payroll (as defined in this
3 chapter (R.S.43:21-1 et seq.));
- 4 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds
5 1 1/4% but is less than 1 1/2% of his average annual payroll;
- 6 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1
7 1/2% of his average annual payroll.
- 8 (3) If the minimum requirements in (1) above have been
9 fulfilled and the contributions credited exceed the benefits
10 charged but by not more than \$500.00 plus 1% of his average
11 annual payroll, or if the benefits charged exceed the
12 contributions credited but by not more than \$500.00, the
13 preliminary rate shall be 1/4 of 1%.
- 14 (4) If the minimum requirements in (1) above have been
15 fulfilled and the benefits charged exceed the contributions
16 credited by more than \$500.00, such preliminary rate shall be as
17 follows:
- 18 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
19 1% of his average annual payroll;
- 20 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
21 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 22 (iii) 55/100 of 1% if such excess over \$500.00 equals or
23 exceeds 1/2 of 1% but is less than 3/4 of 1% of his average annual
24 payroll;
- 25 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
26 3/4 of 1% but is less than 1% of his average annual payroll;
- 27 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
28 1% of his average annual payroll.
- 29 (5) Determination of the preliminary rate as specified in (2),
30 (3) and (4) above shall be subject, however, to the condition that
31 it shall in no event be decreased by more than 1/10 of 1% of
32 wages or increased by more than 2/10 of 1% of wages from the
33 preliminary rate determined for the preceding year in accordance
34 with (1), (2), (3) or (4), whichever shall have been applicable.
- 35 (E) (1) Prior to July 1 of each calendar year the controller
36 shall determine the amount of the State disability benefits fund
37 as of December 31 of the preceding calendar year, increased by
38 the contributions paid thereto during January of the current
39 calendar year with respect to employment occurring in the
40 preceding calendar year. If such amount exceeds the net amount
41 withdrawn from the unemployment trust fund pursuant to section
42 23 of the "Temporary Disability Benefits Law," P.L.1948, c.110
43 (C.43:21-47) plus the amount at the end of such preceding
44 calendar year of the unemployment disability account (as defined
45 in section 22 of said law (C.43:21-46)), such excess shall be
46 expressed as a percentage of the wages on which contributions
47 were paid to the State disability benefits fund on or before
48 January 31 with respect to employment in the preceding calendar
49 year.
- 50 (2) The controller shall then make a final determination of the
51 rates of contribution for the 12 months commencing July 1 of
52 such year for employers whose preliminary rates are determined
53 as provided in (D) hereof, as follows:
- 54 (i) If the percentage determined in accordance with paragraph

1 (E)(1) of this subsection equals or exceeds 1 1/4%, the final
2 employer rates shall be the preliminary rates determined as
3 provided in (D) hereof, except that if the employer's preliminary
4 rate is determined as provided in (D)(2) or (D)(3) hereof, the final
5 employer rate shall be the preliminary employer rate decreased
6 by such percentage of excess taken to the nearest 5/100 of 1%,
7 but in no case shall such final rate be less than 1/10 of 1%.

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

12 (iii) If the percentage determined in accordance with
13 paragraph (E)(1) of this subsection is less than 3/4 of 1%, but in
14 excess of 1/4 of 1%, the final employer rates shall be the
15 preliminary employer rates determined as provided in (D) hereof
16 increased by the difference between 3/4 of 1% and such
17 percentage taken to the nearest 5/100 of 1%; provided, however,
18 that no such final rate shall be more than 1/4 of 1% in the case of
19 an employer whose preliminary rate is determined as provided in
20 (D)(2) hereof, more than 1/2 of 1% in the case of an employer
21 whose preliminary rate is determined as provided in (D)(1) and
22 (D)(3) hereof, nor more than 3/4 of 1% in the case of an employer
23 whose preliminary rate is determined as provided in (D)(4) hereof.

