

34:15D-12

**LEGISLATIVE HISTORY CHECKLIST**  
Compiled by the NJ State Law Library

(Workforce Development  
Partnership Fund)

NJSA: 34:15D-12

LAWS OF: 1992 CHAPTER: 44

BILL NO: A1403

SPONSOR(S): Farragher and others

DATE INTRODUCED: May 7, 1992

COMMITTEE: ASSEMBLY: Labor; Appropriations  
SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage  
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: June 25, 1992  
SENATE: June 29, 1992

DATE OF APPROVAL: July 7, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 6-10-92 & 6-15-92  
SENATE: No

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

[FIRST REPRINT]  
ASSEMBLY, No. 1403  
STATE OF NEW JERSEY

INTRODUCED MAY 7, 1992

By Assemblywoman FARRAGHER, Assemblymen Roma,  
Garrett, Mikulak and Assemblywoman Haines

1 **AN ACT** reducing contributions to the unemployment  
2 compensation fund, financing the New Jersey Workforce  
3 Development Partnership Fund, supplementing Title 34 of the  
4 Revised Statutes and amending R.S.43:21-7 and P.L.1948, c.110.

5

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

8 1. (New section) For the purposes of sections 1 through 9 of  
9 this act:

10 "Commissioner" is the Commissioner of Labor, or designee of  
11 the commissioner.

12 "Department" means the New Jersey Department of Labor.

13 "Employer" means any employer subject to R.S.43:21-1 et seq.

14 "Fund" or "Workforce Development Partnership Fund" means  
15 the Workforce Development Partnership Fund created pursuant to  
16 section of P.L. , c. (C. )(now pending before the  
17 Legislature as Assembly, No. of 1992).

18 2. (New section) Beginning on January 1, 1993 <sup>1</sup>and ending on  
19 December 31, 1997<sup>1</sup>, each worker shall contribute to the  
20 Workforce Development Partnership Fund an amount equal to  
21 0.025% of the worker's wages as determined in accordance with  
22 paragraph (3) of subsection (b) of R.S.43:21-7 regarding the  
23 worker's employment with an employer.

24 Also beginning on January 1, 1993 <sup>1</sup>and ending on December 31,  
25 1997<sup>1</sup>, each employer shall contribute to the Workforce  
26 Development Partnership Fund an amount equal to the amount  
27 that the employer's contribution to the Unemployment  
28 Compensation Fund is decreased pursuant to subparagraph (G) of  
29 paragraph (5) of subsection (c) of R.S.43:21-7.

30 3. (New section) The State Treasurer is hereby authorized and  
31 directed to requisition and withdraw on or after July 1, 1992 an  
32 amount not to exceed \$25,000,000 <sup>1</sup>from revenues received  
33 pursuant to paragraph (1) of subsection (e) of R.S.43:21-7<sup>1</sup>, at the  
34 discretion of the commissioner, from the State disability benefits  
35 fund established pursuant to section 22 of P.L.1948, c.110  
36 (C.43:21-46) and to deposit the sum in the Workforce  
37 Development Partnership Fund. No transfers may be made from  
38 the State disability benefits fund to the Workforce Development  
39 Partnership Fund at any time after one year following the  
40 effective date of this act. The amount transferred shall be  
41 repaid to the State disability benefits fund with interest at the  
42 rate earned by the investments made with moneys remaining in

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ALA committee amendments adopted June 11, 1992.

1 the State disability benefits fund. The repayment period shall not  
2 exceed three years and shall begin no later than January 1, 1994.  
3 For purposes of determining the balance in the State disability  
4 benefits fund as prescribed pursuant to subsubparagraph (1) of  
5 subparagraph (E) of paragraph (3) of subsection (e) of R.S.43:21-7,  
6 the amount of any outstanding advances to the Workforce  
7 Development Partnership Fund along with accrued interest shall  
8 be included therein.

9 4. (New section) Notwithstanding the provisions of any other  
10 law to the contrary, each employer shall: withhold in trust the  
11 amount of all workers' contributions from their wages at the  
12 time wages are paid, show the deduction on the payroll records,  
13 furnish the evidence thereof and permit any inspection of the  
14 records as prescribed by the commissioner, and transmit all  
15 workers' contributions and other contributions due from the  
16 employer pursuant to this act to the department in a manner and  
17 at the times that the commissioner prescribes. Interest and any  
18 expense to the department of recovery may be assessed by the  
19 commissioner on payments not made within the prescribed due  
20 dates at the same rate as provided for pursuant to paragraph (1)  
21 of subsection (a) of R.S.43:21-14. If any employer fails to deduct  
22 the contributions of any workers at the time their wages are paid,  
23 or fails to make a deduction therefor at the time wages are paid  
24 for the next succeeding payroll period, the employer shall be  
25 solely liable for those contributions.

