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P.L. 2002, CHAPTER 13, *approved March 26, 2002*
Senate, No. 20 (*Third Reprint*)

1 AN ACT concerning the provision ²and funding² of ²[health care]²
2 services ²[to low income] and benefits for certain² persons and
3 revising parts of the statutory law.
4

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

8 1. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
9 read as follows:

10 8. There is established the Health Care Subsidy Fund in the
11 Department of Health and Senior Services.

12 a. The fund shall be comprised of revenues from employee and
13 employer contributions made pursuant to section 29 of P.L.1992,
14 c.160 (C.43:21-7b), revenues from the hospital assessment made
15 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues
16 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues
17 from interest and penalties collected pursuant to this act and revenues
18 from such other sources as the Legislature shall determine. Interest
19 earned on the monies in the fund shall be credited to the fund. The
20 fund shall be a nonlapsing fund dedicated for use by the State to: (1)
21 distribute charity care and other uncompensated care disproportionate
22 share payments to hospitals, and other eligible providers pursuant to
23 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for
24 the Health Access New Jersey program established pursuant to section
25 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for
26 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1
27 et seq.); **[and]** (2) assist hospitals and other health care facilities in the
28 underwriting of innovative and necessary health care services; and (3)
29 provide for the payment ¹in State fiscal year 2002 ¹ of appropriate
30 Medicaid expenses, subject to the approval of the Director of the
31 Division of Budget and Accounting.

32 b. The fund shall be administered by a person appointed by the
33 commissioner.

34 The administrator of the fund is responsible for overseeing and
35 coordinating the collection and reimbursement of fund monies. The
36 administrator is responsible for promptly informing the commissioner
37 if monies are not or are not reasonably expected to be collected or

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SLA committee amendments adopted March 14, 2002.

² Senate SBA committee amendments adopted March 21, 2002.

³ Assembly floor amendments adopted March 25, 2002.

1 disbursed.

2 c. The commissioner shall adopt rules and regulations to ensure
3 the integrity of the fund, pursuant to the "Administrative Procedure
4 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

5 d. The administrator shall establish separate accounts for the
6 charity care component of the disproportionate share hospital subsidy,
7 other uncompensated care component of the disproportionate share
8 hospital subsidy, hospital and other health care initiatives funding and
9 the payments for subsidies for insurance premiums to provide care in
10 disproportionate share hospitals, known as the Health Access New
11 Jersey subsidy account, respectively.

12 e. In the event that the charity care component of the
13 disproportionate share hospital subsidy account has a surplus in a
14 given year after payments are distributed pursuant to the methodology
15 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
16 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the
17 limitations provided in subsection e. of section 9 of P.L.1992, c.160
18 (C.26:2H-18.59), the surplus monies in calendar years [1996] 2002
19 and [1997] 2003 shall lapse to the unemployment compensation fund
20 established pursuant to R.S.43:21-9, and each year thereafter shall
21 lapse to the charity care component of the disproportionate share
22 hospital subsidy account for distribution in subsequent years.
23 (cf: P.L.1998, c.37, s.1)

24

25 ²2. R.S.43:21-4 is amended to read as follows:

26 43:21-4. Benefit eligibility conditions. An unemployed individual
27 shall be eligible to receive benefits with respect to any week only if:

28 (a) The individual has filed a claim at an unemployment insurance
29 claims office and thereafter continues to report at an employment
30 service office or unemployment insurance claims office, as directed by
31 the division in accordance with such regulations as the division may
32 prescribe, except that the division may, by regulation, waive or alter
33 either or both of the requirements of this subsection as to individuals
34 attached to regular jobs, and as to such other types of cases or
35 situations with respect to which the division finds that compliance with
36 such requirements would be oppressive, or would be inconsistent with
37 the purpose of this act; provided that no such regulation shall conflict
38 with subsection (a) of R.S.43:21-3.

39 (b) The individual has made a claim for benefits in accordance with
40 the provisions of subsection (a) of R.S.43:21-6.

41 (c) (1) The individual is able to work, and is available for work, and
42 has demonstrated to be actively seeking work, except as hereinafter
43 provided in this subsection or in subsection (f) of this section.

44 (2) The director may modify the requirement of actively seeking
45 work if such modification of this requirement is warranted by
46 economic conditions.

1 (3) No individual, who is otherwise eligible, shall be deemed
2 ineligible, or unavailable for work, because the individual is on
3 vacation, without pay, during said week, if said vacation is not the
4 result of the individual's own action as distinguished from any
5 collective action of a collective bargaining agent or other action
6 beyond the individual's control.

7 (4) (A) Subject to such limitations and conditions as the division
8 may prescribe, an individual, who is otherwise eligible, shall not be
9 deemed unavailable for work or ineligible because the individual is
10 attending a training program approved for the individual by the
11 division to enhance the individual's employment opportunities or
12 because the individual failed or refused to accept work while attending
13 such program.

14 (B) For the purpose of this paragraph (4), any training program
15 shall be regarded as approved by the division for the individual if the
16 program and the individual meet the following requirements:

17 (i) The training is for a labor demand occupation and is likely to
18 enhance the individual's marketable skills and earning power;

19 (ii) The training is provided by a competent and reliable private or
20 public entity approved by the Commissioner of Labor pursuant to the
21 provisions of section 8 of the "1992 New Jersey Employment and
22 Workforce Development Act," P.L.1992, c.43 (C.34:15D-8);

23 (iii) The individual can reasonably be expected to complete the
24 program, either during or after the period of benefits;

25 (iv) The training does not include on the job training or other
26 training under which the individual is paid by an employer for work
27 performed by the individual during the time that the individual receives
28 benefits; and

29 (v) The individual enrolls in vocational training, remedial education
30 or a combination of both on a full-time basis.

31 (C) If the requirements of subparagraph (B) of this paragraph (4)
32 are met, the division shall not withhold approval of the training
33 program for the individual for any of the following reasons:

34 (i) The training includes remedial basic skills education necessary
35 for the individual to successfully complete the vocational component
36 of the training;

37 (ii) The training is provided in connection with a program under
38 which the individual may obtain a college degree, including a
39 post-graduate degree;

40 (iii) The length of the training period under the program; or

41 (iv) The lack of a prior guarantee of employment upon completion
42 of the training.

43 (D) For the purpose of this paragraph (4), "labor demand
44 occupation" means an occupation for which there is or is likely to be
45 an excess of demand over supply for adequately trained workers,
46 including, but not limited to, an occupation designated as a labor

1 demand occupation by the New Jersey Occupational Information
2 Coordinating Committee pursuant to the provisions of subsection h.
3 of section 1 of P.L.1987, c.457 (C.34:1A-76) or section 12 of
4 P.L.1992, c.43 (C.34:1A-78).

5 (5) An unemployed individual, who is otherwise eligible, shall not
6 be deemed unavailable for work or ineligible solely by reason of the
7 individual's attendance before a court in response to a summons for
8 service on a jury.

9 (6) An unemployed individual, who is otherwise eligible, shall not
10 be deemed unavailable for work or ineligible solely by reason of the
11 individual's attendance at the funeral of an immediate family member,
12 provided that the duration of the attendance does not extend beyond
13 a two-day period.

14 For purposes of this paragraph, "immediate family member"
15 includes any of the following individuals: father, mother,
16 mother-in-law, father-in-law, grandmother, grandfather, grandchild,
17 spouse, child, foster child, sister or brother of the unemployed
18 individual and any relatives of the unemployed individual residing in
19 the unemployed individual's household.

20 (7) No individual, who is otherwise eligible, shall be deemed
21 ineligible or unavailable for work with respect to any week because,
22 during that week, the individual fails or refuses to accept work while
23 the individual is participating on a full-time basis in self-employment
24 assistance activities authorized by the division, whether or not the
25 individual is receiving a self-employment allowance during that week.

26 (8) Any individual who is determined to be likely to exhaust
27 regular benefits and need reemployment services based on information
28 obtained by the worker profiling system shall not be eligible to receive
29 benefits if the individual fails to participate in available reemployment
30 services to which the individual is referred by the division or in similar
31 services, unless the division determines that:

32 (A) The individual has completed the reemployment services; or

33 (B) There is justifiable cause for the failure to participate, which
34 shall include participation in employment and training,
35 self-employment assistance activities or other activities authorized by
36 the division to assist reemployment or enhance the marketable skills
37 and earning power of the individual and which shall include any other
38 circumstance indicated pursuant to this section in which an individual
39 is not required to be available for and actively seeking work to receive
40 benefits.

41 (d) 【The】 With respect to any benefit year commencing before
42 January 1, 2002, the individual has been totally or partially
43 unemployed for a waiting period of one week in the benefit year which
44 includes that week. When benefits become payable with respect to the
45 third consecutive week next following the waiting period, the
46 individual shall be eligible to receive benefits as appropriate with

1 respect to the waiting period. No week shall be counted as a week of
2 unemployment for the purposes of this subsection:

3 (1) If benefits have been paid, or are payable with respect thereto;
4 provided that the requirements of this paragraph shall be waived with
5 respect to any benefits paid or payable for a waiting period as provided
6 in this subsection;

7 (2) If it has constituted a waiting period week under the
8 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
9 seq.);

10 (3) Unless the individual fulfills the requirements of subsections (a)
11 and (c) of this section;

12 (4) If with respect thereto, claimant was disqualified for benefits
13 in accordance with the provisions of subsection (d) of R.S.43:21-5.

14 The waiting period provided by this subsection shall not apply to
15 benefit years commencing on or after January 1, 2002. An individual
16 whose total benefit amount was reduced by the application of the
17 waiting period to a claim which occurred on or after January 1, 2002
18 and before the effective date of P.L. , c. (now pending before the
19 Legislature as this bill), shall be permitted to file a claim for the
20 additional benefits attributable to the waiting period in the form and
21 manner prescribed by the division, but not later than the 180th day
22 following the effective date of P.L. , c. (now pending before the
23 Legislature as this bill) unless the division determines that there is
24 good cause for a later filing.

25 (e) (1) (Deleted by amendment, P.L.2001, c.17).

26 (2) With respect to benefit years commencing on or after January
27 1, 1996 and before January 7, 2001, except as otherwise provided in
28 paragraph (3) of this subsection, the individual has, during his base
29 year as defined in subsection (c) of R.S.43:21-19:

30 (A) Established at least 20 base weeks as defined in paragraph (2)
31 of subsection (t) of R.S.43:21-19; or

32 (B) If the individual has not met the requirements of subparagraph
33 (A) of this paragraph (2), earned remuneration not less than an amount
34 12 times the Statewide average weekly remuneration paid to workers,
35 as determined under R.S.43:21-3(c), which amount shall be adjusted
36 to the next higher multiple of \$100.00 if not already a multiple thereof;
37 or

38 (C) If the individual has not met the requirements of subparagraph
39 (A) or (B) of this paragraph (2), earned remuneration not less than an
40 amount 1,000 times the minimum wage in effect pursuant to section
41 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar
42 year preceding the calendar year in which the benefit year commences,
43 which amount shall be adjusted to the next higher multiple of \$100.00
44 if not already a multiple thereof.

45 (3) With respect to benefit years commencing before January 7,
46 2001, notwithstanding the provisions of paragraph (2) of this

1 subsection, an unemployed individual claiming benefits on the basis of
2 service performed in the production and harvesting of agricultural
3 crops shall, subject to the limitations of subsection (i) of R.S.43:21-19,
4 be eligible to receive benefits if during his base year, as defined in
5 subsection (c) of R.S.43:21-19, the individual:

6 (A) Has established at least 20 base weeks as defined in paragraph
7 (2) of subsection (t) of R.S.43:21-19; or

8 (B) Has earned 12 times the Statewide average weekly
9 remuneration paid to workers, as determined under R.S.43:21-3(c),
10 raised to the next higher multiple of \$100.00 if not already a multiple
11 thereof, or more; or

12 (C) Has performed at least 770 hours of service in the production
13 and harvesting of agricultural crops.

14 (4) With respect to benefit years commencing on or after January
15 7, 2001, except as otherwise provided in paragraph (5) of this
16 subsection, the individual has, during his base year as defined in
17 subsection (c) of R.S.43:21-19:

18 (A) Established at least 20 base weeks as defined in paragraphs (2)
19 and (3) of subsection (t) of R.S.43:21-19; or

20 (B) If the individual has not met the requirements of subparagraph
21 (A) of this paragraph (4), earned remuneration not less than an amount
22 1,000 times the minimum wage in effect pursuant to section 5 of
23 P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year
24 preceding the calendar year in which the benefit year commences,
25 which amount shall be adjusted to the next higher multiple of \$100 if
26 not already a multiple thereof.

27 (5) With respect to benefit years commencing on or after January
28 7, 2001, notwithstanding the provisions of paragraph (4) of this
29 subsection, an unemployed individual claiming benefits on the basis of
30 service performed in the production and harvesting of agricultural
31 crops shall, subject to the limitations of subsection (i) of R.S.43:21-19,
32 be eligible to receive benefits if during his base year, as defined in
33 subsection (c) of R.S.43:21-19, the individual:

34 (A) Has established at least 20 base weeks as defined in paragraphs
35 (2) and (3) of subsection (t) of R.S.43:21-19; or

36 (B) Has earned remuneration not less than an amount 1,000 times
37 the minimum wage in effect pursuant to section 5 of P.L.1966, c.113
38 (C.34:11-56a4) on October 1 of the calendar year preceding the
39 calendar year in which the benefit year commences, which amount
40 shall be adjusted to the next higher multiple of \$100 if not already a
41 multiple thereof; or

42 (C) Has performed at least 770 hours of service in the production
43 and harvesting of agricultural crops.

44 (6) The individual applying for benefits in any successive benefit
45 year has earned at least six times his previous weekly benefit amount
46 and has had four weeks of employment since the beginning of the

1 immediately preceding benefit year. This provision shall be in addition
2 to the earnings requirements specified in paragraph (2), (3), (4) or (5)
3 of this subsection, as applicable.

4 (f) (1) The individual has suffered any accident or sickness not
5 compensable under the workers' compensation law, R.S.34:15-1 et
6 seq. and resulting in the individual's total disability to perform any
7 work for remuneration, and would be eligible to receive benefits under
8 this chapter (R.S.43:21-1 et seq.) (without regard to the maximum
9 amount of benefits payable during any benefit year) except for the
10 inability to work and has furnished notice and proof of claim to the
11 division, in accordance with its rules and regulations, and payment is
12 not precluded by the provisions of R.S.43:21-3(d); provided, however,
13 that benefits paid under this subsection (f) shall be computed on the
14 basis of only those base year wages earned by the claimant as a
15 "covered individual," as defined in R.S.43:21-27(b); provided further
16 that no benefits shall be payable under this subsection to any
17 individual:

18 (A) For any period during which such individual is not under the
19 care of a legally licensed physician, dentist, optometrist, podiatrist,
20 practicing psychologist or chiropractor;

21 (B) (Deleted by amendment, P.L.1980, c.90.)

22 (C) For any period of disability due to willfully or intentionally
23 self-inflicted injury, or to injuries sustained in the perpetration by the
24 individual of a crime of the first, second or third degree;

25 (D) For any week with respect to which or a part of which the
26 individual has received or is seeking benefits under any unemployment
27 compensation or disability benefits law of any other state or of the
28 United States; provided that if the appropriate agency of such other
29 state or the United States finally determines that the individual is not
30 entitled to such benefits, this disqualification shall not apply;

31 (E) For any week with respect to which or part of which the
32 individual has received or is seeking disability benefits under the
33 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
34 seq.);

35 (F) For any period of disability commencing while such individual
36 is a "covered individual," as defined in subsection (b) of section 3 of
37 the "Temporary Disability Benefits Law," P.L.1948, c.110
38 (C.43:21-27).

39 (2) Benefit payments under this subsection (f) shall be charged to
40 and paid from the State disability benefits fund established by the
41 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
42 seq.), and shall not be charged to any employer account in computing
43 any employer's experience rate for contributions payable under this
44 chapter.

45 (g) Benefits based on service in employment defined in
46 subparagraphs (B) and (C) of R.S.43:21-19(i)(1) shall be payable in

1 the same amount and on the terms and subject to the same conditions
2 as benefits payable on the basis of other service subject to the
3 "unemployment compensation law"; except that, notwithstanding any
4 other provisions of the "unemployment compensation law":

5 (1) With respect to service performed after December 31, 1977, in
6 an instructional research, or principal administrative capacity for an
7 educational institution, benefits shall not be paid based on such
8 services for any week of unemployment commencing during the period
9 between two successive academic years, or during a similar period
10 between two regular terms, whether or not successive, or during a
11 period of paid sabbatical leave provided for in the individual's contract,
12 to any individual if such individual performs such services in the first
13 of such academic years (or terms) and if there is a contract or a
14 reasonable assurance that such individual will perform services in any
15 such capacity for any educational institution in the second of such
16 academic years or terms;

17 (2) With respect to weeks of unemployment beginning after
18 September 3, 1982, on the basis of service performed in any other
19 capacity for an educational institution, benefits shall not be paid on the
20 basis of such services to any individual for any week which commences
21 during a period between two successive academic years or terms if
22 such individual performs such services in the first of such academic
23 years or terms and there is a reasonable assurance that such individual
24 will perform such services in the second of such academic years or
25 terms, except that if benefits are denied to any individual under this
26 paragraph (2) and the individual was not offered an opportunity to
27 perform these services for the educational institution for the second of
28 any academic years or terms, the individual shall be entitled to a
29 retroactive payment of benefits for each week for which the individual
30 filed a timely claim for benefits and for which benefits were denied
31 solely by reason of this clause;

32 (3) With respect to those services described in paragraphs (1) and
33 (2) above, benefits shall not be paid on the basis of such services to
34 any individual for any week which commences during an established
35 and customary vacation period or holiday recess if such individual
36 performs such services in the period immediately before such vacation
37 period or holiday recess, and there is a reasonable assurance that such
38 individual will perform such services in the period immediately
39 following such period or holiday recess;

40 (4) With respect to any services described in paragraphs (1) and
41 (2) above, benefits shall not be paid as specified in paragraphs (1), (2),
42 and (3) above to any individual who performed those services in an
43 educational institution while in the employ of an educational service
44 agency, and for this purpose the term "educational service agency"
45 means a governmental agency or governmental entity which is
46 established and operated exclusively for the purpose of providing

1 those services to one or more educational institutions.