24 (iv) If the amount of the State disability benefits fund
25 determined as provided in paragraph (E)(1) of this subsection is
26 equal to or less than 1/4 of 1%, then the final rate shall be 2/5 of
27 1% in the case of an employer whose preliminary rate is
28 determined as provided in (D)(2) hereof, 7/10 of 1% in the case of
29 an employer whose preliminary rate is determined as provided in
30 (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer
31 whose preliminary rate is determined as provided in (D)(4) hereof.
32 Notwithstanding any other provision of law or any determination
33 made by the controller with respect to any 12-month period
34 commencing on July 1, 1970, the final rates for all employers for
35 the period beginning January 1, 1971, shall be as set forth herein.

36 (cf: P.L.1994, c.112, s.1)

37 2. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read
38 as follows:

39 4. a. The Workforce Development Partnership Program is
40 hereby established in the Department of Labor and shall be
41 administered by the Commissioner of Labor. The purpose of the
42 program is to provide qualified displaced, disadvantaged and
43 employed workers with the employment and training services
44 most likely to provide the greatest opportunity for long-range
45 career advancement with high levels of productivity and earning
46 power. To implement that purpose, the program shall provide
47 those services by means of training grants or customized training
48 services, to the extent that funding for the services is not
49 available from federal or other sources. The commissioner is
50 authorized to expend moneys from the Workforce Development
51 Partnership Fund to provide the training grants or customized
52 training services and provide for each of the following:

53 (1) The cost of counseling required pursuant to section 7 of
54 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding

- 1 for counseling is not available from federal or other sources;
- 2 (2) Reasonable administrative costs not to exceed 10% of the
3 revenues collected pursuant to section 2 of P.L.1992, c.44
4 (C.34:15D-13) during any one fiscal year, except for additional
5 start-up administrative costs approved by the Director of the
6 Office of Management and Budget during the first year of the
7 program's operation;
- 8 (3) Reasonable costs, not exceeding 0.5% of the revenues
9 collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13)
10 during any one fiscal year, as required by the State Employment
11 and Training Commission to design criteria and conduct an annual
12 evaluation of the program; and
- 13 (4) The cost of reimbursement to individuals for excess
14 contributions pursuant to section 6 of P.L.1992, c.44
15 (C.34:15D-17).
- 16 b. Not more than 10% of the moneys received by any service
17 provider pursuant to this act shall be expended on anything other
18 than direct costs to the provider of providing the employment and
19 training services, which direct costs shall not include any
20 administrative or overhead expense of the provider.
- 21 c. Training and employment services shall be provided to a
22 worker who receives counseling pursuant to section 7 of P.L.1992,
23 c.43 (C.34:15D-7) only if the counselor who evaluates the worker
24 pursuant to that section determines that the worker can
25 reasonably be expected to successfully complete the training and
26 education identified in the Employability Development Plan
27 developed pursuant to that section for the worker.
- 28 d. All vocational training provided under this act:
- 29 (1) Shall be training which is likely to substantially enhance
30 the individual's marketable skills and earning power; and
- 31 (2) Shall be training for a labor demand occupation, except for:
- 32 (a) Customized training provided to the present employees of a
33 business which the commissioner deems to be in need of the
34 training to prevent job loss caused by obsolete skills,
35 technological change or national or global competition; or
- 36 (b) Customized training provided to employees at a facility
37 which is being relocated from another state into New Jersey.
- 38 e. Not less than [27%] 25% of the total revenues dedicated to
39 the program during any one fiscal year shall be reserved to
40 provide employment and training services for qualified displaced
41 workers. [Eight] Not less than six percent of the total revenues
42 dedicated to the program during any one fiscal year shall be
43 reserved to provide employment and training services for
44 qualified disadvantaged workers. Not less than 45% of the total
45 revenues dedicated to the program during any one fiscal year
46 shall be reserved for and appropriated to the Office of
47 Customized Training. Not less than 3% of the total revenues
48 dedicated to the program during any one fiscal year shall be
49 reserved for occupational safety and health training. Beginning
50 July 1, 1994, 5% of the total revenues dedicated to the program
51 during any one fiscal year shall be reserved for and appropriated
52 to the Youth Transitions to Work Partnership created pursuant to
53 P.L.1993, c.268 (C.34:15E-1 et seq.).
- 54 f. Funds available under the program shall not be used for

1 activities which induce, encourage or assist: any displacement of
2 currently employed workers by trainees, including partial
3 displacement by means such as reduced hours of currently
4 employed workers; any replacement of laid off workers by
5 trainees; or any relocation of operations resulting in a loss of
6 employment at a previous workplace located in the State.