26 5. (New section) If an employer fails to make any report or  
27 permit any inspection required by the commissioner to implement  
28 the provisions of this act, an estimate shall be made regarding  
29 the liability of the employer from information available and the  
30 employer shall be assessed for any amount due, including the  
31 amount that was withheld or that should have been withheld from  
32 its employees for deposit into the fund. Also, if, after an  
33 examination of any report filed, a deficiency is discovered with  
34 respect to the taxable wages reported, the employer shall be  
35 assessed the amount of any determined deficiency. Additional  
36 remedies through the court may be established by the  
37 commissioner, including the charging of any expenses incurred by  
38 the department in recovering the assessment.

39 6. (New section) a. If an employee receives wages from more  
40 than one employer during any calendar year, and the sum of the  
41 employee's contributions deposited in the Workforce  
42 Development Partnership Fund exceeds an amount equal to  
43 0.025% of the wages determined in accordance with the  
44 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 during  
45 the calendar year beginning January 1, 1993 or any <sup>1</sup>subsequent<sup>1</sup>  
46 calendar year <sup>1</sup>[thereafter] ending prior to January 1, 1998<sup>1</sup>, the  
47 employee shall be entitled to a refund of the excess if a claim  
48 establishing the employee's right to the refund is made within  
49 two years after the end of the respective calendar year in which  
50 the wages are received and are the subject of the claim. The  
51 commissioner shall refund any overpayment from the fund  
52 without interest.

53 b. Any employee who is a taxpayer and entitled, pursuant to  
54 the provisions of subsection a. of this section, to a refund of

1 contributions deducted during a tax year from his wages shall, in  
2 lieu of the refund, be entitled to a credit in the full amount  
3 thereof against the tax otherwise due on his New Jersey gross  
4 income for that tax year if he submits his claim for the credit  
5 and accompanies that claim with evidence of his right to the  
6 credit in the manner provided by regulation by the Director of  
7 the Division of Taxation. In any case in which the amount, or any  
8 portion thereof, of any credit allowed hereunder results in or  
9 increases an excess of income tax payment over income tax  
10 liability, the amount of the new or increased excess shall be  
11 considered an overpayment and shall be refunded to the taxpayer  
12 in the manner provided by subsection (a) of N.J.S.54A:9-7.

13 7. (New section) The State Treasurer, as treasurer and  
14 custodian of the Workforce Development Partnership Fund, is  
15 hereby authorized and directed to cancel of record and to refuse  
16 to honor checks issued against the fund which have not been  
17 presented for payment within <sup>1</sup>[four] ~~six~~<sup>1</sup> years from the date of  
18 issuance. Upon that cancellation, revenues held on deposit for  
19 payment of the checks shall be credited to the fund.

20 8. (New section) A schedule of fines, no fine exceeding \$1,000  
21 for a single offense, shall be established by the commissioner for  
22 any of the following actions or omissions with respect to the  
23 collection of contributions or the use of moneys disbursed from  
24 the fund:

- 25 a. A false statement or misrepresentation made knowingly;
- 26 b. Failure to disclose a material fact;
- 27 c. Attempt to defraud;
- 28 d. Willful failure or refusal to: withhold or transfer any  
29 contribution or other payment; furnish any report or information;  
30 or produce or permit the inspection or copying of records as  
31 required pursuant to this act; and
- 32 e. Willful violation of any provision of this act or any rule or  
33 regulation promulgated pursuant to this act.

34 The fines shall be recoverable in a civil action by the  
35 commissioner in the name of the State of New Jersey. In  
36 addition to penalties established for any person, employing unit,  
37 employer or entity, each shall be liable for each offense upon  
38 conviction before any court of competent jurisdiction at the  
39 discretion of the court. All fines shall be payable to the  
40 commissioner for deposit in the fund.

41 9. (New section) The commissioner shall, pursuant to the  
42 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
43 et seq.) promulgate rules and regulations necessary to implement  
44 the provisions of this act, including any requirements regarding  
45 the keeping and reporting of records and any sanctions against  
46 false statement, misrepresentation, willful violations or fraud.

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

48 43:21-7. Contributions. Employers other than governmental  
49 entities, whose benefit financing provisions are set forth in  
50 section 4 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit  
51 organizations liable for payment in lieu of contributions on the  
52 basis set forth in section 3 of P.L.1971, c.346 (C.43:21-7.2), shall  
53 pay to the controller for the Unemployment Compensation Fund,  
54 contributions as set forth in subsections (a), (b) and (c) hereof,

1 and the provisions of subsections (d) and (e) shall be applicable to  
2 all employers, consistent with the provisions of the  
3 [Unemployment Compensation Law] "unemployment  
4 compensation law" and the [Temporary Disability Benefits Law.]  
5 "Temporary Disability Benefits Law."