2 (h) Benefits shall not be paid to any individual on the basis of any
3 services, substantially all of which consist of participating in sports or
4 athletic events or training or preparing to so participate, for any week
5 which commences during the period between two successive sports
6 seasons (or similar periods) if such individual performed such services
7 in the first of such seasons (or similar periods) and there is a
8 reasonable assurance that such individual will perform such services in
9 the later of such seasons (or similar periods).

10 (i) (1) Benefits shall not be paid on the basis of services performed
11 by an alien unless such alien is an individual who was lawfully admitted
12 for permanent residence at the time the services were performed and
13 was lawfully present for the purpose of performing the services or
14 otherwise was permanently residing in the United States under color
15 of law at the time the services were performed (including an alien who
16 is lawfully present in the United States as a result of the application of
17 the provisions of section 212(d)(5) (8 U.S.C. s.1182 (d)(5)) of the
18 Immigration and Nationality Act (8 U.S.C. s.1101 et seq.)); provided
19 that any modifications of the provisions of section 3304(a)(14) of the
20 Federal Unemployment Tax Act (26 U.S.C. s.3304 (a)(14)), as
21 provided by Pub.L.94-566, which specify other conditions or other
22 effective dates than stated herein for the denial of benefits based on
23 services performed by aliens and which modifications are required to
24 be implemented under State law as a condition for full tax credit
25 against the tax imposed by the Federal Unemployment Tax Act, shall
26 be deemed applicable under the provisions of this section.

27 (2) Any data or information required of individuals applying for
28 benefits to determine whether benefits are not payable to them because
29 of their alien status shall be uniformly required from all applicants for
30 benefits.

31 (3) In the case of an individual whose application for benefits
32 would otherwise be approved, no determination that benefits to such
33 individual are not payable because of alien status shall be made except
34 upon a preponderance of the evidence.

35 (j) Notwithstanding any other provision of this chapter, the
36 director may, to the extent that it may be deemed efficient and
37 economical, provide for consolidated administration by one or more
38 representatives or deputies of claims made pursuant to subsection (f)
39 of this section with those made pursuant to Article III (State plan) of
40 the "Temporary Disability Benefits Law," P.L.1948, c.110
41 (C.43:21-25 et seq.).²
42 (cf: P.L.2001, c.17, s.1)

43

44 ²[2.] 3.² R.S.43:21-7 is amended to read as follows:

45 43:21-7. Contributions. Employers other than governmental
46 entities, whose benefit financing provisions are set forth in section 4

1 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
2 liable for payment in lieu of contributions on the basis set forth in
3 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
4 for the unemployment compensation fund, contributions as set forth
5 in subsections (a), (b) and (c) hereof, and the provisions of subsections
6 (d) and (e) shall be applicable to all employers, consistent with the
7 provisions of the "unemployment compensation law" and the
8 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
9 seq.).

10 (a) Payment.

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

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

22 (b) Rate of contributions. Each employer shall pay the following
23 contributions:

24 (1) For the calendar year 1947, and each calendar year thereafter,
25 $2\frac{7}{10}\%$ of wages paid by him during each such calendar year, except
26 as otherwise prescribed by subsection (c) of this section.

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

46 (3) For calendar years beginning on and after January 1, 1976, the

1 "wages" of any individual, as defined in the preceding paragraph (2)
2 of this subsection (b), shall be established and promulgated by the
3 Commissioner of Labor on or before September 1 of the preceding
4 year and shall be 28 times the Statewide average weekly remuneration
5 paid to workers by employers, as determined under R.S.43:21-3(c),
6 raised to the next higher multiple of \$100.00 if not already a multiple
7 thereof, provided that if the amount of wages so determined for a
8 calendar year is less than the amount similarly determined for the
9 preceding year, the greater amount will be used; provided, further, that
10 if the amount of such wages so determined does not equal or exceed
11 the amount of wages as defined in subsection (b) of section 3306 of
12 the Federal Unemployment Tax Act, Chapter 23 of the Internal
13 Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined
14 in this paragraph in any calendar year shall be raised to equal the
15 amount established under the Federal Unemployment Tax Act for that
16 calendar year.

17 (c) Future rates based on benefit experience.

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

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

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

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

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

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

35 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than
36 5%, of his average annual payroll (as defined in paragraph (2),
37 subsection (a) of R.S.43:21-19);

38 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than
39 6%, of his average annual payroll;

40 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than
41 7%, of his average annual payroll;

42 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than
43 8%, of his average annual payroll;

44 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than
45 9%, of his average annual payroll;

46 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,

1 of his average annual payroll;

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

4 (8) $\frac{4}{10}$ 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), is
8 less than the total benefits charged against his account during the same
9 period, his rate shall be:

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

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

14 (3) $4\frac{6}{10}$ %, if such excess equals or exceeds 20% of his average
15 annual payroll.

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

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

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

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

1 If on March 31 of any calendar year the balance of the
2 unemployment trust fund is less than 2 1/2% of the total taxable wages
3 reported to the controller as of that date in respect to employment
4 during the preceding calendar year, the contribution rate, effective July
5 1 following, of each employer (1) eligible for a contribution rate
6 calculation based upon benefit experience, shall be increased by (i)
7 6/10 of 1% over the contribution rate otherwise established under the
8 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
9 (ii) an additional amount equal to 20% of the total rate established
10 herein, provided, however, that the final contribution rate for each
11 employer shall be computed to the nearest multiple of 1/10% if not
12 already a multiple thereof; (2) not eligible for a contribution rate
13 calculation based upon benefit experience, shall be increased by 6/10
14 of 1% over the contribution rate otherwise established under the
15 provisions of paragraph (4) of this subsection. For the period
16 commencing July 1, 1984 and ending June 30, 1986, the contribution
17 rate for each employer liable to pay contributions under R.S.43:21-7
18 shall be increased by a factor of 10% computed to the nearest multiple
19 of 1/10% if not already a multiple thereof.

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

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

1 administration of the "unemployment compensation law."

2 (D) Prior to July 1 of each calendar year the controller shall
3 determine the Unemployment Trust Reserve Ratio, which shall be
4 calculated by dividing the balance of the unemployment trust fund as
5 of the prior March 31 by total taxable wages reported to the controller
6 by all employers as of March 31 with respect to their employment
7 during the last calendar year.

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

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

10 (iii) With respect to experience rating years beginning on or after
11 July 1, 1998 ¹and before July 1, 2002¹, the new employer rate or the
12 unemployment experience rate of an employer under this section shall
13 be the rate which appears in the column headed by the Unemployment
14 Trust Fund Reserve Ratio as of the applicable calculation date and on
15 the line with the Employer Reserve Ratio, as defined in paragraph 4 of
16 this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

17 EXPERIENCE RATING TAX TABLE

18 Fund Reserve Ratio¹

	4.50%	3.50%	3.00%	2.50%	2.49%
Employer	and	to	to	to	and
Reserve	Over	4.49%	3.49%	2.99%	Under
Ratio ²	A	B	C	D	E
24 Positive Reserve Ratio:					
25 17% and over	0.3	0.4	0.5	0.6	1.2
26 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
27 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
28 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
29 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
30 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
31 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
32 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
33 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
34 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
35 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
36 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
37 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
38 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
39 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
40 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
41 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
42 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
43 Deficit Reserve Ratio:					
44 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
45 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
46 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3

1	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
2	-12.00%to-14.99%	3.6	4.6	5.4	6.0	6.5
3	-15.00%to-19.99%	3.6	4.6	5.5	6.1	6.6
4	-20.00%to-24.99%	3.7	4.7	5.6	6.2	6.7
5	-25.00%to-29.99%	3.7	4.8	5.6	6.3	6.8
6	-30.00%to-34.99%	3.8	4.8	5.7	6.3	6.9
7	-35.00% and under	5.4	5.4	5.8	6.4	7.0
8	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

13 (iv) With respect to experience rating years beginning on or after
14 July 1, 2002, the new employer rate or the unemployment experience
15 rate of an employer under this section shall be the rate which appears
16 in the column headed by the Unemployment Trust Fund Reserve Ratio
17 as of the applicable calculation date and on the line with the Employer
18 Reserve Ratio, as defined in paragraph 4 of this subsection
19 (R.S.43:21-7 (c)(4)), as set forth in the following table:

20

21 EXPERIENCE RATING TAX TABLE

22 Fund Reserve Ratio¹

23

24		<u>3.50%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.00%</u>	<u>1.99%</u>
25	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
26	<u>Reserve</u>	<u>Over</u>	<u>3.49%</u>	<u>2.99%</u>	<u>2.49%</u>	<u>Under</u>
27	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>

28 Positive Reserve Ratio:

29	<u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
30	<u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
31	<u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
32	<u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
33	<u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
34	<u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
35	<u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
36	<u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
37	<u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
38	<u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
39	<u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
40	<u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
41	<u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
42	<u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
43	<u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
44	<u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
45	<u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
46	<u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>

1	<u>Deficit Reserve Ratio:</u>					
2	<u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
3	<u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
4	<u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
5	<u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
6	<u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
7	<u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
8	<u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
9	<u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
10	<u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
11	<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
12	<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

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

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

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

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

25 (G) On or after January 1, 1993, notwithstanding any other
26 provisions of this paragraph (5), the contribution rate for each
27 employer liable to pay contributions, as computed under subparagraph
28 (E) of this paragraph (5), shall be decreased by 0.1%, except that,
29 during any experience rating year starting before January 1, 1998 in
30 which the fund reserve ratio is equal to or greater than 7.00% or
31 during any experience rating year starting on or after January 1, 1998,
32 in which the fund reserve ratio is equal to or greater than 3.5%, there
33 shall be no decrease pursuant to this subparagraph (G) in the
34 contribution of any employer who has a deficit reserve ratio of
35 negative 35.00% or under.

36 (H) On or after January 1, 1993 until December 31, 1993,
37 notwithstanding any other provisions of this paragraph (5), the
38 contribution rate for each employer liable to pay contributions, as
39 computed under subparagraph (E) of this paragraph (5), shall be
40 decreased by a factor of 52.0% computed to the nearest multiple of
41 1/10%, except that, if an employer has a deficit reserve ratio of
42 negative 35.0% or under, the employer's rate of contribution shall not
43 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
44 amount of the reduction in the employer contributions stipulated by
45 this subparagraph (H) shall be in addition to the amount of the
46 reduction in the employer contributions stipulated by subparagraph (G)

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

6 On or after January 1, 1994 until December 31, 1995, except as
7 provided pursuant to subparagraph (I) of this paragraph (5),
8 notwithstanding any other provisions of this paragraph (5), the
9 contribution rate for each employer liable to pay contributions, as
10 computed under subparagraph (E) of this paragraph (5), shall be
11 decreased by a factor of 36.0% computed to the nearest multiple of
12 1/10%, except that, if an employer has a deficit reserve ratio of
13 negative 35.0% or under, the employer's rate of contribution shall not
14 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
15 amount of the reduction in the employer contributions stipulated by
16 this subparagraph (H) shall be in addition to the amount of the
17 reduction in the employer contributions stipulated by subparagraph (G)
18 of this paragraph (5), except that the rate of contribution of an
19 employer who has a deficit reserve ratio of negative 35.0% or under
20 shall not be reduced pursuant to this subparagraph (H) to less than
21 5.4% and the rate of contribution of any other employer shall not be
22 reduced to less than 0.0%.

23 On or after April 1, 1996 until December 31, 1996, the contribution
24 rate for each employer liable to pay contributions, as computed under
25 subparagraph (E) of this paragraph (5), shall be decreased by a factor
26 of 25.0% computed to the nearest multiple of 1/10%, except that, if
27 an employer has a deficit reserve ratio of negative 35.0% or under, the
28 employer's rate of contribution shall not be reduced pursuant to this
29 subparagraph (H) to less than 5.4%. The amount of the reduction in
30 the employer contributions stipulated by this subparagraph (H) shall
31 be in addition to the amount of the reduction in the employer
32 contributions stipulated by subparagraph (G) of this paragraph (5),
33 except that the rate of contribution of an employer who has a deficit
34 reserve ratio of negative 35.0% or under shall not be reduced pursuant
35 to this subparagraph (H) to less than 5.4% and the rate of contribution
36 of any other employer shall not be reduced to less than 0.0%.

37 On or after January 1, 1997 until December 31, 1997, the
38 contribution rate for each employer liable to pay contributions, as
39 computed under subparagraph (E) of this paragraph (5), shall be
40 decreased by a factor of 10.0% computed to the nearest multiple of
41 1/10%, except that, if an employer has a deficit reserve ratio of
42 negative 35.0% or under, the employer's rate of contribution shall not
43 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
44 amount of the reduction in the employer contributions stipulated by
45 this subparagraph (H) shall be in addition to the amount of the
46 reduction in the employer contributions stipulated by subparagraph (G)

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

6 On and after January 1, 1998 until December 31, 2000 and on or
7 after January 1, 2002 until June 30, ¹~~[2004]~~ ³~~[2002¹]~~ 2003³, the
8 contribution rate for each employer liable to pay contributions, as
9 computed under subparagraph (E) of this paragraph (5), shall be
10 decreased each calendar year by a factor, as set out below, computed
11 to the nearest multiple of 1/10%, except that, if an employer has a
12 deficit reserve ratio of negative 35.0% or under, the employer's rate of
13 contribution shall not be reduced pursuant to this subparagraph (H) to
14 less than 5.4%:

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

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

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

18 From January 1, 2002 until June 30, 2002, a factor of 36%;

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

20 From July 1, 2003 until December 31, 2004, a factor of 7%;]¹

21 ³From July 1, 2002 until June 30, 2003, a factor of 15%.³

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

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

34 If, upon calculating the unemployment compensation fund reserve
35 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
36 March 31, 1998 or March 31, 1999, the controller finds that the fund
37 reserve ratio has decreased to a level of less than 3.00%, the
38 Commissioner of Labor shall notify the State Treasurer of this fact and
39 of the dollar amount necessary to bring the fund reserve ratio up to a
40 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
41 March 31, 1998 or March 31, 1999, as applicable, transfer from the
42 General Fund to the unemployment compensation fund, revenues in
43 the amount specified by the commissioner and which, upon deposit in
44 the unemployment compensation fund, shall result, upon recalculation,
45 in a fund reserve ratio used to determine employer contributions
46 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of

1 at least 3.00%.

2 If, upon calculating the unemployment compensation fund reserve
3 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the
4 controller finds that the fund reserve ratio has decreased to a level of
5 less than 3.00%, the Commissioner of Labor shall notify the State
6 Treasurer of this fact and of the dollar amount necessary to bring the
7 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,
8 prior to March 31, 2000, transfer from the General Fund to the
9 unemployment compensation fund, revenues in the amount specified
10 by the commissioner and which, upon deposit in the unemployment
11 compensation fund, shall result, upon recalculation, in a fund reserve
12 ratio used to determine employer contributions beginning July 1, 2000
13 of at least 3.00%.

14 (J) On or after July 1, 2001, notwithstanding any other provisions
15 of this paragraph (5), the contribution rate for each employer liable to
16 pay contributions, as computed under subparagraph (E) of this
17 paragraph (5), shall be decreased by 0.0175%, except that, during any
18 experience rating year starting on or after July 1, 2001, in which the
19 fund reserve ratio is equal to or greater than 3.5%, there shall be no
20 decrease pursuant to this subparagraph (J) in the contribution of any
21 employer who has a deficit reserve ratio of negative 35.00% or under.
22 The amount of the reduction in the employer contributions stipulated
23 by this subparagraph (J) shall be in addition to the amount of the
24 reduction in the employer contributions stipulated by subparagraphs
25 (G) and (H) of this paragraph (5), except that the rate of contribution
26 of an employer who has a deficit reserve ratio of negative 35.0% or
27 under shall not be reduced pursuant to this subparagraph (J) to less
28 than 5.4% and the rate of contribution of any other employer shall not
29 be reduced to less than 0.0%.

30 (6) Additional contributions.

31 Notwithstanding any other provision of law, any employer who has
32 been assigned a contribution rate pursuant to subsection (c) of this
33 section for the year commencing July 1, 1948, and for any year
34 commencing July 1 thereafter, may voluntarily make payment of
35 additional contributions, and upon such payment shall receive a
36 recomputation of the experience rate applicable to such employer,
37 including in the calculation the additional contribution so made. Any
38 such additional contribution shall be made during the 30-day period
39 following the date of the mailing to the employer of the notice of his
40 contribution rate as prescribed in this section, unless, for good cause,
41 the time for payment has been extended by the controller for not to
42 exceed an additional 60 days; provided that in no event may such
43 payments which are made later than 120 days after the beginning of
44 the year for which such rates are effective be considered in
45 determining the experience rate for the year in which the payment is
46 made. Any employer receiving any extended period of time within

1 which to make such additional payment and failing to make such
2 payment timely shall be, in addition to the required amount of
3 additional payment, a penalty of 5% thereof or \$5.00, whichever is
4 greater, not to exceed \$50.00. Any adjustment under this subsection
5 shall be made only in the form of credits against accrued or future
6 contributions.

7 (7) Transfers.