7 g. On-the-job training shall not be funded by the program for
8 any employment found by the commissioner to be of a level of
9 skill and complexity too low to merit training. The duration of
10 on-the-job training funded by the program for any worker shall
11 not exceed the duration indicated by the Specific Vocational
12 Preparation Code developed by the United States Department of
13 Labor for the occupation for which the training is provided and
14 shall in no case exceed 26 weeks. The department shall set the
15 duration of on-the-job training for a worker for less than the
16 indicated maximum, when training for the maximum duration is
17 not warranted because of the level of the individual's previous
18 training, education or work experience. On-the-job training shall
19 not be funded by the program unless it is accompanied,
20 concurrently or otherwise, by whatever amount of
21 classroom-based vocational training, remedial education or both,
22 is deemed appropriate for the worker by the commissioner.

23 h. Employment and training services funded by the program
24 shall not replace, supplant, compete with or duplicate in any way
25 approved apprenticeship programs.

26 i. No activities funded by the program shall impair existing
27 contracts for services or collective bargaining agreements,
28 except that activities which would be inconsistent with the terms
29 of a collective bargaining agreement may be undertaken with the
30 written concurrence of the collective bargaining unit and
31 employer who are parties to the agreement.

32 (cf: P.L.1994, c.73, s.1)

33 3. Section 13 of P.L.1992, c.43 (C.34:15C-8.1) is amended to
34 read as follows:

35 13. The State Employment and Training Commission shall, in a
36 manner which complies with all provisions of this act and with
37 the provisions of section 11 of P.L.1989, c.293 (C.34:15C-8):

38 a. Establish criteria and procedures for the evaluation of
39 employment and training services funded pursuant to this act;

40 b. Establish criteria and procedures for the evaluation and
41 approval of service providers pursuant to section 8 of this act; and

42 c. Conduct an annual evaluation of the program and make an
43 annual report to the Governor and the Legislature regarding the
44 effectiveness of the program in implementing the purposes of this
45 act during the previous State fiscal year. The report shall include
46 information regarding the effectiveness of the program and of
47 individual service providers in enhancing the long-term
48 productivity and earning power of trainees and in placing the
49 trainees in permanent employment. [The report made by the
50 commission pursuant to this subsection for the fiscal year ending
51 June 30, 1996 shall be provided to the Governor and the
52 Legislature not later than December 31, 1996 and shall include an
53 assessment of the appropriateness of continuing the program and,
54 if the commission determines that the program should be

1 continued, draft legislation to do so, which shall include any
2 modifications in this act deemed appropriate by the commission.]

3 (cf: P.L.1992, c.43, s.13)

4 4. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to
5 read as follows:

6 2. Beginning on January 1, 1993 [and ending on December 31,
7 1997], each worker shall contribute to the Workforce
8 Development Partnership Fund an amount equal to 0.025% of the
9 worker's wages as determined in accordance with paragraph (3)
10 of subsection (b) of R.S.43:21-7 regarding the worker's
11 employment with an employer.

12 Also beginning on January 1, 1993 [and ending on December 31,
13 1997], each employer shall contribute to the Workforce
14 Development Partnership Fund an amount equal to the amount
15 that the employer's contribution to the Unemployment
16 Compensation Fund is decreased pursuant to subparagraph (G) of
17 paragraph (5) of subsection (c) of R.S.43:21-7.