6 (a) Payment.

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

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

19 (b) Rate of contributions. Each employer shall pay the  
20 following contributions:

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

25 (2) The "wages" of any individual, with respect to any one  
26 employer, as the term is used in this subsection (b) and in  
27 subsections (c), (d) and (e) of this section 7, shall include the first  
28 \$4,800.00 paid during calendar year 1975, for services performed  
29 either within or without this State; provided that no contribution  
30 shall be required by this State with respect to services performed  
31 in another state if such other state imposes contribution liability  
32 with respect thereto. If an employer (hereinafter referred to as a  
33 successor employer) during any calendar year acquires  
34 substantially all the property used in a trade or business of  
35 another employer (hereinafter referred to as a predecessor), or  
36 used in a separate unit of a trade or business of a predecessor,  
37 and immediately after the acquisition employs in his trade or  
38 business an individual who immediately prior to the acquisition  
39 was employed in the trade or business of such predecessor, then,  
40 for the purpose of determining whether the successor employer  
41 has paid wages with respect to employment equal to the first  
42 \$4,800.00 paid during calendar year 1975, any wages paid to such  
43 individual by such predecessor during such calendar year and prior  
44 to such acquisition shall be considered as having been paid by  
45 such successor employer.

46 (3) For calendar years beginning on and after January 1, 1976,  
47 the "wages" of any individual, as defined in the preceding  
48 paragraph (2) of this subsection (b), shall be established and  
49 promulgated by the Commissioner of Labor on or before  
50 September 1 of the preceding year and shall be 28 times the  
51 Statewide average weekly remuneration paid to workers by  
52 employers, as determined under R.S.43:21-2(c), raised to the next  
53 higher multiple of \$100.00 if not already a multiple thereof,  
54 provided that if the amount of wages so determined for a

1 calendar year is less than the amount similarly determined for  
2 the preceding year, the greater amount will be used; provided,  
3 further, that if the amount of such wages so determined does not  
4 equal or exceed the amount of wages as defined in subsection (b)  
5 of section 3306 of the Federal Unemployment Tax Act, Chapter  
6 23 of the Internal Revenue Code of [1954] 1986 (26 U.S.C., §3306),  
7 the wages as determined in this paragraph in any calendar year  
8 shall be raised to equal the amount established under the Federal  
9 Unemployment Tax Act for that calendar year.

10 (c) Future rates based on benefit experience.

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

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

47 (2) Regulations may be prescribed for the establishment,  
48 maintenance, and dissolution of joint accounts by two or more  
49 employers, and shall, in accordance with such regulations and  
50 upon application by two or more employers to establish such an  
51 account, or to merge their several individual accounts in a joint  
52 account, maintain such joint account as if it constituted a single  
53 employer's account.

54 (3) No employer's rate shall be lower than 5.4% unless

1 assignment of such lower rate is consistent with the conditions  
2 applicable to additional credit allowance for such year under  
3 section 3303(a)(1) of the Internal Revenue Code of 1986  
4 (26 U.S.C. §3303(a)(1)), any other provision of this section to the  
5 contrary notwithstanding.

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

19 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than  
20 5%, of his average annual payroll (as defined in paragraph (2),  
21 subsection (a) of [section] R.S. 43:21-19 [of this Title]);

22 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less  
23 than 6%, of his average annual payroll;

24 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less  
25 than 7%, of his average annual payroll;

26 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less  
27 than 8%, of his average annual payroll;

28 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less  
29 than 9%, of his average annual payroll;

30 (6) 1%, if such excess equals or exceeds 9%, but is less than  
31 10%, of his average annual payroll;

32 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is  
33 less than 11%, of his average annual payroll;

34 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his  
35 average annual payroll.

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

40 (1) 4%, if such excess is less than 10% of his average annual  
41 payroll;

42 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less  
43 than 20%, of his average annual payroll;

44 (3) 4 6/10%, if such excess equals or exceeds 20% of his  
45 average annual payroll.

46 (C) Specially assigned rates. If no contributions were paid on  
47 wages for employment in any calendar year used in determining  
48 the average annual payroll of an employer eligible for an assigned  
49 rate under this paragraph (4), the employer's rate shall be  
50 specially assigned as follows: (i) if the reserve balance in its  
51 account is positive, its assigned rate shall be the highest rate in  
52 effect for positive balance accounts for that period, or 5.4%,  
53 whichever is higher, and (ii) if the reserve balance in its account  
54 is negative, its assigned rate shall be the highest rate in effect

1 for deficit accounts for that period.