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

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

46 (C) A transfer of the employment experience in whole or in part

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

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

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

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

35 (C) (i) Notwithstanding the above provisions of this paragraph (1),
36 during the period starting July 1, 1986 and ending December 31, 1992,
37 each worker shall contribute to the fund 1.125% of wages paid with
38 respect to his employment with a governmental employer electing or
39 required to pay contributions or nongovernmental employer, including
40 a nonprofit organization which is an employer as defined under
41 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
42 elects or is required to finance its benefit costs with contributions to
43 the fund or by payments in lieu of contributions, after that employer
44 has satisfied the conditions set forth in subsection R.S.43:21-19(h)
45 with respect to becoming an employer. Contributions, however, shall
46 be at the rate of 0.625% while the worker is covered by an approved

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

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

15 (D) Notwithstanding any other provisions of this paragraph (1),
16 during the period starting January 1, 1993 and ending June 30, 1994,
17 each worker shall contribute to the unemployment compensation fund
18 0.5% of wages paid with respect to the worker's employment with a
19 governmental employer electing or required to pay contributions or
20 nongovernmental employer, including a nonprofit organization which
21 is an employer as defined under paragraph (6) of subsection (h) of
22 R.S.43:21-19, regardless of whether that nonprofit organization elects
23 or is required to finance its benefit costs with contributions to the fund
24 or by payments in lieu of contributions, after that employer has
25 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
26 with respect to becoming an employer. No contributions, however,
27 shall be made by the worker while the worker is covered by an
28 approved private plan under the "Temporary Disability Benefits Law,"
29 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
30 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
31 provision of that law; provided that the contributions shall be at the
32 rate of 0.50% of wages paid with respect to employment with the
33 State of New Jersey or any other governmental entity or
34 instrumentality electing or required to make payments in lieu of
35 contributions and which is covered by the State plan under the
36 "Temporary Disability Benefits Law," except that, while the worker is
37 exempt from the provisions of the "Temporary Disability Benefits
38 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
39 other provision of that law, or is covered for disability benefits by an
40 approved private plan of the employer, no contributions shall be made
41 to the fund.

42 Each worker shall, starting on January 1, 1996 and ending March
43 31, 1996, contribute to the unemployment compensation fund 0.60%
44 of wages paid with respect to the worker's employment with a
45 governmental employer electing or required to pay contributions or
46 nongovernmental employer, including a nonprofit organization which

1 is an employer as defined under paragraph (6) of subsection (h) of
2 R.S.43:21-19, regardless of whether that nonprofit organization elects
3 or is required to finance its benefit costs with contributions to the fund
4 or by payments in lieu of contributions, after that employer has
5 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
6 with respect to becoming an employer, provided that the contributions
7 shall be at the rate of 0.10% of wages paid with respect to
8 employment with the State of New Jersey or any other governmental
9 entity or instrumentality electing or required to make payments in lieu
10 of contributions.

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

26 Each worker shall, starting on January 1, 1999 until December 31,
27 1999, contribute to the unemployment compensation fund 0.15% of
28 wages paid with respect to the worker's employment with a
29 governmental employer electing or required to pay contributions or
30 nongovernmental employer, including a nonprofit organization which
31 is an employer as defined under paragraph (6) of subsection (h) of
32 R.S.43:21-19, regardless of whether that nonprofit organization elects
33 or is required to finance its benefit costs with contributions to the fund
34 or by payments in lieu of contributions, after that employer has
35 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
36 with respect to becoming an employer, provided that the contributions
37 shall be at the rate of 0.10% of wages paid with respect to
38 employment with the State of New Jersey or any other governmental
39 entity or instrumentality electing or required to make payments in lieu
40 of contributions.

41 Each worker shall, starting on January 1, 2000 until December 31,
42 2001, contribute to the unemployment compensation fund 0.20% of
43 wages paid with respect to the worker's employment with a
44 governmental employer electing or required to pay contributions or
45 nongovernmental employer, including a nonprofit organization which
46 is an employer as defined under paragraph (6) of subsection (h) of

1 R.S.43:21-19, regardless of whether that nonprofit organization elects
2 or is required to finance its benefit costs with contributions to the fund
3 or by payments in lieu of contributions, after that employer has
4 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
5 with respect to becoming an employer, provided that the contributions
6 shall be at the rate of 0.10% of wages paid with respect to
7 employment with the State of New Jersey or any other governmental
8 entity or instrumentality electing or required to make payments in lieu
9 of contributions.

10 Each worker shall, starting on January 1, 2002 until ¹[December
11 31,]¹ [2002,]¹ [~~2006,~~ June 30, ³[2002] 2003³],¹ contribute to the
12 unemployment compensation fund 0.1825% of wages paid with
13 respect to the worker's employment with a governmental employer
14 electing or required to pay contributions or a nongovernmental
15 employer, including a nonprofit organization which is an employer as
16 defined under paragraph (6) of subsection (h) of R.S.43:21-19,
17 regardless of whether that nonprofit organization elects or is required
18 to finance its benefit costs with contributions to the fund or by
19 payments in lieu of contributions, after that employer has satisfied the
20 conditions set forth in subsection (h) of R.S.43:21-19 with respect to
21 becoming an employer, provided that the contributions shall be at the
22 rate of 0.0825% of wages paid with respect to employment with the
23 State of New Jersey or any other governmental entity or
24 instrumentality electing or required to make payments in lieu of
25 contributions.

26 Each worker shall, starting on and after ¹[January 1,]¹ [2003,]
27 ¹[2007,] July 1, ³[2002] 2003³],¹ contribute to the unemployment
28 compensation fund 0.3825% of wages paid with respect to the
29 worker's employment with a governmental employer electing or
30 required to pay contributions or nongovernmental employer, including
31 a nonprofit organization which is an employer as defined under
32 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether
33 that nonprofit organization elects or is required to finance its benefit
34 costs with contributions to the fund or by payments in lieu of
35 contributions, after that employer has satisfied the conditions set forth
36 in subsection (h) of R.S.43:21-19 with respect to becoming an
37 employer, provided that the contributions shall be at the rate of
38 0.0825% of wages paid with respect to employment with the State of
39 New Jersey or any other governmental entity or instrumentality
40 electing or required to make payments in lieu of contributions.

41 (E) Each employer shall, notwithstanding any provision of law in
42 this State to the contrary, withhold in trust the amount of his workers'
43 contributions from their wages at the time such wages are paid, shall
44 show such deduction on his payroll records, shall furnish such
45 evidence thereof to his workers as the division or controller may
46 prescribe, and shall transmit all such contributions, in addition to his

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

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

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

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

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

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

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

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

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

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

30 (3) If an employee receives wages from more than one employer
31 during any calendar year, and either the sum of his contributions
32 deposited in and credited to the State disability benefits fund plus the
33 amount of his contributions, if any, required towards the costs of
34 benefits under one or more approved private plans under the
35 provisions of section 9 of the "Temporary Disability Benefits Law"
36 (C.43:21-33) and deducted from his wages, or the sum of such latter
37 contributions, if the employee is covered during such calendar year
38 only by two or more private plans, exceeds an amount equal to 1/2 of
39 1% of the "wages" determined in accordance with the provisions of
40 R.S.43:21-7(b)(3) during the calendar years beginning on or after
41 January 1, 1976, the employee shall be entitled to a refund of the
42 excess if he makes a claim to the controller within two years after the
43 end of the calendar year in which the wages are received with respect
44 to which the refund is claimed and establishes his right to such refund.
45 Such refund shall be made by the controller from the State disability
46 benefits fund. No interest shall be allowed or paid with respect to any

1 such refund. The controller shall, in accordance with prescribed
2 regulations, determine the portion of the aggregate amount of such
3 refunds made during any calendar year which is applicable to private
4 plans for which deductions were made under section 9 of the
5 "Temporary Disability Benefits Law," such determination to be based
6 upon the ratio of the amount of such wages exempt from contributions
7 to such fund, as provided in subparagraph (B) of paragraph (1) of this
8 subsection with respect to coverage under private plans, to the total
9 wages so exempt plus the amount of such wages subject to
10 contributions to the disability benefits fund, as provided in
11 subparagraph (G) of paragraph (1) of this subsection. The controller
12 shall, in accordance with prescribed regulations, prorate the amount
13 so determined among the applicable private plans in the proportion
14 that the wages covered by each plan bear to the total private plan
15 wages involved in such refunds, and shall assess against and recover
16 from the employer, or the insurer if the insurer has indemnified the
17 employer with respect thereto, the amount so prorated. The
18 provisions of R.S.43:21-14 with respect to collection of employer
19 contributions shall apply to such assessments. The amount so
20 recovered by the controller shall be paid into the State disability
21 benefits fund.

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

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

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

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

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

21 (2) During the continuance of coverage of a worker by an
22 approved private plan of disability benefits under the "Temporary
23 Disability Benefits Law," the employer shall be exempt from the
24 contributions required by subparagraph (1) above with respect to
25 wages paid to such worker.

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

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

1 disability in such calendar year and in preceding calendar years shall be
2 charged against the account of the employer by whom such individual
3 was employed at the commencement of such disability or by whom he
4 was last employed, if out of employment.

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

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

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

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

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

26 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
27 $\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

28 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
29 $\frac{1}{2}\%$ of his average annual payroll.

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

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

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

40 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
41 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

42 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
43 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

44 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
45 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

46 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds

1 1% of his average annual payroll.

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

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

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

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

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

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

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

3 (iv) If the amount of the State disability benefits fund determined
4 as provided in paragraph (E)(1) of this subsection is equal to or less
5 than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of an
6 employer whose preliminary rate is determined as provided in (D)(2)
7 hereof, 7/10 of 1% in the case of an employer whose preliminary rate
8 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
9 case of an employer whose preliminary rate is determined as provided
10 in (D)(4) hereof. Notwithstanding any other provision of law or any
11 determination made by the controller with respect to any 12-month
12 period commencing on July 1, 1970, the final rates for all employers
13 for the period beginning January 1, 1971, shall be as set forth herein.
14 (cf: P.L.2001, c.152, s.13)

15

16 ²[3.] 4.² Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended
17 to read as follows:

18 29. a. Beginning January 1, 1993 until December 31, 1995, except
19 as provided pursuant to subsection b. of this section, each employee
20 shall, in such a manner and at such times as determined by the
21 commissioner, contribute to the fund an amount equal to 0.6% of the
22 employee's taxable wages.

23 Beginning April 1, 1996 through December 31, 1996, each
24 employee shall, in such a manner and at such times as determined by
25 the commissioner, contribute to the fund an amount equal to 0.6% of
26 the employee's taxable wages, except that the total amount contributed
27 to the fund when combined with the employee's contribution made
28 pursuant to R.S.43:31-7(d)(1)(D) for the period January 1, 1996
29 through March 31, 1996, shall not exceed 0.6% of the employee's
30 taxable wages for the 1996 calendar year.

31 Beginning January 1, 1997 through December 31, 1997, each
32 employee shall, in such a manner and at such times as determined by
33 the commissioner, contribute to the fund an amount equal to 0.5% of
34 the employee's taxable wages.

35 Beginning on January 1, 1998 until December 31, 1998, each
36 employee shall, in such a manner and at such times as determined by
37 the commissioner, contribute to the fund an amount equal to 0.30% of
38 the employee's taxable wages.

39 Beginning on January 1, 1999 until December 31, 1999, each
40 employee shall, in such a manner and at such times as determined by
41 the commissioner, contribute to the fund an amount equal to 0.25% of
42 the employee's taxable wages.

43 Beginning on January 1, 2000 until ¹[December 31,]¹ [2002,]
44 ¹[2006] June 30, ³[2002] 2003³ ¹ each employee shall, in such a
45 manner and at such times as determined by the commissioner,
46 contribute to the fund an amount equal to 0.20% of the employee's

1 taxable wages.

2 Also beginning on January 1, 1993 until December 31, 1995 and
3 beginning April 1, 1996 until December 31, 1997, each employer shall,
4 in such a manner and at such times as determined by the commissioner,
5 contribute to the fund an amount equal to the amount that the
6 employer's contribution to the unemployment compensation fund is
7 decreased pursuant to subparagraph (H) of paragraph (5) of subsection
8 (c) of R.S.43:21-7.

9 Also beginning on January 1, 1998 until December 31, 2000, ¹and
10 beginning on January 1, 2002 and ending June 30. ³[2002¹] 2003.³
11 each employer shall, in such a manner and at such times as determined
12 by the commissioner, contribute to the fund an amount equal to the
13 amount that the employer's contribution to the unemployment
14 compensation fund is decreased pursuant to subparagraph (H) of
15 paragraph (5) of subsection (c) of R.S.43:21-7.

16 b. If the unemployment compensation fund reserve ratio, as
17 determined pursuant to paragraph (5) of subsection (c) of
18 R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
19 calendar year 1994 or calendar year 1995, the provisions of subsection
20 a. of this section shall cease to be in effect as of July 1 of that calendar
21 year and each employer who would be subject to making the
22 contributions pursuant to subsection a. of this section if that
23 subsection were in effect shall, beginning on July 1 of that calendar
24 year, contribute to the fund an amount equal to 0.62% of the total
25 wages paid by the employer and shall continue to contribute that
26 amount until December 31, 1995.

27 c. If the total amount of contributions to the fund pursuant to this
28 section during the calendar year 1993 exceeds \$600 million, all
29 contributions which exceed \$600 million shall be deposited in the
30 unemployment compensation fund. If the total amount of
31 contributions to the fund pursuant to this section during calendar year
32 1994 or calendar year 1995 exceeds \$500 million, all contributions
33 which exceed \$500 million shall be deposited in the unemployment
34 compensation fund. If the total amount of contributions made to the
35 fund pursuant to this section for the calendar year 1996 or 1997
36 exceeds \$330 million, all contributions which exceed \$330 million in
37 calendar year 1996 or 1997 shall be deposited in the unemployment
38 compensation fund. If the total amount of contributions made to the
39 fund pursuant to this section for the calendar year 1998 exceeds \$288
40 million, all contributions which exceed \$288 million in the calendar
41 year 1998 shall be deposited in the unemployment compensation fund.

42 If the total amount of contributions made to the fund pursuant to this
43 section for the calendar year 1999 exceeds \$233.9 million, all
44 contributions which exceed \$233.9 million in the calendar year 1999
45 shall be deposited in the unemployment compensation fund. If the
46 total amount of contributions made to the fund pursuant to this section

1 for the calendar year 2000 exceeds \$178.6 million, all contributions
2 which exceed \$178.6 million in the calendar year 2000 shall be
3 deposited in the unemployment compensation fund. If the total
4 amount of contributions made to the fund pursuant to this section for
5 the calendar year 2001 exceeds \$94.9 million, all contributions which
6 exceed \$94.9 million in the calendar year 2001 shall be deposited in
7 the unemployment compensation fund. If the total amount of
8 contributions made to the fund pursuant to this section for the
9 [calendar year] period beginning January 1, 2002 and ending June 30,
10 2002 exceeds [\$66.5] \$391.5 million, all contributions which exceed
11 [\$66.5] \$391.5 million in the [calendar year] period beginning
12 January 1, 2002 and ending June 30, 2002 shall be deposited in the
13 unemployment compensation fund. ¹[If the total amount of
14 contributions made to the fund pursuant to this section for the fiscal
15 year 2003 exceeds \$325 million, all contributions which exceed \$325
16 million in the fiscal year 2003 shall be deposited in the unemployment
17 compensation fund. If the total amount of contributions made to the
18 fund pursuant to this section for the fiscal year 2004 exceeds \$250
19 million, all contributions which exceed \$250 million in the fiscal year
20 2004 shall be deposited in the unemployment compensation fund. If
21 the total amount of contributions made to the fund pursuant to this
22 section for the fiscal year 2005 exceeds \$175 million, all contributions
23 which exceed \$175 million in the fiscal year 2005 shall be deposited in
24 the unemployment compensation fund. If the total amount of
25 contributions made to the fund pursuant to this section for the fiscal
26 year 2006 exceeds \$100 million, all contributions which exceed \$100
27 million in the fiscal year 2006 shall be deposited in the unemployment
28 compensation fund.]¹ ³If the total amount of contributions made to
29 the fund pursuant to this section for the fiscal year 2003 exceeds \$325
30 million, all contributions which exceed \$325 million in the fiscal year
31 2003 shall be deposited in the unemployment compensation fund.³

32 d. All necessary administrative costs related to the collection of
33 contributions pursuant to this section shall be paid from the
34 contributions.

35 (cf: P.L.1997, c.263, s.14)

36

37 ²[4.] 5.² Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended
38 to read as follows:

39 32. a. If an employee receives wages from more than one
40 employer during any calendar year, and the sum of the employee's
41 contributions deposited in the fund exceeds an amount equal to 0.6%
42 of the wages determined in accordance with the provisions of
43 paragraph (3) of subsection (b) of R.S.43:21-7 during calendar year
44 1993, calendar year 1994 or calendar year 1995, the employee shall be
45 entitled to a refund of the excess if a claim establishing the employee's
46 right to the refund is made within two years after the end of the

1 respective calendar year in which the wages are received and are the
2 subject of the claim. The commissioner shall refund any overpayment
3 from the fund without interest.

4 If an employee receives wages from more than one employer during
5 the calendar year 1996 and the sum of the employee's contributions
6 deposited in the unemployment compensation fund during the period
7 January 1, 1996 through March 31, 1996 and the employee's
8 contributions deposited in the health care subsidy fund during the
9 period April 1, 1996 through December 31, 1996 exceeds an amount
10 equal to 0.6% of the wages determined in accordance with the
11 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 which
12 wages are received during the period January 1, 1996 through
13 December 31, 1996, the employee shall be entitled to a refund of the
14 excess if a claim establishing the employee's right to the refund is made
15 within two years after the end of the respective calendar year in which
16 the wages are received and are the subject of the claim. The
17 commissioner shall refund any overpayment without interest from the
18 unemployment compensation fund or the health care subsidy fund, or
19 both, as appropriate.

20 If an employee receives wages from more than one employer during
21 the calendar year 1997, and the sum of the employee's contributions
22 deposited in the fund exceeds an amount equal to 0.5% of the wages
23 determined in accordance with the provisions of paragraph (3) of
24 subsection (b) of R.S.43:21-7 during calendar year 1997, the employee
25 shall be entitled to a refund of the excess if a claim establishing the
26 employee's right to the refund is made within two years after the end
27 of the respective calendar year in which the wages are received and are
28 the subject of the claim. The commissioner shall refund any
29 overpayment from the fund without interest.