18 (cf: P.L.1992, c.44, s.2)

19 5. Section 6 of P.L.1992, c.44 (C.34:15D-17) is amended to
20 read as follows:

21 6. a. If an employee receives wages from more than one
22 employer during any calendar year, and the sum of the
23 employee's contributions deposited in the Workforce
24 Development Partnership Fund exceeds an amount equal to
25 0.025% of the wages determined in accordance with the
26 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 during
27 the calendar year beginning January 1, 1993 or any subsequent
28 calendar year [ending prior to January 1, 1998], the employee
29 shall be entitled to a refund of the excess if a claim establishing
30 the employee's right to the refund is made within two years after
31 the end of the respective calendar year in which the wages are
32 received and are the subject of the claim. The commissioner
33 shall refund any overpayment from the fund without interest.

34 b. Any employee who is a taxpayer and entitled, pursuant to
35 the provisions of subsection a. of this section, to a refund of
36 contributions deducted during a tax year from his wages shall, in
37 lieu of the refund, be entitled to a credit in the full amount
38 thereof against the tax otherwise due on his New Jersey gross
39 income for that tax year if he submits his claim for the credit
40 and accompanies that claim with evidence of his right to the
41 credit in the manner provided by regulation by the Director of
42 the Division of Taxation. In any case in which the amount, or any
43 portion thereof, of any credit allowed hereunder results in or
44 increases an excess of income tax payment over income tax
45 liability, the amount of the new or increased excess shall be
46 considered an overpayment and shall be refunded to the taxpayer
47 in the manner provided by subsection (a) of N.J.S.54A:9-7.

48 (cf: P.L.1992, c.44, s.6)

49 6. Section 16 of P.L.1992, c.43 is amended to read as follows:

50 16. This act shall take effect immediately [and sections 1
51 through 13 of this act shall expire on December 31, 1997].

52 (cf: P.L.1992, c.43, s.16)

53 7. Section 13 of P.L.1992, c.47 is amended to read as follows:

54 13. This act shall take effect immediately [and sections 1

ASSEMBLY LABOR, BUSINESS AND INDUSTRY COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, No. 3214

STATE OF NEW JERSEY

DATED: NOVEMBER 20, 1995

The Assembly Labor, Business and Industry Committee reports favorably this Assembly Committee Substitute for Assembly, No. 3214.

This committee substitute amends the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.), to increase funding for the Office of Customized Training and thus provide additional job training funds for business retention and attraction activities. The bill also assures the business community of a continuing source of workplace training resources by eliminating the sunset date of December 31, 1997 in that act and related laws concerning the funding for job training programs. Finally, the bill removes requirements that the State Employment and Training Commission prepare a report assessing the appropriateness of continuing the programs.

SENATE COMMERCE COMMITTEE
STATEMENT TO
ASSEMBLY COMMITTED SUBSTITUTE FOR
ASSEMBLY, No. 3214
STATE OF NEW JERSEY

DATED: DECEMBER 18, 1995

The Senate Commerce Committee reports favorably Assembly Bill No. 3214 (ACS).

This bill amends P.L.1992, c.43 (C.34:15D-1 et seq.), the "1992 New Jersey Employment and Workforce Development Act" which established the Workforce Development Partnership Program, and P.L.1992, c.47 (C.43:21-57 et seq.) which concerns improving employment opportunities for displaced workers, to make them permanent as they were to sunset in 1997. The bill modifies some of the funding levels of the various components of the Workforce Development Partnership Program as follows: the minimum portion allocated to displaced workers is decreased from 27% to 25%; the portion allocated to disadvantaged workers is changed from 8% to not less than 6%; and the minimum portion allocated to customized training is set at 45%. Finally, the bill removes requirements that the State Employment and Training Commission (1) prepare a report assessing the effectiveness of benefits provided pursuant to P.L.1992, c.47 (C.43:21-57 et seq.) in enhancing occupational training and education opportunities for displaced workers and (2) include in the 1996 report on the Workforce Development Partnership Program an assessment of the appropriateness of continuing that program.