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

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

24 If on March 31 of any calendar year the balance of the  
25 unemployment trust fund is less than 2 1/2% of the total taxable  
26 wages reported to the controller as of that date in respect to  
27 employment during the preceding calendar year, the contribution  
28 rate, effective July 1 following, of each employer (1) eligible for  
29 a contribution rate calculation based upon benefit experience,  
30 shall be increased by (i) 6/10 of 1% over the contribution rate  
31 otherwise established under the provisions of paragraph (3), (4)(A)  
32 or (4)(B) of this subsection, and (ii) an additional amount equal to  
33 20% of the total rate established herein, provided, however, that  
34 the final contribution rate for each employer shall be computed  
35 to the nearest multiple of 1/10% if not already a multiple  
36 thereof; (2) not eligible for a contribution rate calculation based  
37 upon benefit experience, shall be increased by 6/10 of 1% over  
38 the contribution rate otherwise established under the provisions  
39 of paragraph (4) of this subsection. For the period commencing  
40 July 1, 1984 and ending June 30, 1986, the contribution rate for  
41 each employer liable to pay contributions under R.S.43:21-7 shall  
42 be increased by a factor of 10% computed to the nearest multiple  
43 of 1/10% if not already a multiple thereof.

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



1 year the balance in the unemployment trust fund equals or  
 2 exceeds 12 1/2% of the total taxable wages reported to the  
 3 controller as of that date in respect to employment during the  
 4 preceding calendar year, the contribution rate, effective July 1  
 5 following, of each employer eligible for a contribution rate  
 6 calculation based upon benefit experience, shall be reduced by  
 7 6/10 of 1% if his account for all past periods reflects an excess of  
 8 contributions paid over total benefits charged of 3% or more of  
 9 his average annual payroll, otherwise by 3/10 of 1% under the  
 10 contribution rate otherwise established under the provisions of  
 11 paragraphs (3) and (4) of this subsection; provided that in no event  
 12 shall the contribution rate of any employer be reduced to less  
 13 than 4/10 of 1%.

14 (C) The "balance" in the unemployment trust fund, as the term  
 15 is used in subparagraphs (A) and (B) above, shall not include  
 16 moneys credited to the State's account under section 903 of the  
 17 Social Security Act, as amended (42 U.S.C. §1103), during any  
 18 period in which such moneys are appropriated for the payment of  
 19 expenses incurred in the administration of [Unemployment  
 20 Compensation Law.] the "unemployment compensation law."

21 (D) Prior to July 1 of each calendar year the controller shall  
 22 determine the Unemployment Trust Reserve Ratio, which shall be  
 23 calculated by dividing the balance of the unemployment trust  
 24 fund as of the prior March 31 by total taxable wages reported to  
 25 the controller by all employers as of March 31 with respect to  
 26 their employment during the last calendar year.

27 (E) With respect to experience rating years beginning on or  
 28 after July 1, 1986, the new employer rate or the unemployment  
 29 experience rate of an employer under this section shall be the  
 30 rate which appears in the column headed by the Unemployment  
 31 Trust Fund Reserve Ratio as of the applicable calculation date  
 32 and on the line with the Employer Reserve Ratio, as defined in  
 33 paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in  
 34 the following table:

35  
 36 EXPERIENCE RATING TAX TABLE FUND RESERVE RATIO<sup>1</sup>

37

38 Employer	10.00%	7.00%	4.00%	2.50%	2.49%
39 Reserve	and	to	to	to	and
40 Ratio <sup>2</sup>		Over	9.99%	6.99%	3.99%
41 Under					
	A	B	C	D	E
43 Positive Reserve Ratio:					
44 17% and over	0.3	0.4	0.5	0.6	1.2
45 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
46 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
47 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
48 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
49 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
50 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
51 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
52 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
53 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
54 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6

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

20

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

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

25

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

33 (G) On or after January <sup>1</sup>[3] <sup>1</sup>, 1993, <sup>1</sup>and ending  
 34 December 31, 1997, <sup>1</sup> notwithstanding any other provisions of this  
 35 paragraph (5), the contribution rate for each employer liable to  
 36 pay contributions, as computed under subparagraph (E) of this  
 37 paragraph (5), shall be decreased by <sup>1</sup>[a factor of 4% computed to  
 38 the nearest multiple of 1/10%] 0.1%<sup>1</sup>, except that, during any  
 39 experience rating year in which the fund reserve ratio is equal to  
 40 or greater than 7.00%, there shall be no decrease pursuant to this  
 41 subparagraph (G) in the contribution of any employer who has a  
 42 deficit reserve ratio of negative 35.00% or under.