30 If an employee receives wages from more than one employer during
31 the calendar year 1998, 1999, 2000[,] or 2001 [or 2002] and the
32 sum of the employee's contributions deposited in the unemployment
33 compensation fund and the employee's contributions deposited in the
34 health care subsidy fund during the calendar year 1998, 1999, 2000[,]
35 or 2001 [or 2002] exceeds an amount equal to 0.4% of the wages
36 determined in accordance with the provisions of paragraph (3) of
37 subsection (b) of R.S.43:21-7 which wages are received during the
38 respective calendar year, the employee shall be entitled to a refund of
39 the excess if a claim establishing the employee's right to the refund is
40 made within two years after the end of the respective calendar year in
41 which the wages are received and are the subject of the claim. The
42 commissioner shall refund any overpayment without interest from the
43 unemployment compensation fund or the health care subsidy fund, or
44 both, as appropriate.

45 If an employee receives wages from more than one employer during
46 the calendar year 2002 or any subsequent calendar year, and the sum

1 of the employee's contributions deposited in the unemployment
2 compensation fund and the employee's contributions deposited in the
3 health care subsidy fund during the calendar year 2002 or the
4 subsequent year exceeds an amount equal to 0.3825% of the wages
5 determined in accordance with the provisions of paragraph (3) of
6 subsection (b) of R.S.43:21-7 which wages are received during the
7 respective calendar year, the employee shall be entitled to a refund of
8 the excess if a claim establishing the employee's right to the refund is
9 made within two years after the end of the respective calendar year in
10 which the wages are received and are the subject of the claim. The
11 commissioner shall refund any overpayment without interest from the
12 unemployment compensation fund or the health care subsidy fund, or
13 both, as appropriate.

14 b. Any employee who is a taxpayer and entitled, pursuant to the
15 provisions of subsection a. of this section, to a refund of contributions
16 deducted during a tax year from his wages shall, in lieu of the refund,
17 be entitled to a credit in the full amount thereof against the tax
18 otherwise due on his New Jersey gross income for that tax year if he
19 submits his claim for the credit and accompanies that claim with
20 evidence of his right to the credit in the manner provided by regulation
21 by the Director of the Division of Taxation. In any case in which the
22 amount, or any portion thereof, of any credit allowed hereunder results
23 in or increases an excess of income tax payment over income tax
24 liability, the amount of the new or increased excess shall be considered
25 an overpayment and shall be refunded to the taxpayer in the manner
26 provided by subsection (a) of N.J.S.54A:9-7.

27 (P.L.1997, c.263, s.15)

28

29 ²[5.] 6.² Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended
30 to read as follows:

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

39 (b) Any governmental entity or instrumentality may, as an
40 alternative to financing benefits by payments in lieu of contributions,
41 elect to pay contributions beginning with the date on which its
42 subjectivity begins by filing written notice of its election with the
43 department no later than 120 days after such subjectivity begins,
44 provided that such election shall be effective for at least two full
45 calendar years; or it may elect to pay contributions for a period of not
46 less than two calendar years beginning January 1 of any year if written

1 notice of such election is filed with the department not later than
2 February 1 of such year; provided, further, that such governmental
3 entity or instrumentality shall remain liable for payments in lieu of
4 contributions with respect to all benefits paid based on base year
5 wages earned in the employ of such entity or instrumentality in the
6 period during which it financed its benefits by payments in lieu of
7 contributions.

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

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

22 (e) On or before September 1 of each year, the Commissioner of
23 Labor shall review the composite benefit cost experience of all
24 governmental entities and instrumentalities electing to pay
25 contributions and, on the basis of that experience, establish the
26 contribution rate for the next following calendar year which can be
27 expected to yield sufficient revenue in combination with worker
28 contributions to equal or exceed the projected costs for that calendar
29 year.

30 (f) Any covered governmental entity or instrumentality electing to
31 pay contributions shall each year appropriate, out of its general funds,
32 moneys to pay the projected costs of benefits at the rate determined
33 under subsection (e) of this section. These funds shall be held in a
34 trust fund maintained by the governmental entity for this purpose. Any
35 surplus remaining in this trust fund may be retained in reserve for
36 payment of benefit costs for subsequent years either by contributions
37 or payments in lieu of contributions.

38 (g) Any governmental entity or instrumentality electing to finance
39 benefit costs with payments in lieu of contributions shall pay into the
40 fund an amount equal to all benefit costs for which it is liable pursuant
41 to the provisions of the "unemployment compensation law." Each
42 subject governmental entity or instrumentality shall require payments
43 from its workers in the same manner and amount as prescribed under
44 R.S.43:21-7(d) for governmental entities and instrumentalities
45 financing their benefit costs with contributions. No such payment shall
46 be used for a purpose other than to meet the benefits liability of such

1 governmental entity or instrumentality. In addition, each subject
 2 governmental entity or instrumentality shall appropriate out of its
 3 general funds sufficient moneys which, in addition to any worker
 4 payments it requires, are necessary to pay its annual benefit costs
 5 estimated on the basis of its past benefit cost experience; provided that
 6 for its first year of coverage, its benefit costs shall be deemed to
 7 require an appropriation equal to 1% of the projected total of its
 8 taxable wages for the year. These appropriated moneys and worker
 9 payments shall be held in a trust fund maintained by the governmental
 10 entity or instrumentality for this purpose. Any surplus remaining in
 11 this trust fund shall be retained in reserve for payment of benefit costs
 12 in subsequent years. If a governmental entity or instrumentality
 13 requires its workers to make payments as authorized herein, such
 14 workers shall not be subject to the contributions required in
 15 R.S.43:21-7(d).

16 (h) Notwithstanding the provisions of the above subsection (g),
 17 commencing July 1, 1986 worker contributions to the unemployment
 18 trust fund with respect to wages paid by any governmental entity or
 19 instrumentality electing or required to make payments in lieu of
 20 contributions, including the State of New Jersey, shall be made in
 21 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
 22 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each
 23 governmental entity or instrumentality electing or required to make
 24 payments in lieu of contributions shall, except during the period
 25 starting January 1, 1993 and ending December 31, 1995 and the period
 26 starting April 1, 1996 and ending December 31, 1998, require
 27 payments from its workers at the following rates of wages paid, which
 28 amounts are to be held in the trust fund maintained by the
 29 governmental entity or instrumentality for payment of benefit costs:
 30 for the calendar year 1999, 0.05%; for each calendar year 2000 to
 31 [2002,] ¹ [2006,] 2002, ^{1 3} and the period from January 1, 2003 to
 32 June 30, 2003, ³ 0.10%; and each calendar year thereafter, 0.30%.
 33 (cf: P.L.1997, c.263, s.13)

34
 35 ²⁷. (New section) For the purposes of the Emergency
 36 Unemployment Benefits Program and as used in sections 7 through 11
 37 of P.L. , c. (C.)(now pending before the Legislature as this
 38 bill):

39 "Emergency unemployment benefits" means benefits financed
 40 entirely by the State and paid to exhaustees pursuant to sections 7
 41 through 11 of P.L. , c. (C.)(now pending before the
 42 Legislature as this bill).

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

45 a. Begins on December 30, 2001, and

46 b. Ends on March 9, 2002 or at the conclusion of the calendar

1 week in which total expenditures of emergency unemployment benefits
2 chargeable to the unemployment compensation fund Statewide first
3 exceed \$100 million, if the conclusion of that week occurs before
4 March 9, 2002.

5 No emergency unemployment benefits shall be paid to any
6 individual with respect to periods of unemployment after March 9,
7 2002.

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

13 "Exhaustee" means an individual who exhausted all of the regular
14 benefits that were available to the individual pursuant to the
15 "unemployment compensation law," R.S.43:21-1 et seq., (including
16 benefits payable to federal civilian employees and ex-service persons
17 or payable under the combined wage program) after November 24,
18 2001 and before December 30, 2001, or during any calendar week of
19 the emergency unemployment benefit period. No individual who
20 exhausted all of the available regular benefits prior to November 25,
21 2001 shall be eligible for emergency unemployment benefits.²

22
23 ^{28.} (New section) During an emergency unemployment benefit
24 period, an exhaustee who otherwise continues to meet the eligibility
25 requirements for regular benefits pursuant to the provisions of the
26 "unemployment compensation law," R.S.43:21-1 et seq., and who is
27 not eligible for any other unemployment benefits, including benefits
28 provided for by any federal law extending benefits beyond those
29 provided for as regular benefits or extended benefits, may receive
30 weekly emergency unemployment benefits for weeks subsequent to
31 December 29, 2001 in an amount equal to the weekly benefit amount
32 of the exhaustee's most recent regular unemployment benefit claim
33 subject to the provisions of the "unemployment compensation law,"
34 R.S.43:21-1 et seq. The maximum emergency unemployment benefits
35 an individual may receive pursuant to sections 7 through 11 of
36 P.L. , c. (C.)(now pending before the Legislature as this bill)
37 is 10 times the weekly benefit amount that was payable to the
38 individual pursuant to the "unemployment compensation law,"
39 R.S.43:21-1 et seq., (including benefits payable to federal civilian
40 employees and ex-service persons or payable under the combined wage
41 program) in the individual's applicable benefit year.²

42
43 ^{29.} (New section) No employer's account shall be charged for
44 emergency unemployment benefits paid to an unemployed individual
45 pursuant to sections 7 through 11 of P.L. , c. (C.)(now
46 pending before the Legislature as this bill), except for the account of

1 an out-of-State employer who is liable for charges under the Combined
 2 Wage Program. However, nothing in this section shall be construed
 3 to relieve employers electing to make payments in lieu of contributions
 4 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or
 5 C.43:21-7.3) from reimbursing the unemployment benefits paid to an
 6 unemployed individual pursuant to sections 7 through 11 of P.L. ,
 7 c. (C.)(now pending before the Legislature as this bill).

8 Emergency unemployment benefits paid to federal civilian
 9 employees shall be charged to the appropriate federal account.
 10 Emergency unemployment benefits paid to ex-service persons shall be
 11 charged to the General Fund.²

12
 13 ²10. (New section) Emergency unemployment benefits may be
 14 paid pursuant to the provisions of sections 7 through 11 of P.L. ,
 15 c. (C.)(now pending before the Legislature as this bill) only with
 16 respect to weeks not within an extended benefit period, and not within
 17 a period covered by any federal law allowing the filing of new claims
 18 extending benefits beyond those provided for as regular or extended
 19 benefits.²

20
 21 ²11. (New section) The division shall use appropriate
 22 administrative means to insure that emergency unemployment benefits
 23 are paid only to individuals who meet the requirements of sections 7
 24 through 11 of P.L. , c. (C.)(now pending before the
 25 Legislature as this bill). These administrative actions may include, but
 26 shall not be limited to, matching the claimant's social security number
 27 against available wage records to insure that no earnings were
 28 reported for that claimant by employers under R.S.43:21-14 for
 29 periods in which emergency unemployment benefits were paid.²

30
 31 ²[6.] 12.² This act shall take effect immediately.

32
 33
 34
 35 Permits use of Health Care Subsidy Fund for Medicaid expenses in
 36 FY2002; redirects \$650,000,000 in payroll taxes from UI fund to
 37 Health Care Subsidy Fund; provides extended UI benefits.

SENATE, No. 20

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED FEBRUARY 11, 2002

Sponsored by:

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

SYNOPSIS

Permits use of Health Care Subsidy Fund moneys for Medicaid expenses; redirects \$1,175,000,000 in payroll taxes from the unemployment compensation fund to Health Care Subsidy Fund.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the provision of health care services to low
2 income persons and revising parts of the statutory law.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
8 read as follows:

9 8. There is established the Health Care Subsidy Fund in the
10 Department of Health and Senior Services.

11 a. The fund shall be comprised of revenues from employee and
12 employer contributions made pursuant to section 29 of P.L.1992,
13 c.160 (C.43:21-7b), revenues from the hospital assessment made
14 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues
15 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues
16 from interest and penalties collected pursuant to this act and revenues
17 from such other sources as the Legislature shall determine. Interest
18 earned on the monies in the fund shall be credited to the fund. The
19 fund shall be a nonlapsing fund dedicated for use by the State to: (1)
20 distribute charity care and other uncompensated care disproportionate
21 share payments to hospitals, and other eligible providers pursuant to
22 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for
23 the Health Access New Jersey program established pursuant to section
24 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for
25 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1
26 et seq.); **[and]** (2) assist hospitals and other health care facilities in the
27 underwriting of innovative and necessary health care services; and (3)
28 provide for the payment of appropriate Medicaid expenses, subject to
29 the approval of the Director of the Division of Budget and
30 Accounting.

31 b. The fund shall be administered by a person appointed by the
32 commissioner.

33 The administrator of the fund is responsible for overseeing and
34 coordinating the collection and reimbursement of fund monies. The
35 administrator is responsible for promptly informing the commissioner
36 if monies are not or are not reasonably expected to be collected or
37 disbursed.

38 c. The commissioner shall adopt rules and regulations to ensure
39 the integrity of the fund, pursuant to the "Administrative Procedure
40 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

41 d. The administrator shall establish separate accounts for the
42 charity care component of the disproportionate share hospital subsidy,
43 other uncompensated care component of the disproportionate share

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 hospital subsidy, hospital and other health care initiatives funding and
2 the payments for subsidies for insurance premiums to provide care in
3 disproportionate share hospitals, known as the Health Access New
4 Jersey subsidy account, respectively.

5 e. In the event that the charity care component of the
6 disproportionate share hospital subsidy account has a surplus in a
7 given year after payments are distributed pursuant to the methodology
8 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
9 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the
10 limitations provided in subsection e. of section 9 of P.L.1992, c.160
11 (C.26:2H-18.59), the surplus monies in calendar years [1996] 2002
12 and [1997] 2003 shall lapse to the unemployment compensation fund
13 established pursuant to R.S.43:21-9, and each year thereafter shall
14 lapse to the charity care component of the disproportionate share
15 hospital subsidy account for distribution in subsequent years.
16 (cf: P.L.1998, c.37, s.1)

17

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

19 43:21-7. Contributions. Employers other than governmental
20 entities, whose benefit financing provisions are set forth in section 4
21 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
22 liable for payment in lieu of contributions on the basis set forth in
23 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
24 for the unemployment compensation fund, contributions as set forth
25 in subsections (a), (b) and (c) hereof, and the provisions of subsections
26 (d) and (e) shall be applicable to all employers, consistent with the
27 provisions of the "unemployment compensation law" and the
28 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
29 seq.).

30 (a) Payment.

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

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

42 (b) Rate of contributions. Each employer shall pay the following
43 contributions:

44 (1) For the calendar year 1947, and each calendar year thereafter,
45 2 7/10% of wages paid by him during each such calendar year, except
46 as otherwise prescribed by subsection (c) of this section.

1 (2) The "wages" of any individual, with respect to any one
2 employer, as the term is used in this subsection (b) and in subsections
3 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
4 during calendar year 1975, for services performed either within or
5 without this State; provided that no contribution shall be required by
6 this State with respect to services performed in another state if such
7 other state imposes contribution liability with respect thereto. If an
8 employer (hereinafter referred to as a successor employer) during any
9 calendar year acquires substantially all the property used in a trade or
10 business of another employer (hereinafter referred to as a
11 predecessor), or used in a separate unit of a trade or business of a
12 predecessor, and immediately after the acquisition employs in his trade
13 or business an individual who immediately prior to the acquisition was
14 employed in the trade or business of such predecessors, then, for the
15 purpose of determining whether the successor employer has paid
16 wages with respect to employment equal to the first \$4,800.00 paid
17 during calendar year 1975, any wages paid to such individual by such
18 predecessor during such calendar year and prior to such acquisition
19 shall be considered as having been paid by such successor employer.

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

37 (c) Future rates based on benefit experience.

38 (1) A separate account for each employer shall be maintained and
39 this shall be credited with all the contributions which he has paid on
40 his own behalf on or before January 31 of any calendar year with
41 respect to employment occurring in the preceding calendar year;
42 provided, however, that if January 31 of any calendar year falls on a
43 Saturday or Sunday, an employer's account shall be credited as of
44 January 31 of such calendar year with all the contributions which he
45 has paid on or before the next succeeding day which is not a Saturday
46 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be

1 construed to grant any employer or individuals in his service prior
2 claims or rights to the amounts paid by him into the fund either on his
3 own behalf or on behalf of such individuals. Benefits paid with respect
4 to benefit years commencing on and after January 1, 1953, to any
5 individual on or before December 31 of any calendar year with respect
6 to unemployment in such calendar year and in preceding calendar years
7 shall be charged against the account or accounts of the employer or
8 employers in whose employment such individual established base
9 weeks constituting the basis of such benefits, except that, with respect
10 to benefit years commencing after January 4, 1998, an employer's
11 account shall not be charged for benefits paid to a claimant if the
12 claimant's employment by that employer was ended in any way which,
13 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,
14 would have disqualified the claimant for benefits if the claimant had
15 applied for benefits at the time when that employment ended. Benefits
16 paid under a given benefit determination shall be charged against the
17 account of the employer to whom such determination relates. When
18 each benefit payment is made, either a copy of the benefit check or
19 other form of notification shall be promptly sent to the employer
20 against whose account the benefits are to be charged. Such copy or
21 notification shall identify the employer against whose account the
22 amount of such payment is being charged, shall show at least the name
23 and social security account number of the claimant and shall specify
24 the period of unemployment to which said check applies. If the total
25 amount of benefits paid to a claimant and charged to the account of
26 the appropriate employer exceeds 50% of the total base year, base
27 week wages paid to the claimant by that employer, then such employer
28 shall have canceled from his account such excess benefit charges as
29 specified above.

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

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

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

43 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
44 8/10%, except as otherwise provided in the following provisions. No
45 employer's rate for the 12 months commencing July 1 of any calendar
46 year shall be other than 2 8/10%, unless as of the preceding January 31

1 such employer shall have paid contributions with respect to wages paid
2 in each of the three calendar years immediately preceding such year,
3 in which case such employer's rate for the 12 months commencing July
4 1 of any calendar year shall be determined on the basis of his record up
5 to the beginning of such calendar year. If, at the beginning of such
6 calendar year, the total of all his contributions, paid on his own behalf,
7 for all past years exceeds the total benefits charged to his account for
8 all such years, his contribution rate shall be:

9 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
10 5%, of his average annual payroll (as defined in paragraph (2),
11 subsection (a) of R.S.43:21-19);

12 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
13 6%, of his average annual payroll;

14 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
15 7%, of his average annual payroll;

16 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
17 8%, of his average annual payroll;

18 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
19 9%, of his average annual payroll;

20 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
21 of his average annual payroll;

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

24 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
25 average annual payroll.