43 (6) Additional contributions.

44 Notwithstanding any other provision of law, any employer who  
 45 has been assigned a contribution rate pursuant to subsection (c) of  
 46 this section for the year commencing July 1, 1948, and for any  
 47 year commencing July 1 thereafter, may voluntarily make  
 48 payment of additional contributions, and upon such payment shall  
 49 receive a recomputation of the experience rate applicable to such  
 50 employer, including in the calculation the additional contribution  
 51 so made. Any such additional contribution shall be made during  
 52 the 30-day period following the date of the mailing to the  
 53 employer of the notice of his contribution rate as prescribed in  
 54 this section, unless, for good cause, the time for payment has

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

13 (7) Transfers.

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

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

1 respect to that part of the organization, trade, assets or business  
2 transferred.

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

13 (d) Contributions of workers, transfers to temporary disability  
14 benefit fund.

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

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

43 (C) Notwithstanding the above provisions of this paragraph (1),  
44 on or after July 1, 1986 and ending <sup>1</sup>[January 2, 1993]  
45 December 31, 1992<sup>1</sup>, each worker shall contribute to the fund  
46 1.125% of wages paid with respect to his employment with a  
47 governmental employer electing or required to pay contributions  
48 or nongovernmental employer, including a nonprofit organization  
49 which is an employer as defined under R.S.43:21-19(h)(6),  
50 regardless of whether that nonprofit organization elects or is  
51 required to finance its benefit costs with contributions to the  
52 fund or by payments in lieu of contributions, after that employer  
53 has satisfied the conditions set forth in subsection  
54 R.S.43:21-19(h) of this Title with respect to becoming an

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

18 (D) Notwithstanding any other provisions of this paragraph (1),  
19 on and after January <sup>1</sup>[3] <sup>1</sup>, 1993 <sup>1</sup>and ending December 31,  
20 1997<sup>1</sup> , each worker shall contribute to the unemployment  
21 compensation fund 1.10% of wages paid with respect to the  
22 worker's employment with a governmental employer electing or  
23 required to pay contributions or nongovernmental employer,  
24 including a nonprofit organization which is an employer as  
25 defined under paragraph 6 of subsection (h) of R.S.43:21-19,  
26 regardless of whether that nonprofit organization elects or is  
27 required to finance its benefit costs with contributions to the  
28 fund or by payments in lieu of contributions, after that employer  
29 has satisfied the conditions set forth in subsection (h) of  
30 R.S.43:21-19 with respect to becoming an employer.  
31 Contributions, however, shall be at the rate of 0.60% while the  
32 worker is covered by an approved private plan under the  
33 "Temporary Disability Benefits Law," P.L.1948, c.110  
34 (C.43:21-25 et seq.) or while the worker is exempt under section  
35 7 of P.L.1948, c.110 (C.43:21-31) or any other provision of that  
36 law; provided that the contributions shall be at the rate of 0.60%  
37 of wages paid with respect to employment with the State of New  
38 Jersey or any other governmental entity or instrumentality  
39 electing or required to make payments in lieu of contributions  
40 and which is covered by the State plan under the "Temporary  
41 Disability Benefits Law," except that, while the worker is exempt  
42 from the provisions of the "Temporary Disability Benefits Law"  
43 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
44 other provision of that law, or is covered for disability benefits  
45 by an approved private plan of the employer, the contributions to  
46 the fund shall be 0.10%.

47 [D] (E) Each employer shall, notwithstanding any provision of  
48 law in this State to the contrary, withhold in trust the amount of  
49 his workers' contributions from their wages at the time such  
50 wages are paid, shall show such deduction on his payroll records,  
51 shall furnish such evidence thereof to his workers as the division  
52 or controller may prescribe, and shall transmit all such  
53 contributions, in addition to his own contributions, to the office  
54 of the controller in such manner and at such times as may be

1 prescribed. If any employer fails to deduct the contributions of  
2 any of his workers at the time their wages are paid, or fails to  
3 make a deduction therefor at the time wages are paid for the  
4 next succeeding payroll period, he alone shall thereafter be liable  
5 for such contributions, and for the purpose of [section]  
6 R.S.43:21-14 [of this Title], such contributions shall be treated as  
7 employer's contributions required from him.

8 [(E)] (F) As used in this chapter (R.S.43:21-1 et seq.), except  
9 when the context clearly requires otherwise, the term  
10 "contributions" shall include the contributions of workers  
11 pursuant to this section.

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

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

14 (C) With respect to wages paid on and after January 1, 1975,  
15 there shall be deposited in and credited to the State disability  
16 benefits fund, as established by law, one-half of all worker  
17 contributions received by the controller upon which the rate of  
18 contributions is 1%.

19 (D) All worker contributions received by the controller from  
20 all employers electing or required to make payments in lieu of  
21 contributions, upon which the rate of contribution is 1/2 of 1%,  
22 except the State of New Jersey or any other governmental entity  
23 or instrumentality defined as an employer under  
24 R.S.43:21-19(h)(5), unless the State of New Jersey or such other  
25 governmental entity or instrumentality is a "covered employer,"  
26 as defined in R.S.43:21-27.

27 (E) (i) Notwithstanding the above with respect to wages on or  
28 after July 1, 1986, there shall be deposited in and credited to the  
29 State disability benefits fund 4/9 of all worker contributions  
30 received by the controller upon which the rate of contribution is  
31 1.125% and 4/5 of the contributions received by the controller  
32 upon which the rate of contribution is 0.625% of wages paid with  
33 respect to employment with the State of New Jersey or any other  
34 governmental entity or instrumentality electing or required to  
35 make payments in lieu of contributions and which is covered by  
36 the State plan under the [Temporary Disability Benefits Law.]  
37 "Temporary Disability Benefits Law."

38 (ii) Notwithstanding any other provision of this paragraph (2),  
39 with respect to wages<sup>1</sup> paid during the period beginning<sup>1</sup> on<sup>1</sup> [or  
40 after]<sup>1</sup> January<sup>1</sup> [3] 1<sup>1</sup>, 1993<sup>1</sup> and ending December 31, 1997<sup>1</sup>,  
41 there shall be deposited in and credited to the State disability  
42 benefits fund 5/11 of all worker contributions received by the  
43 controller upon which the rate of contribution is 1.10% and 5/6 of  
44 all worker contributions received by the controller upon which  
45 the rate of contribution is 0.60% of wages paid with respect to  
46 employment with the State of New Jersey or any other  
47 governmental entity or instrumentality electing or required to  
48 make payments in lieu of contributions and which is covered by  
49 the State plan under the "Temporary Disability Benefits Law,"  
50 P.L.1948, c.110 (C.43:21-25 et seq.).

51 (3) If an employee receives wages from more than one  
52 employer during any calendar year, and either the sum of his  
53 contributions deposited in and credited to the State disability  
54 benefits fund (in accordance with paragraph (2) of this subsection)

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

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

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

1 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant  
2 to the provisions of [section] R.S.43:21-8 [of this Title], shall post  
3 and maintain printed notices of such election on his premises, of  
4 such design, in such numbers, and at such places as the director  
5 may determine to be necessary to give notice thereof to persons  
6 in his service.

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

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

11 (1) Except as hereinafter provided, each employer shall, in  
12 addition to the contributions required by subsections (a), (b), and  
13 (c) of this section, contribute 1/2 of 1% of the wages paid by such  
14 employer to workers with respect to employment unless he is not  
15 a covered employer as defined in section 3 of the [Temporary  
16 Disability Benefits Law] "Temporary Disability Benefits Law"  
17 (C.43:21-27 (a)), except that the rate for the State of New Jersey  
18 shall be 1/10 of 1% for the calendar year 1980 and for the first  
19 six months of 1981. Prior to July 1, 1981 and prior to July 1 each  
20 year thereafter, the controller shall review the experience  
21 accumulated in the account of the State of New Jersey and  
22 establish a rate for the next following fiscal year which, in  
23 combination with worker contributions, will produce sufficient  
24 revenue to keep the account in balance; except that the rate so  
25 established shall not be less than 1/10 of 1%. Such contributions  
26 shall become due and be paid by the employer to the controller  
27 for the State disability benefits fund as established by law, in  
28 accordance with such regulations as may be prescribed, and shall  
29 not be deducted, in whole or in part, from the remuneration of  
30 individuals in his employ. In the payment of any contributions, a  
31 fractional part of a cent shall be disregarded unless it amounts to  
32 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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



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

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

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

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

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

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

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

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

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

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

49 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of  
50 1% of his average annual payroll;

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

53 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
54  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

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

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

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

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

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

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

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

42 (iii) If the percentage determined in accordance with  
43 paragraph (E)(1) of this subsection is less than 3/4 of 1%, but in  
44 excess of 1/4 of 1%, the final employer rates shall be the  
45 preliminary employer rates determined as provided in (D) hereof  
46 increased by the difference between 3/4 of 1% and such  
47 percentage taken to the nearest 5/100 of 1%; provided, however,  
48 that no such final rate shall be more than 1/4 of 1% in the case of  
49 an employer whose preliminary rate is determined as provided in  
50 (D)(2) hereof, more than 1/2 of 1% in the case of an employer  
51 whose preliminary rate is determined as provided in (D)(1) and  
52 (D)(3) hereof, nor more than 3/4 of 1% in the case of an employer  
53 whose preliminary rate is determined as provided in (D)(4) hereof.