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

30 (1) 4%, if such excess is less than 10% of his average annual
31 payroll;

32 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
33 20%, of his average annual payroll;

34 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
35 annual payroll.

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

41 (i) if the reserve balance in its account is positive, its assigned rate
42 shall be the highest rate in effect for positive balance accounts for that
43 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
44 its account is negative, its assigned rate shall be the highest rate in
45 effect for deficit accounts for that period.

46 (D) The contribution rates prescribed by subparagraphs (A) and (B)

1 of this paragraph (4) shall be increased or decreased in accordance
2 with the provisions of paragraph (5) of this subsection (c) for
3 experience rating periods through June 30, 1986.

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

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

40 (B) If on March 31 of any calendar year the balance in the
41 unemployment trust fund equals or exceeds 10% but is less than 12
42 1/2% of the total taxable wages reported to the controller as of that
43 date in respect to employment during the preceding calendar year, the
44 contribution rate, effective July 1 following, of each employer eligible
45 for a contribution rate calculation based upon benefit experience, shall
46 be reduced by 3/10 of 1% under the contribution rate otherwise

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

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

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

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

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

30 (iii) With respect to experience rating years beginning on or after
 31 July 1, 1998, the new employer rate or the unemployment experience
 32 rate of an employer under this section shall be the rate which appears
 33 in the column headed by the Unemployment Trust Fund Reserve Ratio
 34 as of the applicable calculation date and on the line with the Employer
 35 Reserve Ratio, as defined in paragraph 4 of this subsection
 36 (R.S.43:21-7 (c)(4)), as set forth in the following table:

37

38 EXPERIENCE RATING TAX TABLE

39

Fund Reserve Ratio¹

40

41		4.50%	3.50%	3.00%	2.50%	2.49%
42	Employer	and	to	to	to	and
43	Reserve	Over	4.49%	3.49%	2.99%	Under
44	Ratio ²	A	B	C	D	E

45 Positive Reserve Ratio:

46	17% and over	0.3	0.4	0.5	0.6	1.2
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1	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
2	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
3	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
4	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
5	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
6	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
7	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
8	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
9	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
10	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
11	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
12	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
13	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
14	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
15	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
16	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
17	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
18	Deficit Reserve Ratio:					
19	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
20	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
21	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
22	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
23	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
24	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
25	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
26	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
27	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
28	-35.00% and under	5.4	5.4	5.8	6.4	7.0
29	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

34 (iv) With respect to experience rating years beginning on or after
 35 July 1, 2002, the new employer rate or the unemployment experience
 36 rate of an employer under this section shall be the rate which appears
 37 in the column headed by the Unemployment Trust Fund Reserve Ratio
 38 as of the applicable calculation date and on the line with the Employer
 39 Reserve Ratio, as defined in paragraph 4 of this subsection
 40 (R.S.43:21-7 (c)(4)), as set forth in the following table:

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<u>EXPERIENCE RATING TAX TABLE</u>					
<u>Fund Reserve Ratio¹</u>					
	<u>3.50%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.00%</u>	<u>1.99%</u>
<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
<u>Reserve</u>	<u>Over</u>	<u>3.49%</u>	<u>2.99%</u>	<u>2.49%</u>	<u>Under</u>
<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
<u>Positive Reserve Ratio:</u>					
<u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
<u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
<u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
<u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
<u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
<u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
<u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
<u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
<u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
<u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
<u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
<u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
<u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
<u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
<u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
<u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
<u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
<u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
<u>Deficit Reserve Ratio:</u>					
<u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
<u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
<u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
<u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
<u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
<u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
<u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
<u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
<u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

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

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

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

(ii) With respect to experience rating years beginning on or after July 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior March 31, is less than 1.00%, the contribution rate for each

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

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

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

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

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

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

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

32 On and after January 1, 1998 until December 31, 2000 and on or
33 after January 1, 2002 until June 30, 2004, the contribution rate for
34 each employer liable to pay contributions, as computed under
35 subparagraph (E) of this paragraph (5), shall be decreased each
36 calendar year by a factor, as set out below, computed to the nearest
37 multiple of 1/10%, except that, if an employer has a deficit reserve
38 ratio 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%:

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

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

43 From January 1, 2000 until December 31, 2000, a factor of 7%.

44 From January 1, 2002 until June 30, 2002, a factor of 36%;

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

46 From July 1, 2003 until June 30, 2004, a factor of 7%;

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

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

13 If, upon calculating the unemployment compensation fund reserve
14 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
15 March 31, 1998 or March 31, 1999, the controller finds that the fund
16 reserve ratio has decreased to a level of less than 3.00%, the
17 Commissioner of Labor shall notify the State Treasurer of this fact and
18 of the dollar amount necessary to bring the fund reserve ratio up to a
19 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
20 March 31, 1998 or March 31, 1999, as applicable, transfer from the
21 General Fund to the unemployment compensation fund, revenues in
22 the amount specified by the commissioner and which, upon deposit in
23 the unemployment compensation fund, shall result, upon recalculation,
24 in a fund reserve ratio used to determine employer contributions
25 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
26 at least 3.00%.

27 If, upon calculating the unemployment compensation fund reserve
28 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the
29 controller finds that the fund reserve ratio has decreased to a level of
30 less than 3.00%, the Commissioner of Labor shall notify the State
31 Treasurer of this fact and of the dollar amount necessary to bring the
32 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,
33 prior to March 31, 2000, transfer from the General Fund to the
34 unemployment compensation fund, revenues in the amount specified
35 by the commissioner and which, upon deposit in the unemployment
36 compensation fund, shall result, upon recalculation, in a fund reserve
37 ratio used to determine employer contributions beginning July 1, 2000
38 of at least 3.00%.

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

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

9 (6) Additional contributions.

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

32 (7) Transfers.

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

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

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

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

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

36 (1) (A) For periods after January 1, 1975, each worker shall
37 contribute to the fund 1% of his wages with respect to his employment
38 with an employer, which occurs on and after January 1, 1975, after
39 such employer has satisfied the condition set forth in subsection (h) of
40 R.S.43:21-19 with respect to becoming an employer; provided,
41 however, that such contributions shall be at the rate of 1/2 of 1% of
42 wages paid with respect to employment while the worker is in the
43 employ of the State of New Jersey, or any governmental entity or
44 instrumentality which is an employer as defined under
45 R.S.43:21-19(h)(5), or is covered by an approved private plan under
46 the "Temporary Disability Benefits Law" or while the worker is

1 exempt from the provisions of the "Temporary Disability Benefits
2 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

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

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

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

40 (D) Notwithstanding any other provisions of this paragraph (1),
41 during the period starting January 1, 1993 and ending June 30, 1994,
42 each worker shall contribute to the unemployment compensation fund
43 0.5% of wages paid with respect to the worker's employment with a
44 governmental employer electing or required to pay contributions or
45 nongovernmental employer, including a nonprofit organization which
46 is an employer as defined under paragraph (6) of subsection (h) of

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

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

36 Each worker shall, starting on January 1, 1998 and ending
37 December 31, 1998, contribute to the unemployment compensation
38 fund 0.10% of wages paid with respect to the worker's employment
39 with a governmental employer electing or required to pay
40 contributions or nongovernmental employer, including a nonprofit
41 organization which is an employer as defined under paragraph (6) of
42 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
43 organization elects or is required to finance its benefit costs with
44 contributions to the fund or by payments in lieu of contributions, after
45 that employer has satisfied the conditions set forth in subsection (h) of
46 R.S.43:21-19 with respect to becoming an employer, provided that the

1 contributions shall be at the rate of 0.10% of wages paid with respect
2 to employment with the State of New Jersey or any other
3 governmental entity or instrumentality electing or required to make
4 payments in lieu of contributions.

5 Each worker shall, starting on January 1, 1999 until December 31,
6 1999, contribute to the unemployment compensation fund 0.15% of
7 wages paid with respect to the worker's employment with a
8 governmental employer electing or required to pay contributions or
9 nongovernmental employer, including a nonprofit organization which
10 is an employer as defined under paragraph (6) of subsection (h) of
11 R.S.43:21-19, regardless of whether that nonprofit organization elects
12 or is required to finance its benefit costs with contributions to the fund
13 or by payments in lieu of contributions, after that employer has
14 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
15 with respect to becoming an employer, provided that the contributions
16 shall be at the rate of 0.10% of wages paid with respect to
17 employment with the State of New Jersey or any other governmental
18 entity or instrumentality electing or required to make payments in lieu
19 of contributions.

20 Each worker shall, starting on January 1, 2000 until December 31,
21 2001, contribute to the unemployment compensation fund 0.20% of
22 wages paid with respect to the worker's employment with a
23 governmental employer electing or required to pay contributions or
24 nongovernmental employer, including a nonprofit organization which
25 is an employer as defined under paragraph (6) of subsection (h) of
26 R.S.43:21-19, regardless of whether that nonprofit organization elects
27 or is required to finance its benefit costs with contributions to the fund
28 or by payments in lieu of contributions, after that employer has
29 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
30 with respect to becoming an employer, provided that the contributions
31 shall be at the rate of 0.10% of wages paid with respect to
32 employment with the State of New Jersey or any other governmental
33 entity or instrumentality electing or required to make payments in lieu
34 of contributions.

35 Each worker shall, starting on January 1, 2002 until December 31,
36 ~~[2002,] 2006,~~ contribute to the unemployment compensation fund
37 0.1825% of wages paid with respect to the worker's employment with
38 a governmental employer electing or required to pay contributions or
39 a nongovernmental employer, including a nonprofit organization which
40 is an employer as defined under paragraph (6) of subsection (h) of
41 R.S.43:21-19, regardless of whether that nonprofit organization elects
42 or is required to finance its benefit costs with contributions to the fund
43 or by payments in lieu of contributions, after that employer has
44 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
45 with respect to becoming an employer, provided that the contributions
46 shall be at the rate of 0.0825% of wages paid with respect to

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

4 Each worker shall, starting on and after January 1, ~~[2003,]~~ 2007,
5 contribute to the unemployment compensation fund 0.3825% of wages
6 paid with respect to the worker's employment with a governmental
7 employer electing or required to pay contributions or nongovernmental
8 employer, including a nonprofit organization which is an employer as
9 defined under paragraph (6) of subsection (h) of R.S.43:21-19,
10 regardless of whether that nonprofit organization elects or is required
11 to finance its benefit costs with contributions to the fund or by
12 payments in lieu of contributions, after that employer has satisfied the
13 conditions set forth in subsection (h) of R.S.43:21-19 with respect to
14 becoming an employer, provided that the contributions shall be at the
15 rate of 0.0825% of wages paid with respect to employment with the
16 State of New Jersey or any other governmental entity or
17 instrumentality electing or required to make payments in lieu of
18 contributions.

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

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

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

- 1 (2) (A) (Deleted by amendment, P.L.1984, c.24.)
2 (B) (Deleted by amendment, P.L.1984, c.24.)
3 (C) (Deleted by amendment, P.L.1994, c.112.)
4 (D) (Deleted by amendment, P.L.1994, c.112.)
5 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
6 (ii) (Deleted by amendment, P.L.1996, c.28.)
7 (iii) (Deleted by amendment, P.L.1994, c.112.)
8 (3) If an employee receives wages from more than one employer
9 during any calendar year, and either the sum of his contributions
10 deposited in and credited to the State disability benefits fund plus the
11 amount of his contributions, if any, required towards the costs of
12 benefits under one or more approved private plans under the
13 provisions of section 9 of the "Temporary Disability Benefits Law"
14 (C.43:21-33) and deducted from his wages, or the sum of such latter
15 contributions, if the employee is covered during such calendar year
16 only by two or more private plans, exceeds an amount equal to 1/2 of
17 1% of the "wages" determined in accordance with the provisions of
18 R.S.43:21-7(b)(3) during the calendar years beginning on or after
19 January 1, 1976, the employee shall be entitled to a refund of the
20 excess if he makes a claim to the controller within two years after the
21 end of the calendar year in which the wages are received with respect
22 to which the refund is claimed and establishes his right to such refund.
23 Such refund shall be made by the controller from the State disability
24 benefits fund. No interest shall be allowed or paid with respect to any
25 such refund. The controller shall, in accordance with prescribed
26 regulations, determine the portion of the aggregate amount of such
27 refunds made during any calendar year which is applicable to private
28 plans for which deductions were made under section 9 of the
29 "Temporary Disability Benefits Law," such determination to be based
30 upon the ratio of the amount of such wages exempt from contributions
31 to such fund, as provided in subparagraph (B) of paragraph (1) of this
32 subsection with respect to coverage under private plans, to the total
33 wages so exempt plus the amount of such wages subject to
34 contributions to the disability benefits fund, as provided in
35 subparagraph (G) of paragraph (1) of this subsection. The controller
36 shall, in accordance with prescribed regulations, prorate the amount
37 so determined among the applicable private plans in the proportion
38 that the wages covered by each plan bear to the total private plan
39 wages involved in such refunds, and shall assess against and recover
40 from the employer, or the insurer if the insurer has indemnified the
41 employer with respect thereto, the amount so prorated. The
42 provisions of R.S.43:21-14 with respect to collection of employer
43 contributions shall apply to such assessments. The amount so
44 recovered by the controller shall be paid into the State disability
45 benefits fund.
46 (4) If an individual does not receive any wages from the employing

1 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is
2 treated as his employer, or receives his wages from some other
3 employing unit, such employer shall nevertheless be liable for such
4 individual's contributions in the first instance; and after payment
5 thereof such employer may deduct the amount of such contributions
6 from any sums payable by him to such employing unit, or may recover
7 the amount of such contributions from such employing unit, or, in the
8 absence of such an employing unit, from such individual, in a civil
9 action; provided proceedings therefor are instituted within three
10 months after the date on which such contributions are payable. General
11 rules shall be prescribed whereby such an employing unit may recover
12 the amount of such contributions from such individuals in the same
13 manner as if it were the employer.

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

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

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

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

45 (2) During the continuance of coverage of a worker by an
46 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 (1)
5 above shall be subject to modification as provided herein with respect
6 to employer contributions due on and after July 1, 1951.

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

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

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

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

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

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

4 (ii) $15/100$ of 1% if such excess over \$500.00 equals or exceeds 1
5 $1/4\%$ 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 fulfilled
9 and the contributions credited exceed the benefits charged but by not
10 more than \$500.00 plus 1% of his average annual payroll, or if the
11 benefits charged exceed the contributions credited but by not more
12 than \$500.00, the preliminary rate shall be $1/4$ of 1%.

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

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

18 (ii) $45/100$ of 1% if such excess over \$500.00 equals or exceeds
19 $1/4$ of 1% but is less than $1/2$ of 1% of his average annual payroll;

20 (iii) $55/100$ of 1% if such excess over \$500.00 equals or exceeds
21 $1/2$ of 1% but is less than $3/4$ of 1% of his average annual payroll;

22 (iv) $65/100$ of 1% if such excess over \$500.00 equals or exceeds
23 $3/4$ of 1% but is less than 1% of his average annual payroll;

24 (v) $75/100$ of 1% if such excess over \$500.00 equals or exceeds
25 1% of his average annual payroll.

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

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

46 (2) The controller shall then make a final determination of the rates

1 of contribution for the 12 months commencing July 1 of such year for
2 employers whose preliminary rates are determined as provided in (D)
3 hereof, as follows:

4 (i) If the percentage determined in accordance with paragraph
5 (E)(1) of this subsection equals or exceeds $1\frac{1}{4}\%$, the final employer
6 rates shall be the preliminary rates determined as provided in (D)
7 hereof, except that if the employer's preliminary rate is determined as
8 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be
9 the preliminary employer rate decreased by such percentage of excess
10 taken to the nearest $\frac{5}{100}$ of 1%, but in no case shall such final rate
11 be less than $\frac{1}{10}$ of 1%.

12 (ii) If the percentage determined in accordance with paragraph
13 (E)(1) of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than
14 $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer
15 rates.

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

27 (iv) If the amount of the State disability benefits fund determined
28 as provided in paragraph (E)(1) of this subsection is equal to or less
29 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
30 employer whose preliminary rate is determined as provided in (D)(2)
31 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
32 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
33 case of an employer whose preliminary rate is determined as provided
34 in (D)(4) hereof. Notwithstanding any other provision of law or any
35 determination made by the controller with respect to any 12-month
36 period commencing on July 1, 1970, the final rates for all employers
37 for the period beginning January 1, 1971, shall be as set forth herein.
38 (cf: P.L.2001, c.152, s.13)

39

40 3. Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended to read
41 as follows:

42 29. a. Beginning January 1, 1993 until December 31, 1995, except
43 as provided pursuant to subsection b. of this section, each employee
44 shall, in such a manner and at such times as determined by the
45 commissioner, contribute to the fund an amount equal to 0.6% of the
46 employee's taxable wages.

1 Beginning April 1, 1996 through December 31, 1996, each
2 employee shall, in such a manner and at such times as determined by
3 the commissioner, contribute to the fund an amount equal to 0.6% of
4 the employee's taxable wages, except that the total amount contributed
5 to the fund when combined with the employee's contribution made
6 pursuant to R.S.43:31-7(d)(1)(D) for the period January 1, 1996
7 through March 31, 1996, shall not exceed 0.6% of the employee's
8 taxable wages for the 1996 calendar year.

9 Beginning January 1, 1997 through December 31, 1997, each
10 employee shall, in such a manner and at such times as determined by
11 the commissioner, contribute to the fund an amount equal to 0.5% of
12 the employee's taxable wages.

13 Beginning on January 1, 1998 until December 31, 1998, each
14 employee shall, in such a manner and at such times as determined by
15 the commissioner, contribute to the fund an amount equal to 0.30% of
16 the employee's taxable wages.

17 Beginning on January 1, 1999 until December 31, 1999, each
18 employee shall, in such a manner and at such times as determined by
19 the commissioner, contribute to the fund an amount equal to 0.25% of
20 the employee's taxable wages.

21 Beginning on January 1, 2000 until December 31, [2002,] 2006
22 each employee shall, in such a manner and at such times as determined
23 by the commissioner, contribute to the fund an amount equal to 0.20%
24 of the employee's taxable wages.

25 Also beginning on January 1, 1993 until December 31, 1995 and
26 beginning April 1, 1996 until December 31, 1997, each employer shall,
27 in such a manner and at such times as determined by the commissioner,
28 contribute to the fund an amount equal to the amount that the
29 employer's contribution to the unemployment compensation fund is
30 decreased pursuant to subparagraph (H) of paragraph (5) of subsection
31 (c) of R.S.43:21-7.

32 Also beginning on January 1, 1998 until December 31, 2000, each
33 employer shall, in such a manner and at such times as determined by
34 the commissioner, contribute to the fund an amount equal to the
35 amount that the employer's contribution to the unemployment
36 compensation fund is decreased pursuant to subparagraph (H) of
37 paragraph (5) of subsection (c) of R.S.43:21-7.

38 b. If the unemployment compensation fund reserve ratio, as
39 determined pursuant to paragraph (5) of subsection (c) of
40 R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
41 calendar year 1994 or calendar year 1995, the provisions of subsection
42 a. of this section shall cease to be in effect as of July 1 of that calendar
43 year and each employer who would be subject to making the
44 contributions pursuant to subsection a. of this section if that
45 subsection were in effect shall, beginning on July 1 of that calendar
46 year, contribute to the fund an amount equal to 0.62% of the total

1 wages paid by the employer and shall continue to contribute that
2 amount until December 31, 1995.

3 c. If the total amount of contributions to the fund pursuant to this
4 section during the calendar year 1993 exceeds \$600 million, all
5 contributions which exceed \$600 million shall be deposited in the
6 unemployment compensation fund. If the total amount of
7 contributions to the fund pursuant to this section during calendar year
8 1994 or calendar year 1995 exceeds \$500 million, all contributions
9 which exceed \$500 million shall be deposited in the unemployment
10 compensation fund. If the total amount of contributions made to the
11 fund pursuant to this section for the calendar year 1996 or 1997
12 exceeds \$330 million, all contributions which exceed \$330 million in
13 calendar year 1996 or 1997 shall be deposited in the unemployment
14 compensation fund. If the total amount of contributions made to the
15 fund pursuant to this section for the calendar year 1998 exceeds \$288
16 million, all contributions which exceed \$288 million in the calendar
17 year 1998 shall be deposited in the unemployment compensation fund.

18 If the total amount of contributions made to the fund pursuant to this
19 section for the calendar year 1999 exceeds \$233.9 million, all
20 contributions which exceed \$233.9 million in the calendar year 1999
21 shall be deposited in the unemployment compensation fund. If the
22 total amount of contributions made to the fund pursuant to this section
23 for the calendar year 2000 exceeds \$178.6 million, all contributions
24 which exceed \$178.6 million in the calendar year 2000 shall be
25 deposited in the unemployment compensation fund. If the total
26 amount of contributions made to the fund pursuant to this section for
27 the calendar year 2001 exceeds \$94.9 million, all contributions which
28 exceed \$94.9 million in the calendar year 2001 shall be deposited in
29 the unemployment compensation fund. If the total amount of
30 contributions made to the fund pursuant to this section for the
31 [calendar year] period beginning January 1, 2002 and ending June 30,
32 2002 exceeds [\$66.5] \$391.5 million, all contributions which exceed
33 [\$66.5] \$391.5 million in the [calendar year] period beginning
34 January 1, 2002 and ending June 30, 2002 shall be deposited in the
35 unemployment compensation fund. If the total amount of
36 contributions made to the fund pursuant to this section for the fiscal
37 year 2003 exceeds \$325 million, all contributions which exceed \$325
38 million in the fiscal year 2003 shall be deposited in the unemployment
39 compensation fund. If the total amount of contributions made to the
40 fund pursuant to this section for the fiscal year 2004 exceeds \$250
41 million, all contributions which exceed \$250 million in the fiscal year
42 2004 shall be deposited in the unemployment compensation fund. If
43 the total amount of contributions made to the fund pursuant to this
44 section for the fiscal year 2005 exceeds \$175 million, all contributions
45 which exceed \$175 million in the fiscal year 2005 shall be deposited in
46 the unemployment compensation fund. If the total amount of

1 contributions made to the fund pursuant to this section for the fiscal
2 year 2006 exceeds \$100 million, all contributions which exceed \$100
3 million in the fiscal year 2006 shall be deposited in the unemployment
4 compensation fund.

5 d. All necessary administrative costs related to the collection of
6 contributions pursuant to this section shall be paid from the
7 contributions.

8 (cf: P.L.1997, c.263, s.14)

9
10 4. Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended to read
11 as follows:

12 32. a. If an employee receives wages from more than one
13 employer during any calendar year, and the sum of the employee's
14 contributions deposited in the fund exceeds an amount equal to 0.6%
15 of the wages determined in accordance with the provisions of
16 paragraph (3) of subsection (b) of R.S.43:21-7 during calendar year
17 1993, calendar year 1994 or calendar year 1995, the employee shall be
18 entitled to a refund of the excess if a claim establishing the employee's
19 right to the refund is made within two years after the end of the
20 respective calendar year in which the wages are received and are the
21 subject of the claim. The commissioner shall refund any overpayment
22 from the fund without interest.

23 If an employee receives wages from more than one employer during
24 the calendar year 1996 and the sum of the employee's contributions
25 deposited in the unemployment compensation fund during the period
26 January 1, 1996 through March 31, 1996 and the employee's
27 contributions deposited in the health care subsidy fund during the
28 period April 1, 1996 through December 31, 1996 exceeds an amount
29 equal to 0.6% of the wages determined in accordance with the
30 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 which
31 wages are received during the period January 1, 1996 through
32 December 31, 1996, the employee shall be entitled to a refund of the
33 excess if a claim establishing the employee's right to the refund is made
34 within two years after the end of the respective calendar year in which
35 the wages are received and are the subject of the claim. The
36 commissioner shall refund any overpayment without interest from the
37 unemployment compensation fund or the health care subsidy fund, or
38 both, as appropriate.

39 If an employee receives wages from more than one employer during
40 the calendar year 1997, and the sum of the employee's contributions
41 deposited in the fund exceeds an amount equal to 0.5% of the wages
42 determined in accordance with the provisions of paragraph (3) of
43 subsection (b) of R.S.43:21-7 during calendar year 1997, the employee
44 shall be entitled to a refund of the excess if a claim establishing the
45 employee's right to the refund is made within two years after the end
46 of the respective calendar year in which the wages are received and are

1 the subject of the claim. The commissioner shall refund any
2 overpayment from the fund without interest.

3 If an employee receives wages from more than one employer during
4 the calendar year 1998, 1999, 2000[,] or 2001 [or 2002] and the
5 sum of the employee's contributions deposited in the unemployment
6 compensation fund and the employee's contributions deposited in the
7 health care subsidy fund during the calendar year 1998, 1999, 2000[,]
8 or 2001 [or 2002] exceeds an amount equal to 0.4% of the wages
9 determined in accordance with the provisions of paragraph (3) of
10 subsection (b) of R.S.43:21-7 which wages are received during the
11 respective calendar year, the employee shall be entitled to a refund of
12 the excess if a claim establishing the employee's right to the refund is
13 made within two years after the end of the respective calendar year in
14 which the wages are received and are the subject of the claim. The
15 commissioner shall refund any overpayment without interest from the
16 unemployment compensation fund or the health care subsidy fund, or
17 both, as appropriate.

18 If an employee receives wages from more than one employer during
19 the calendar year 2002 or any subsequent calendar year, and the sum
20 of the employee's contributions deposited in the unemployment
21 compensation fund and the employee's contributions deposited in the
22 health care subsidy fund during the calendar year 2002 or the
23 subsequent year exceeds an amount equal to 0.3825% of the wages
24 determined in accordance with the provisions of paragraph (3) of
25 subsection (b) of R.S.43:21-7 which wages are received during the
26 respective calendar year, the employee shall be entitled to a refund of
27 the excess if a claim establishing the employee's right to the refund is
28 made within two years after the end of the respective calendar year in
29 which the wages are received and are the subject of the claim. The
30 commissioner shall refund any overpayment without interest from the
31 unemployment compensation fund or the health care subsidy fund, or
32 both, as appropriate.

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

46 (P.L.1997, c.263, s.15)

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

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

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

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

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

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

1 contributions to equal or exceed the projected costs for that calendar
2 year.

3 (f) Any covered governmental entity or instrumentality electing to
4 pay contributions shall each year appropriate, out of its general funds,
5 moneys to pay the projected costs of benefits at the rate determined
6 under subsection (e) of this section. These funds shall be held in a
7 trust fund maintained by the governmental entity for this purpose. Any
8 surplus remaining in this trust fund may be retained in reserve for
9 payment of benefit costs for subsequent years either by contributions
10 or payments in lieu of contributions.

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

35 (h) Notwithstanding the provisions of the above subsection (g),
36 commencing July 1, 1986 worker contributions to the unemployment
37 trust fund with respect to wages paid by any governmental entity or
38 instrumentality electing or required to make payments in lieu of
39 contributions, including the State of New Jersey, shall be made in
40 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
41 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each
42 governmental entity or instrumentality electing or required to make
43 payments in lieu of contributions shall, except during the period
44 starting January 1, 1993 and ending December 31, 1995 and the period
45 starting April 1, 1996 and ending December 31, 1998, require
46 payments from its workers at the following rates of wages paid, which

1 amounts are to be held in the trust fund maintained by the
2 governmental entity or instrumentality for payment of benefit costs:
3 for the calendar year 1999, 0.05%; for each calendar year 2000 to
4 [2002,] ~~2006~~, 0.10%; and each calendar year thereafter, 0.30%.
5 (cf: P.L.1997, c.263, s.13)

6

7 6. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill permits moneys from the Health Care Subsidy Fund to be
13 spent for appropriate Medicaid expenses.

14 During the period from January 1, 2002 until June 30, 2006, the bill
15 increases, by \$1.175 billion, the total amount of payroll tax revenues
16 which is redirected from the unemployment compensation fund to the
17 Health Care Subsidy Fund.

18 Current law provides that \$66.5 million in payroll taxes are
19 redirected from the unemployment compensation fund to the Health
20 Care Subsidy Fund during calendar year 2002 and provides for no
21 further redirection after that year ends. The bill increases to \$391.5
22 million the amount redirected during the period from January 1, 2002
23 to June 30, 2002 and, in addition, redirects the following amounts:
24 \$325 million in fiscal year 2003; \$250 million in fiscal year 2004; \$175
25 million in fiscal year 2005; and \$100 million in fiscal year 2006.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 20

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 14, 2002

The Senate Labor Committee reports favorably, and with committee amendments, Senate Bill No. 20.

As introduced, this bill permits moneys from the Health Care Subsidy Fund ("HCS Fund") to be spent for appropriate Medicaid expenses. During the period from January 1, 2002 until June 30, 2006, and increases by \$1.175 billion the total amount of payroll tax revenues redirected from the unemployment compensation fund ("UI fund") to the HCS Fund. Current law provides that \$66.5 million in payroll taxes are redirected from the unemployment compensation fund to the HCS Fund during calendar year 2002 and provides for no further redirection after that year ends.

The committee amended the bill to reduce the payroll tax revenue diversion period from a five fiscal year diversion totaling \$1.175 billion to a one year diversion totaling \$391.5 million. The diversion will occur under the bill during the period from January 1, 2002 until June 30, 2002.

The amendments, also restrict to State fiscal year 2002 the permission for moneys from the HCS Fund to be spent for appropriate Medicaid expenses.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 20

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 21, 2002

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 20 (1R).

This bill increases by \$325 million the amount of payroll tax revenue to be redirected from the unemployment compensation fund to the Health Care Subsidy Fund in 2002. Also, the bill provides additional benefits and eliminates an eligibility requirement under the unemployment compensation program.

Current law provides that \$66.5 million in payroll taxes are redirected from the unemployment compensation fund to the Health Care Subsidy Fund during calendar year 2002. The bill increases that amount by \$325 million to \$391.5 million and provides that the redirection of this increased amount shall be effected during the period from January 1 to June 30, 2002, the closing date of State fiscal year 2002. No redirection of payroll taxes in subsequent periods would be authorized under either existing law or this bill.

Related provisions (1) permit moneys from the Health Care Subsidy Fund to be spent for appropriate Medicaid expenses in State FY2002, and (2) reduce from 4.5% to 3.5% the minimum level to which the ratio between the unemployment compensation fund balance and taxable wages could fall without entailing an increase in the schedule of rates governing employer contributions to the fund.

In addition, the bill as amended provides \$100 million from the unemployment compensation fund to pay for up to 10 weeks of emergency benefits for laid off workers who exhaust their regular unemployment compensation benefits during the emergency unemployment benefit period before being able to find new work. And finally, the bill eliminates, beginning January 1, 2002, the minimum one-week waiting period between layoff and eligibility for benefits.

COMMITTEE AMENDMENTS

Committee amendments (1) add the provision allowing up to 10 weeks of emergency unemployment benefits, and (2) eliminate the one-week waiting period for benefit eligibility.

FISCAL IMPACT

The unemployment compensation fund balance for FY2001 was approximately \$3.5 billion. Based on the FY2001 figures, and taking into account the redirection of contributions in calendar year 2002 in the amount of \$66.5 million, plus the redirection of \$325 million at the end of FY2002, the closing balance for FY2002 is estimated at \$3.4 billion before taking into account the new emergency unemployment benefits. Information from the New Jersey Department of Labor indicates that from 45,000 to 50,000 persons are expected to be eligible for the emergency benefits, and that their cumulative potential claims could total as much as \$105 million. Thus it is likely that the unemployment compensation fund will be liable for the maximum \$100 million in emergency benefits, indicating that the fund's closing balance at the end of FY2002 will be roughly \$3.3 billion.

It is estimated that the elimination of the waiting period will cost the unemployment compensation fund an additional \$1 million to \$2 million annually in benefit payments.

STATEMENT TO

[Second Reprint]

SENATE, No. 20

with Assembly Floor Amendments
(Proposed By Assemblymen ROBERTS and DORIA)

ADOPTED: MARCH 25, 2002

These floor amendments to this bill, which provides for the redirection in State FY2002 of \$325 million payroll taxes from the unemployment compensation fund to the Health Care Subsidy Fund, would continue the diversion program through FY2003 by providing for the diversion of an additional \$325 million in that fiscal year.

These amendments make the provisions of this bill identical to those of Assembly Bill No. 2127.

LEGISLATIVE FISCAL ESTIMATE
 [Second Reprint]
SENATE, No. 20
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: APRIL 23, 2002

SUMMARY

- Synopsis:** Permits use of Health Care Subsidy Fund moneys for Medicaid expenses through June 30, 2002; redirects additional \$325,000,000 in payroll taxes from unemployment compensation fund to Health Care Subsidy Fund for FY 2002.
- Type of Impact:** Redirects \$325 million in payroll taxes from the UI fund to the Health Care Subsidy Fund during the period from January 1, 2002 until June 30, 2002. Withdraws \$100 million from the UI fund for 10 weeks of extended benefits. Offsets demand on General Fund resources.
- Agencies Affected:** Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	FY 2002	FY 2003	FY 2004
Health Care Subsidy Fund	Increase revenue, by \$325 million	N.A.	N.A.
UI Fund	Reduce revenues by \$325 million for redirection.	N.A.	N.A.
	Reduce UI fund balance by \$100 million for extended benefits.	N.A.	N.A.
	Reduces UI fund balance by \$1 million to \$2 million annually by eliminating waiting period for benefits.		

- ! During the period January 1, 2002 to June 30, 2002, the bill redirects \$325 million to the Health Care Subsidy Fund from the UI fund.
- ! The \$325 million in new payroll tax contributions to the Health Care Subsidy Fund offsets what would have been a demand on General Fund resources under existing law.
- ! Authorizes the expenditure of Health Care Subsidy Fund resources in FY 2002 for

appropriate Medicaid expenses.

- ! The 10 week extension of benefits will cost the UI fund approximately \$105 million; however, the bill caps the benefits at \$100 million.

BILL DESCRIPTION

Senate Bill No. 20 (2R) of 2002 provides for a redirection of \$325 million from the UI fund to the Health Care Subsidy Fund, reduces the tax schedule reserve ratio, extends unemployment compensation benefits by 10 weeks and eliminates the seven day waiting period for unemployment benefits eligibility. During the period from January 1, 2002 until June 30, 2002 the bill increases by \$325 million the total amount of payroll tax revenues which is redirected from the UI Fund to the Health Care Subsidy Fund. Current law provides that \$66.5 million in payroll taxes are redirected from the UI fund to the Health Care Subsidy Fund during calendar year 2002 and provides for no further redirection after that year ends. This bill increases by \$325 million the amount redirected during the period from January 1, 2002 to June 30, 2002 which can be used for Medicaid expenses. The bill also reduces the reserve ratio in the employer tax schedule, which triggers the transition from the UI "A" schedule to the UI "B" schedule, from 4.5 percent to 3.5 percent.

The bill withdraws \$100 million from the UI fund to pay up to 10 weeks of emergency UI benefits for laid off workers who exhaust their regular UI benefits during the emergency unemployment benefit period before being able to find new work. Additionally, the bill eliminates the seven day waiting period for unemployment benefits eligibility.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The UI fund balance for the fiscal year ending June 30, 2001 was \$3.5 billion. Under reasonable projection scenarios, the redirection of payroll taxes from January 1, 2002 until June 30, 2002, as provided in this bill, will not impair the payment of benefits or imperil the stability of the UI fund. Since the UI fund contribution to the Health Care Subsidy Fund was due to expire in fiscal year 2003 and was only \$66.5 million for FY 2002, the State General Fund would have paid out approximately \$334 million annually beginning next year to pay for programs financed through the Health Care Subsidy Fund. This bill will provide \$325 million in payroll tax contributions to the Health Care Subsidy Fund to offset what would have been a future demand on General Fund resources. It should be noted that the bill permits Medicaid expenses to be paid out of the Health Care Subsidy Fund in fiscal year 2002.