54 (iv) If the amount of the State disability benefits fund

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

12 (cf: P.L.1984, c.24, s.5)

13 11. Section 23 of P.L.1948, c.110, (C.43:21-47) amended to  
14 read as follows:

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

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

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

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

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

32 (e) The State Treasurer is hereby authorized and directed to  
 33 requisition and withdraw on or after July 1, 1992 an amount not  
 34 greater than \$25,000,000 <sup>1</sup>from revenues received pursuant to  
 35 paragraph (1) or subsection (e) of R.S.43:21-7<sup>1</sup>, at the discretion  
 36 of the Commissioner of Labor, from the State disability benefits  
 37 fund established pursuant to section 22 of P.L.1948, c.110  
 38 (C.43:21-46) and to deposit that amount in the New Jersey  
 39 Workforce Development Partnership Fund created pursuant to  
 40 section 9 of P.L. , c. (C. )(now pending before the  
 41 Legislature as Assembly, No.1402 of 1992).

42 (cf: P.L.1984, c.24, s.18)

43 12. This act shall take effect immediately.

44  
 45  
 46  
 47  
 48 Reduces unemployment contributions, finances New Jersey  
 49 Workforce Development Partnership Fund.

1 benefits fund to the clearing account of the unemployment  
2 compensation fund, as established under R.S.43:21-9, the sum of  
3 \$25,000,000.00. Such transfer may be made at such times and in  
4 such installments as the State Treasurer may deem proper,  
5 except that the total sum shall have been transferred by no later  
6 than April 30, 1971. Amounts transferred to the clearing account  
7 of the unemployment compensation fund under this subsection  
8 shall be clear immediately and shall be deposited with the  
9 Secretary of the Treasury of the United States of America in  
10 accordance with the provisions of R.S.43:21-9(b).

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

22 (e) The State Treasurer is hereby authorized and directed to  
23 requisition and withdraw on or after July 1, 1992 an amount not  
24 greater than \$25,000,000, at the discretion of the Commissioner  
25 of Labor, from the State disability benefits fund established  
26 pursuant to section 22 of P.L.1948, c.110 (C.43:21-46) and to  
27 deposit that amount in the New Jersey Workforce Development  
28 Partnership Fund created pursuant to section of P.L. , c.  
29 (C. )(now pending before the Legislature as Assembly,  
30 No. of 1992).

31 (cf: P.L.1984, c.24, s.18)

32 12. This act shall take effect immediately.

33

34

35

#### STATEMENT

36

37 This bill redirects 4% of the unemployment insurance payroll  
38 taxes now paid by employers and employees to instead finance  
39 the Workforce Development Partnership Fund established  
40 pursuant to the "1992 New Jersey Employment and Workforce  
41 Development Act," P.L. , c. (C. )(now pending before the  
42 Legislature as Assembly Bill No. of 1992). The purpose of  
43 that fund is to provide employment and training services to  
44 employed and unemployed workers by means of individual training  
45 grants and customized training services.

46 Based on current unemployment tax statistics, the annual  
47 amount redirected would be approximately \$3.80 from the payroll  
48 taxes paid annually by each employee and, on average,  
49 approximately \$11.50 per employee from the payroll taxes paid  
50 annually by each employer. The total rate of payroll taxes is not  
51 being increased for either employers or employees.

52 The bill also provides that an amount not greater than \$25  
53 million may be borrowed from the State disability benefits fund  
54 to be used as "seed money" for the New Jersey Workforce  
55 Development Partnership Fund.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1403**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 10, 1992

The Assembly Labor Committee reports favorably Assembly Bill No. 1403 with committee amendments.

As amended by the committee, the bill reduces the unemployment insurance payroll taxes now paid by employers and employees and simultaneously levies a tax of an identical amount to finance the Workforce Development Partnership Fund established pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L. , c. (C. )(now pending before the Legislature as Assembly Bill No. 1402 of 1992). The purpose of that fund is to provide employment and training services to employed and unemployed workers by means of individual training grants and customized training services.

For an employee, the amount of the unemployment tax reduction and the amount of the new tax for the Workforce Development Partnership Fund would each equal 0.025% of the employee's total wages subject to unemployment taxes. As amended by the committee, the bill provides that in an employer's case, both amounts would be equal to 0.1% of the total wages subject to unemployment taxes.