Emergency unemployment benefits would be available to workers for the period beginning on December 30, 2001 with benefits paid retroactively to those individuals who exhausted all of their available regular benefits after November 24, 2001. According to the Department of

Labor, this bill will affect approximately 48,000 individuals and cost \$105 million; however, the bill caps the benefits at \$100 million. The extended benefits are terminated as of March 9, 2002 due to federal legislation which went into effect on that date and which allows an extension of 13 weeks of benefits, to be paid prospectively.

According to the Department of Labor, the elimination of the seven day waiting period will cost the UI fund approximately \$1 million to \$2 million every fiscal year. This reduction should have little to no effect on the UI Fund balance.

The reduction in the UI fund balance as a result of the redirection is not estimated to trigger a higher employer tax schedule due to the provision in the bill which reduces the reserve ratio from 4.5 percent to 3.5 percent, avoiding the trigger to change from the UI "A" schedule to the UI "B" schedule. In addition, the recent transfer of funds under the federal Reed Act totaling \$242.8 million to the State Unemployment Trust Fund (UTF) is taken into account for calculating the reserve ratio. Even though this transfer is distributed to the UTF, it secures the current UI "A" tax schedule and further reduces the likelihood of a higher "B" schedule.

Section: *Commerce, Labor and Industry*

Analyst: *Sonya S. Hough*
Assistant Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

ASSEMBLY, No. 2127

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MARCH 18, 2002

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Co-Sponsored by:

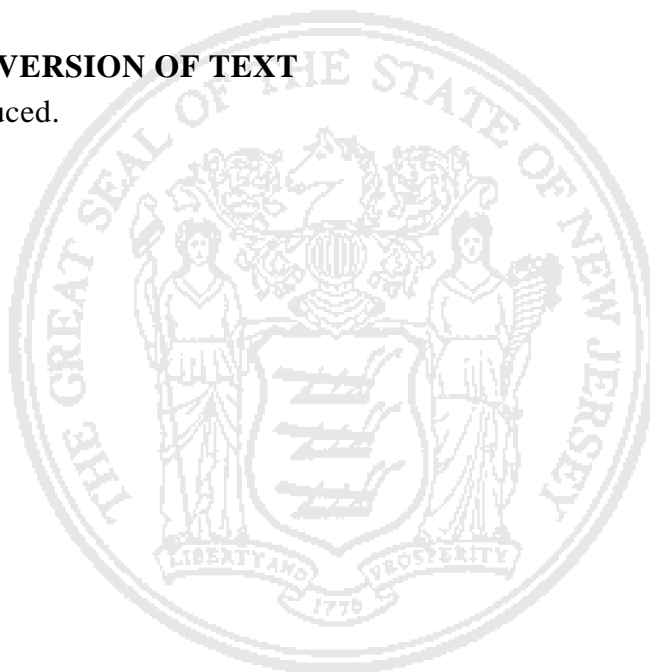
Assemblymen Burzichelli and Fisher

SYNOPSIS

Permits use of Health Care Subsidy Fund for Medicaid expenses in FY2002; redirects \$650,000,000 in payroll taxes from UI fund to Health Care Subsidy Fund; provides extended UI benefits.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/26/2002)

1 AN ACT concerning the provision and funding of services and benefits
2 for certain persons and revising parts of the statutory law.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to
8 read as follows:

9 8. There is established the Health Care Subsidy Fund in the
10 Department of Health and Senior Services.

11 a. The fund shall be comprised of revenues from employee and
12 employer contributions made pursuant to section 29 of P.L.1992,
13 c.160 (C.43:21-7b), revenues from the hospital assessment made
14 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues
15 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues
16 from interest and penalties collected pursuant to this act and revenues
17 from such other sources as the Legislature shall determine. Interest
18 earned on the monies in the fund shall be credited to the fund. The
19 fund shall be a nonlapsing fund dedicated for use by the State to: (1)
20 distribute charity care and other uncompensated care disproportionate
21 share payments to hospitals, and other eligible providers pursuant to
22 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for
23 the Health Access New Jersey program established pursuant to section
24 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for
25 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1
26 et seq.); **[and]** (2) assist hospitals and other health care facilities in the
27 underwriting of innovative and necessary health care services; and (3)
28 provide for the payment in State fiscal year 2002 of appropriate
29 Medicaid expenses, subject to the approval of the Director of the
30 Division of Budget and Accounting.

31 b. The fund shall be administered by a person appointed by the
32 commissioner.

33 The administrator of the fund is responsible for overseeing and
34 coordinating the collection and reimbursement of fund monies. The
35 administrator is responsible for promptly informing the commissioner
36 if monies are not or are not reasonably expected to be collected or
37 disbursed.

38 c. The commissioner shall adopt rules and regulations to ensure the
39 integrity of the fund, pursuant to the "Administrative Procedure Act,"
40 P.L.1968, c.410 (C.52:14B-1 et seq.).

41 d. The administrator shall establish separate accounts for the
42 charity care component of the disproportionate share hospital subsidy,
43 other uncompensated care component of the disproportionate share

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 hospital subsidy, hospital and other health care initiatives funding and
2 the payments for subsidies for insurance premiums to provide care in
3 disproportionate share hospitals, known as the Health Access New
4 Jersey subsidy account, respectively.

5 e. In the event that the charity care component of the
6 disproportionate share hospital subsidy account has a surplus in a
7 given year after payments are distributed pursuant to the methodology
8 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and
9 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the
10 limitations provided in subsection e. of section 9 of P.L.1992, c.160
11 (C.26:2H-18.59), the surplus monies in calendar years [1996] 2002
12 and [1997] 2003 shall lapse to the unemployment compensation fund
13 established pursuant to R.S.43:21-9, and each year thereafter shall
14 lapse to the charity care component of the disproportionate share
15 hospital subsidy account for distribution in subsequent years.
16 (cf: P.L.1998, c.37, s.1)

17

18 2. R.S.43:21-4 is amended to read as follows:

19 43:21-4. Benefit eligibility conditions. An unemployed individual
20 shall be eligible to receive benefits with respect to any week only if:

21 (a) The individual has filed a claim at an unemployment insurance
22 claims office and thereafter continues to report at an employment
23 service office or unemployment insurance claims office, as directed by
24 the division in accordance with such regulations as the division may
25 prescribe, except that the division may, by regulation, waive or alter
26 either or both of the requirements of this subsection as to individuals
27 attached to regular jobs, and as to such other types of cases or
28 situations with respect to which the division finds that compliance with
29 such requirements would be oppressive, or would be inconsistent with
30 the purpose of this act; provided that no such regulation shall conflict
31 with subsection (a) of R.S.43:21-3.

32 (b) The individual has made a claim for benefits in accordance with
33 the provisions of subsection (a) of R.S.43:21-6.

34 (c) (1) The individual is able to work, and is available for work,
35 and has demonstrated to be actively seeking work, except as
36 hereinafter provided in this subsection or in subsection (f) of this
37 section.

38 (2) The director may modify the requirement of actively seeking
39 work if such modification of this requirement is warranted by
40 economic conditions.

41 (3) No individual, who is otherwise eligible, shall be deemed
42 ineligible, or unavailable for work, because the individual is on
43 vacation, without pay, during said week, if said vacation is not the
44 result of the individual's own action as distinguished from any
45 collective action of a collective bargaining agent or other action
46 beyond the individual's control.

1 (4) (A) Subject to such limitations and conditions as the division
2 may prescribe, an individual, who is otherwise eligible, shall not be
3 deemed unavailable for work or ineligible because the individual is
4 attending a training program approved for the individual by the
5 division to enhance the individual's employment opportunities or
6 because the individual failed or refused to accept work while attending
7 such program.

8 (B) For the purpose of this paragraph (4), any training program
9 shall be regarded as approved by the division for the individual if the
10 program and the individual meet the following requirements:

11 (i) The training is for a labor demand occupation and is likely to
12 enhance the individual's marketable skills and earning power;

13 (ii) The training is provided by a competent and reliable private or
14 public entity approved by the Commissioner of Labor pursuant to the
15 provisions of section 8 of the "1992 New Jersey Employment and
16 Workforce Development Act," P.L.1992, c.43 (C.34:15D-8);

17 (iii) The individual can reasonably be expected to complete the
18 program, either during or after the period of benefits;

19 (iv) The training does not include on the job training or other
20 training under which the individual is paid by an employer for work
21 performed by the individual during the time that the individual receives
22 benefits; and

23 (v) The individual enrolls in vocational training, remedial education
24 or a combination of both on a full-time basis.

25 (C) If the requirements of subparagraph (B) of this paragraph (4)
26 are met, the division shall not withhold approval of the training
27 program for the individual for any of the following reasons:

28 (i) The training includes remedial basic skills education necessary
29 for the individual to successfully complete the vocational component
30 of the training;

31 (ii) The training is provided in connection with a program under
32 which the individual may obtain a college degree, including a
33 post-graduate degree;

34 (iii) The length of the training period under the program; or

35 (iv) The lack of a prior guarantee of employment upon completion
36 of the training.

37 (D) For the purpose of this paragraph (4), "labor demand
38 occupation" means an occupation for which there is or is likely to be
39 an excess of demand over supply for adequately trained workers,
40 including, but not limited to, an occupation designated as a labor
41 demand occupation by the New Jersey Occupational Information
42 Coordinating Committee pursuant to the provisions of subsection h.
43 of section 1 of P.L.1987, c.457 (C.34:1A-76) or section 12 of
44 P.L.1992, c.43 (C.34:1A-78).

45 (5) An unemployed individual, who is otherwise eligible, shall not
46 be deemed unavailable for work or ineligible solely by reason of the

1 individual's attendance before a court in response to a summons for
2 service on a jury.

3 (6) An unemployed individual, who is otherwise eligible, shall not
4 be deemed unavailable for work or ineligible solely by reason of the
5 individual's attendance at the funeral of an immediate family member,
6 provided that the duration of the attendance does not extend beyond
7 a two-day period.

8 For purposes of this paragraph, "immediate family member"
9 includes any of the following individuals: father, mother,
10 mother-in-law, father-in-law, grandmother, grandfather, grandchild,
11 spouse, child, foster child, sister or brother of the unemployed
12 individual and any relatives of the unemployed individual residing in
13 the unemployed individual's household.

14 (7) No individual, who is otherwise eligible, shall be deemed
15 ineligible or unavailable for work with respect to any week because,
16 during that week, the individual fails or refuses to accept work while
17 the individual is participating on a full-time basis in self-employment
18 assistance activities authorized by the division, whether or not the
19 individual is receiving a self-employment allowance during that week.

20 (8) Any individual who is determined to be likely to exhaust
21 regular benefits and need reemployment services based on information
22 obtained by the worker profiling system shall not be eligible to receive
23 benefits if the individual fails to participate in available reemployment
24 services to which the individual is referred by the division or in similar
25 services, unless the division determines that:

26 (A) The individual has completed the reemployment services; or

27 (B) There is justifiable cause for the failure to participate, which
28 shall include participation in employment and training,
29 self-employment assistance activities or other activities authorized by
30 the division to assist reemployment or enhance the marketable skills
31 and earning power of the individual and which shall include any other
32 circumstance indicated pursuant to this section in which an individual
33 is not required to be available for and actively seeking work to receive
34 benefits.

35 (d) 【The】 With respect to any benefit year commencing before
36 January 1, 2002, the individual has been totally or partially
37 unemployed for a waiting period of one week in the benefit year which
38 includes that week. When benefits become payable with respect to the
39 third consecutive week next following the waiting period, the
40 individual shall be eligible to receive benefits as appropriate with
41 respect to the waiting period. No week shall be counted as a week of
42 unemployment for the purposes of this subsection:

43 (1) If benefits have been paid, or are payable with respect thereto;
44 provided that the requirements of this paragraph shall be waived with
45 respect to any benefits paid or payable for a waiting period as provided
46 in this subsection;

1 (2) If it has constituted a waiting period week under the
2 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
3 seq.);

4 (3) Unless the individual fulfills the requirements of subsections (a)
5 and (c) of this section;

6 (4) If with respect thereto, claimant was disqualified for benefits
7 in accordance with the provisions of subsection (d) of R.S.43:21-5.

8 The waiting period provided by this subsection shall not apply to
9 benefit years commencing on or after January 1, 2002. An individual
10 whose total benefit amount was reduced by the application of the
11 waiting period to a claim which occurred on or after January 1, 2002
12 and before the effective date of P.L. , c. (now pending before the
13 Legislature as this bill), shall be permitted to file a claim for the
14 additional benefits attributable to the waiting period in the form and
15 manner prescribed by the division, but not later than the 180th day
16 following the effective date of of P.L. , c. (now pending before the
17 Legislature as this bill) unless the division determines that there is
18 good cause for a later filing.

19 (e) (1) (Deleted by amendment, P.L.2001, c.17).

20 (2) With respect to benefit years commencing on or after
21 January 1, 1996 and before January 7, 2001, except as otherwise
22 provided in paragraph (3) of this subsection, the individual has, during
23 his base year as defined in subsection (c) of R.S.43:21-19:

24 (A) Established at least 20 base weeks as defined in paragraph (2)
25 of subsection (t) of R.S.43:21-19; or

26 (B) If the individual has not met the requirements of subparagraph
27 (A) of this paragraph (2), earned remuneration not less than an amount
28 12 times the Statewide average weekly remuneration paid to workers,
29 as determined under R.S.43:21-3(c), which amount shall be adjusted
30 to the next higher multiple of \$100.00 if not already a multiple thereof;
31 or

32 (C) If the individual has not met the requirements of subparagraph
33 (A) or (B) of this paragraph (2), earned remuneration not less than an
34 amount 1,000 times the minimum wage in effect pursuant to section
35 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar
36 year preceding the calendar year in which the benefit year commences,
37 which amount shall be adjusted to the next higher multiple of \$100.00
38 if not already a multiple thereof.

39 (3) With respect to benefit years commencing before January 7,
40 2001, notwithstanding the provisions of paragraph (2) of this
41 subsection, an unemployed individual claiming benefits on the basis of
42 service performed in the production and harvesting of agricultural
43 crops shall, subject to the limitations of subsection (i) of R.S.43:21-19,
44 be eligible to receive benefits if during his base year, as defined in
45 subsection (c) of R.S.43:21-19, the individual:

46 (A) Has established at least 20 base weeks as defined in paragraph

1 (2) of subsection (t) of R.S.43:21-19; or
2 (B) Has earned 12 times the Statewide average weekly
3 remuneration paid to workers, as determined under R.S.43:21-3(c),
4 raised to the next higher multiple of \$100.00 if not already a multiple
5 thereof, or more; or
6 (C) Has performed at least 770 hours of service in the production
7 and harvesting of agricultural crops.
8 (4) With respect to benefit years commencing on or after January
9 7, 2001, except as otherwise provided in paragraph (5) of this
10 subsection, the individual has, during his base year as defined in
11 subsection (c) of R.S.43:21-19:
12 (A) Established at least 20 base weeks as defined in paragraphs (2)
13 and (3) of subsection (t) of R.S.43:21-19; or
14 (B) If the individual has not met the requirements of subparagraph
15 (A) of this paragraph (4), earned remuneration not less than an amount
16 1,000 times the minimum wage in effect pursuant to section 5 of
17 P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year
18 preceding the calendar year in which the benefit year commences,
19 which amount shall be adjusted to the next higher multiple of \$100 if
20 not already a multiple thereof.
21 (5) With respect to benefit years commencing on or after
22 January 7, 2001, notwithstanding the provisions of paragraph (4) of
23 this subsection, an unemployed individual claiming benefits on the
24 basis of service performed in the production and harvesting of
25 agricultural crops shall, subject to the limitations of subsection (i) of
26 R.S.43:21-19, be eligible to receive benefits if during his base year, as
27 defined in subsection (c) of R.S.43:21-19, the individual:
28 (A) Has established at least 20 base weeks as defined in paragraphs
29 (2) and (3) of subsection (t) of R.S.43:21-19; or
30 (B) Has earned remuneration not less than an amount 1,000 times
31 the minimum wage in effect pursuant to section 5 of P.L.1966, c.113
32 (C.34:11-56a4) on October 1 of the calendar year preceding the
33 calendar year in which the benefit year commences, which amount
34 shall be adjusted to the next higher multiple of \$100 if not already a
35 multiple thereof; or
36 (C) Has performed at least 770 hours of service in the production
37 and harvesting of agricultural crops.
38 (6) The individual applying for benefits in any successive benefit
39 year has earned at least six times his previous weekly benefit amount
40 and has had four weeks of employment since the beginning of the
41 immediately preceding benefit year. This provision shall be in addition
42 to the earnings requirements specified in paragraph (2), (3), (4) or (5)
43 of this subsection, as applicable.
44 (f) (1) The individual has suffered any accident or sickness not
45 compensable under the workers' compensation law, R.S.34:15-1 et
46 seq. and resulting in the individual's total disability to perform any

1 work for remuneration, and would be eligible to receive benefits under
2 this chapter (R.S.43:21-1 et seq.) (without regard to the maximum
3 amount of benefits payable during any benefit year) except for the
4 inability to work and has furnished notice and proof of claim to the
5 division, in accordance with its rules and regulations, and payment is
6 not precluded by the provisions of R.S.43:21-3(d); provided, however,
7 that benefits paid under this subsection (f) shall be computed on the
8 basis of only those base year wages earned by the claimant as a
9 "covered individual," as defined in R.S.43:21-27(b); provided further
10 that no benefits shall be payable under this subsection to any
11 individual:

12 (A) For any period during which such individual is not under the
13 care of a legally licensed physician, dentist, optometrist, podiatrist,
14 practicing psychologist or chiropractor;

15 (B) (Deleted by amendment, P.L.1980, c.90.)