The bill does not increase the total amount of payroll taxes paid to unemployment insurance and the Workforce Development Partnership Fund combined, but only changes the shares going to each.

The bill also provides that an amount not greater than \$25 million may be borrowed from the State disability benefits fund to be used as "seed money" for the New Jersey Workforce Development Partnership Fund.

As amended by the committee, the provisions of the bill expire on December 31, 1997.

The committee amendments:

1. Provide that the bill will expire on December 31, 1997.
2. Modify the required employer contribution to the New Jersey Workforce Development Partnership Fund. Instead of redirecting 4% of the employer's unemployment insurance contribution to the fund, the amendments redirect to the fund employer unemployment insurance contributions equal to 0.1% of total wages subject to unemployment insurance contributions.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1403

STATE OF NEW JERSEY

DATED: JUNE 15, 1992

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1403 (1R).

Assembly Bill No. 1403 (1R) reduces the unemployment insurance payroll taxes now paid by employers and employees and simultaneously levies a tax of an identical amount to finance the Workforce Development Partnership Fund established pursuant to the "1992 New Jersey Employment and Workforce Development Act," an act now pending before the Legislature as Assembly Bill No. 1402 (1R) of 1992. That fund provides employment and training services to employed and unemployed workers by means of individual training grants and customized training services.

For an employee, the amount of the unemployment tax reduction and the amount of the new tax for the Workforce Development Partnership Fund would each equal 0.025% of the employee's total wages subject to unemployment taxes. In an employer's case, both amounts would be equal to 0.1% of the total wages subject to unemployment taxes.

The bill does not increase the total amount of payroll taxes paid by employers or employees to the unemployment compensation fund and the Workforce Development Partnership Fund, but only changes the shares going to each.

The bill also provides that an amount not greater than \$25 million may be borrowed from the State disability benefits fund to be used as "seed money" for the New Jersey Workforce Development Partnership Fund.

The provisions of the bill expire on December 31, 1997.

FISCAL IMPACT:

The Office of Legislative Services has estimated that the total reduction in unemployment insurance contributions under the bill will be \$50 million in the first year that the program is in effect, representing approximately two percent of the current balance of the unemployment compensation fund. The bill authorizes a \$25 million loan to the program from the State disability benefits fund, repayable with interest at the fund's earnings rate over three years. The balance of that fund has not fallen below \$75 million in the last ten years, and its 1991 calendar year end balance was \$129.2 million; it is unlikely that the State's ability to pay temporary disability benefits will be adversely affected by the bill.

LEGISLATIVE FISCAL ESTIMATE TO

[FIRST REPRINT]

ASSEMBLY, No. 1403

STATE OF NEW JERSEY

DATED: July 2, 1992

Assembly Bill No. 1403 [1R] of 1992 reduces the unemployment insurance payroll taxes now paid by employers and employees and simultaneously levies a tax of an identical amount to finance the Workforce Development Partnership Fund established pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L. , c. (C. ) (now pending before the Legislature as Assembly Bill No. 1402 [1R] of 1992). The purpose of that fund is to provide employment and training services to employed and unemployed workers by means of individual training grants and customized training services.

For an employee, the amount of the unemployment tax reduction and the amount of the new tax for the Workforce Development Partnership Fund would each equal 0.025 percent of the employee's total wages subject to unemployment taxes. In an employer's case, both amounts would be equal to 0.1 percent of the total wages subject to unemployment taxes.

The bill does not increase the total amount of payroll taxes paid to unemployment insurance and the Workforce Development Partnership Fund combined, but only changes the shares going to each.

The bill also provides that an amount not greater than \$25 million may be borrowed from the State disability benefits fund to be used as "seed money" for the Workforce Development Partnership Fund and repaid over three years.

The Department of Labor and the Office of Management and Budget have not provided cost estimates concerning the fiscal impact of this bill.

The Office of Legislative Services (OLS), however, notes that the bill has no fiscal impact on the State.

It is not likely that a redirection of unemployment payroll taxes in the amount provided by the bill will have a significant effect on the unemployment compensation fund. OLS estimates that the total reduction in unemployment insurance contributions because of the provisions of the bill will be \$50 million during the first year that the program is in effect, which represents approximately 2.0 percent of the current balance of the unemployment compensation fund.

Nor is it likely that the State's ability to pay temporary disability benefits will be adversely affected by the bill's authorization of a \$25 million loan to the program from the State disability benefits fund, because the balance of that fund has not fallen below \$75 million at any time during the last decade and was \$129.2 million at the end of calendar year 1991.



A1403 [1R]

2

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.