16 (C) For any period of disability due to willfully or intentionally
17 self-inflicted injury, or to injuries sustained in the perpetration by the
18 individual of a crime of the first, second or third degree;

19 (D) For any week with respect to which or a part of which the
20 individual has received or is seeking benefits under any unemployment
21 compensation or disability benefits law of any other state or of the
22 United States; provided that if the appropriate agency of such other
23 state or the United States finally determines that the individual is not
24 entitled to such benefits, this disqualification shall not apply;

25 (E) For any week with respect to which or part of which the
26 individual has received or is seeking disability benefits under the
27 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
28 seq.);

29 (F) For any period of disability commencing while such individual
30 is a "covered individual," as defined in subsection (b) of section 3 of
31 the "Temporary Disability Benefits Law," P.L.1948, c.110
32 (C.43:21-27).

33 (2) Benefit payments under this subsection (f) shall be charged to
34 and paid from the State disability benefits fund established by the
35 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
36 seq.), and shall not be charged to any employer account in computing
37 any employer's experience rate for contributions payable under this
38 chapter.

39 (g) Benefits based on service in employment defined in
40 subparagraphs (B) and (C) of R.S.43:21-19(i)(1) shall be payable in
41 the same amount and on the terms and subject to the same conditions
42 as benefits payable on the basis of other service subject to the
43 "unemployment compensation law"; except that, notwithstanding any
44 other provisions of the "unemployment compensation law":

45 (1) With respect to service performed after December 31, 1977, in
46 an instructional research, or principal administrative capacity for an

1 educational institution, benefits shall not be paid based on such
2 services for any week of unemployment commencing during the period
3 between two successive academic years, or during a similar period
4 between two regular terms, whether or not successive, or during a
5 period of paid sabbatical leave provided for in the individual's contract,
6 to any individual if such individual performs such services in the first
7 of such academic years (or terms) and if there is a contract or a
8 reasonable assurance that such individual will perform services in any
9 such capacity for any educational institution in the second of such
10 academic years or terms;

11 (2) With respect to weeks of unemployment beginning after
12 September 3, 1982, on the basis of service performed in any other
13 capacity for an educational institution, benefits shall not be paid on the
14 basis of such services to any individual for any week which commences
15 during a period between two successive academic years or terms if
16 such individual performs such services in the first of such academic
17 years or terms and there is a reasonable assurance that such individual
18 will perform such services in the second of such academic years or
19 terms, except that if benefits are denied to any individual under this
20 paragraph (2) and the individual was not offered an opportunity to
21 perform these services for the educational institution for the second of
22 any academic years or terms, the individual shall be entitled to a
23 retroactive payment of benefits for each week for which the individual
24 filed a timely claim for benefits and for which benefits were denied
25 solely by reason of this clause;

26 (3) With respect to those services described in paragraphs (1) and
27 (2) above, benefits shall not be paid on the basis of such services to
28 any individual for any week which commences during an established
29 and customary vacation period or holiday recess if such individual
30 performs such services in the period immediately before such vacation
31 period or holiday recess, and there is a reasonable assurance that such
32 individual will perform such services in the period immediately
33 following such period or holiday recess;

34 (4) With respect to any services described in paragraphs (1) and
35 (2) above, benefits shall not be paid as specified in paragraphs (1), (2),
36 and (3) above to any individual who performed those services in an
37 educational institution while in the employ of an educational service
38 agency, and for this purpose the term "educational service agency"
39 means a governmental agency or governmental entity which is
40 established and operated exclusively for the purpose of providing
41 those services to one or more educational institutions.

42 (h) Benefits shall not be paid to any individual on the basis of any
43 services, substantially all of which consist of participating in sports or
44 athletic events or training or preparing to so participate, for any week
45 which commences during the period between two successive sports
46 seasons (or similar periods) if such individual performed such services

1 in the first of such seasons (or similar periods) and there is a
2 reasonable assurance that such individual will perform such services in
3 the later of such seasons (or similar periods).

4 (i) (1) Benefits shall not be paid on the basis of services performed
5 by an alien unless such alien is an individual who was lawfully admitted
6 for permanent residence at the time the services were performed and
7 was lawfully present for the purpose of performing the services or
8 otherwise was permanently residing in the United States under color
9 of law at the time the services were performed (including an alien who
10 is lawfully present in the United States as a result of the application of
11 the provisions of section 212(d)(5) (8 U.S.C.s.1182 (d)(5)) of the
12 Immigration and Nationality Act (8 U.S.C.s.1101 et seq.)); provided
13 that any modifications of the provisions of section 3304(a)(14) of the
14 Federal Unemployment Tax Act (26 U.S.C.s.3304 (a)(14)), as
15 provided by Pub.L.94-566, which specify other conditions or other
16 effective dates than stated herein for the denial of benefits based on
17 services performed by aliens and which modifications are required to
18 be implemented under State law as a condition for full tax credit
19 against the tax imposed by the Federal Unemployment Tax Act, shall
20 be deemed applicable under the provisions of this section.

21 (2) Any data or information required of individuals applying for
22 benefits to determine whether benefits are not payable to them because
23 of their alien status shall be uniformly required from all applicants for
24 benefits.

25 (3) In the case of an individual whose application for benefits
26 would otherwise be approved, no determination that benefits to such
27 individual are not payable because of alien status shall be made except
28 upon a preponderance of the evidence.

29 (j) Notwithstanding any other provision of this chapter, the
30 director may, to the extent that it may be deemed efficient and
31 economical, provide for consolidated administration by one or more
32 representatives or deputies of claims made pursuant to subsection (f)
33 of this section with those made pursuant to Article III (State plan) of
34 the "Temporary Disability Benefits Law," P.L.1948, c.110
35 (C.43:21-25 et seq.).

36 (cf: P.L.2001, c.17, s.1)

37

38 3. R.S.43:21-7 is amended to read as follows:

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

1 provisions of the "unemployment compensation law" and the
2 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
3 seq.).

4 (a) Payment.

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

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

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

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

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

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

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

11 (c) Future rates based on benefit experience.

12 (1) A separate account for each employer shall be maintained and
13 this shall be credited with all the contributions which he has paid on
14 his own behalf on or before January 31 of any calendar year with
15 respect to employment occurring in the preceding calendar year;
16 provided, however, that if January 31 of any calendar year falls on a
17 Saturday or Sunday, an employer's account shall be credited as of
18 January 31 of such calendar year with all the contributions which he
19 has paid on or before the next succeeding day which is not a Saturday
20 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
21 construed to grant any employer or individuals in his service prior
22 claims or rights to the amounts paid by him into the fund either on his
23 own behalf or on behalf of such individuals. Benefits paid with respect
24 to benefit years commencing on and after January 1, 1953, to any
25 individual on or before December 31 of any calendar year with respect
26 to unemployment in such calendar year and in preceding calendar years
27 shall be charged against the account or accounts of the employer or
28 employers in whose employment such individual established base
29 weeks constituting the basis of such benefits, except that, with respect
30 to benefit years commencing after January 4, 1998, an employer's
31 account shall not be charged for benefits paid to a claimant if the
32 claimant's employment by that employer was ended in any way which,
33 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,
34 would have disqualified the claimant for benefits if the claimant had
35 applied for benefits at the time when that employment ended. Benefits
36 paid under a given benefit determination shall be charged against the
37 account of the employer to whom such determination relates. When
38 each benefit payment is made, either a copy of the benefit check or
39 other form of notification shall be promptly sent to the employer
40 against whose account the benefits are to be charged. Such copy or
41 notification shall identify the employer against whose account the
42 amount of such payment is being charged, shall show at least the name
43 and social security account number of the claimant and shall specify
44 the period of unemployment to which said check applies. If the total
45 amount of benefits paid to a claimant and charged to the account of
46 the appropriate employer exceeds 50% of the total base year, base

1 week wages paid to the claimant by that employer, then such employer
2 shall have canceled from his account such excess benefit charges as
3 specified above.

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

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

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

17 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
18 8/10%, except as otherwise provided in the following provisions. No
19 employer's rate for the 12 months commencing July 1 of any calendar
20 year shall be other than 2 8/10%, unless as of the preceding January 31
21 such employer shall have paid contributions with respect to wages paid
22 in each of the three calendar years immediately preceding such year,
23 in which case such employer's rate for the 12 months commencing July
24 1 of any calendar year shall be determined on the basis of his record up
25 to the beginning of such calendar year. If, at the beginning of such
26 calendar year, the total of all his contributions, paid on his own behalf,
27 for all past years exceeds the total benefits charged to his account for
28 all such years, his contribution rate shall be:

29 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than
30 5%, of his average annual payroll (as defined in paragraph (2),
31 subsection (a) of R.S.43:21-19);

32 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than
33 6%, of his average annual payroll;

34 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than
35 7%, of his average annual payroll;

36 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than
37 8%, of his average annual payroll;

38 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than
39 9%, of his average annual payroll;

40 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
41 of his average annual payroll;

42 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
43 than 11%, of his average annual payroll;

44 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
45 average annual payroll.

46 (B) If the total of an employer's contributions, paid on his own

1 behalf, for all past periods for the purposes of this paragraph (4), is
2 less than the total benefits charged against his account during the same
3 period, his rate shall be:

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

6 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
7 20%, of his average annual payroll;

8 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
9 annual payroll.

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

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

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

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

41 If on March 31 of any calendar year the balance of the
42 unemployment trust fund is less than $2\frac{1}{2}\%$ of the total taxable wages
43 reported to the controller as of that date in respect to employment
44 during the preceding calendar year, the contribution rate, effective
45 July 1 following, of each employer (1) eligible for a contribution rate
46 calculation based upon benefit experience, shall be increased by (i)

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

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

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

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

1 during the last calendar year.
 2 (E) (i) (Deleted by amendment, P.L.1997, c.263).
 3 (ii) (Deleted by amendment, P.L.2001, c.152).
 4 (iii) With respect to experience rating years beginning on or after
 5 July 1, 1998, and before July 1, 2002, the new employer rate or the
 6 unemployment experience rate of an employer under this section shall
 7 be the rate which appears in the column headed by the Unemployment
 8 Trust Fund Reserve Ratio as of the applicable calculation date and on
 9 the line with the Employer Reserve Ratio, as defined in paragraph 4 of
 10 this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

11

12 **EXPERIENCE RATING TAX TABLE**

13 **Fund Reserve Ratio¹**

14

15	4.50%	3.50%	3.00%	2.50%	2.49%
16 Employer	and	to	to	to	and
17 Reserve	Over	4.49%	3.49%	2.99%	Under
18 Ratio ²	A	B	C	D	E
19 Positive Reserve Ratio:					
20 17% and over	0.3	0.4	0.5	0.6	1.2
21 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
22 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
23 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
24 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
25 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
26 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
27 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
28 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
29 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
30 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
31 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
32 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
33 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
34 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
35 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
36 1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
37 0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
38 Deficit Reserve Ratio:					
39 -0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
40 -3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
41 -6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
42 -9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
43 -12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
44 -15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
45 -20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
46 -25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8

1	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
2	-35.00% and under	5.4	5.4	5.8	6.4	7.0
3	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

8 (iv) With respect to experience rating years beginning on or after
9 July 1, 2002, the new employer rate or the unemployment experience
10 rate of an employer under this section shall be the rate which appears
11 in the column headed by the Unemployment Trust Fund Reserve Ratio
12 as of the applicable calculation date and on the line with the Employer
13 Reserve Ratio, as defined in paragraph 4 of this subsection
14 (R.S.43:21-7 (c)(4)), as set forth in the following table:
15

16 EXPERIENCE RATING TAX TABLE

17 Fund Reserve Ratio¹

	<u>3.50%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.00%</u>	<u>1.99%</u>
<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
<u>Reserve</u>	<u>Over</u>	<u>3.49%</u>	<u>2.99%</u>	<u>2.49%</u>	<u>Under</u>
<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
23 <u>Positive Reserve Ratio:</u>					
24 <u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
25 <u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
26 <u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
27 <u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
28 <u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
29 <u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
30 <u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
31 <u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
32 <u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
33 <u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
34 <u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
35 <u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
36 <u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
37 <u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
38 <u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
39 <u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
40 <u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
41 <u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
42 <u>Deficit Reserve Ratio:</u>					
43 <u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
44 <u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
45 <u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
46 <u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>

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1	<u>-12.00%to-14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
2	<u>-15.00%to-19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
3	<u>-20.00%to-24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
4	<u>-25.00%to-29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
5	<u>-30.00%to-34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
6	<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
7	<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

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

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

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

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

20 (G) On or after January 1, 1993, notwithstanding any other
21 provisions of this paragraph (5), the contribution rate for each
22 employer liable to pay contributions, as computed under subparagraph
23 (E) of this paragraph (5), shall be decreased by 0.1%, except that,
24 during any experience rating year starting before January 1, 1998 in
25 which the fund reserve ratio is equal to or greater than 7.00% or
26 during any experience rating year starting on or after January 1, 1998,
27 in which the fund reserve ratio is equal to or greater than 3.5%, there
28 shall be no decrease pursuant to this subparagraph (G) in the
29 contribution of any employer who has a deficit reserve ratio of
30 negative 35.00% or under.

31 (H) On or after January 1, 1993 until December 31, 1993,
32 notwithstanding any other provisions of this paragraph (5), the
33 contribution rate for each employer liable to pay contributions, as
34 computed under subparagraph (E) of this paragraph (5), shall be
35 decreased by a factor of 52.0% computed to the nearest multiple of
36 1/10%, except that, if an employer has a deficit reserve ratio of
37 negative 35.0% or under, the employer's rate of contribution shall not
38 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
39 amount of the reduction in the employer contributions stipulated by
40 this subparagraph (H) shall be in addition to the amount of the
41 reduction in the employer contributions stipulated by subparagraph (G)
42 of this paragraph (5), except that the rate of contribution of an
43 employer who has a deficit reserve ratio of negative 35.0% or under
44 shall not be reduced pursuant to this subparagraph (H) to less than
45 5.4% and the rate of contribution of any other employer shall not be
46 reduced to less than 0.0%.

1 On or after January 1, 1994 until December 31, 1995, except as
2 provided pursuant to subparagraph (I) of this paragraph (5),
3 notwithstanding any other provisions of this paragraph (5), the
4 contribution rate for each employer liable to pay contributions, as
5 computed under subparagraph (E) of this paragraph (5), shall be
6 decreased by a factor of 36.0% computed to the nearest multiple of
7 1/10%, except that, if an employer has a deficit reserve ratio of
8 negative 35.0% or under, the employer's rate of contribution shall not
9 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
10 amount of the reduction in the employer contributions stipulated by
11 this subparagraph (H) shall be in addition to the amount of the
12 reduction in the employer contributions stipulated by subparagraph (G)
13 of this paragraph (5), except that the rate of contribution of an
14 employer who has a deficit reserve ratio of negative 35.0% or under
15 shall not be reduced pursuant to this subparagraph (H) to less than
16 5.4% and the rate of contribution of any other employer shall not be
17 reduced to less than 0.0%.

18 On or after April 1, 1996 until December 31, 1996, the contribution
19 rate for each employer liable to pay contributions, as computed under
20 subparagraph (E) of this paragraph (5), shall be decreased by a factor
21 of 25.0% computed to the nearest multiple of 1/10%, except that, if
22 an employer has a deficit reserve ratio of negative 35.0% or under, the
23 employer's rate of contribution shall not be reduced pursuant to this
24 subparagraph (H) to less than 5.4%. The amount of the reduction in
25 the employer contributions stipulated by this subparagraph (H) shall
26 be in addition to the amount of the reduction in the employer
27 contributions stipulated by subparagraph (G) of this paragraph (5),
28 except that the rate of contribution of an employer who has a deficit
29 reserve ratio of negative 35.0% or under shall not be reduced pursuant
30 to this subparagraph (H) to less than 5.4% and the rate of contribution
31 of any other employer shall not be reduced to less than 0.0%.

32 On or after January 1, 1997 until December 31, 1997, the
33 contribution rate for each employer liable to pay contributions, as
34 computed under subparagraph (E) of this paragraph (5), shall be
35 decreased by a factor of 10.0% computed to the nearest multiple of
36 1/10%, except that, if an employer has a deficit reserve ratio of
37 negative 35.0% or under, the employer's rate of contribution shall not
38 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
39 amount of the reduction in the employer contributions stipulated by
40 this subparagraph (H) shall be in addition to the amount of the
41 reduction in the employer contributions stipulated by subparagraph (G)
42 of this paragraph (5), except that the rate of contribution of an
43 employer who has a deficit reserve ratio of negative 35.0% or under
44 shall not be reduced pursuant to this subparagraph (H) to less than
45 5.4% and the rate of contribution of any other employer shall not be
46 reduced to less than 0.0%.

1 On and after January 1, 1998 until December 31, 2000 and on or
2 after January 1, 2002 until June 30, 2003, the contribution rate for
3 each employer liable to pay contributions, as computed under
4 subparagraph (E) of this paragraph (5), shall be decreased each
5 calendar year by a factor, as set out below, computed to the nearest
6 multiple of 1/10%, except that, if an employer has a deficit reserve
7 ratio of negative 35.0% or under, the employer's rate of contribution
8 shall not be reduced pursuant to this subparagraph (H) to less than
9 5.4%:

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

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

12 From January 1, 2000 until December 31, 2000, a factor of 7%.

13 From January 1, 2002 until June 30, 2002, a factor of 36%;

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

15 The amount of the reduction in the employer contributions
16 stipulated by this subparagraph (H) shall be in addition to the amount
17 of the reduction in the employer contributions stipulated by
18 subparagraph (G) of this paragraph (5), except that the rate of
19 contribution of an employer who has a deficit reserve ratio of negative
20 35.0% or under shall not be reduced pursuant to this subparagraph (H)
21 to less than 5.4% and the rate of contribution of any other employer
22 shall not be reduced to less than 0.0%.

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

27 If, upon calculating the unemployment compensation fund reserve
28 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
29 March 31, 1998 or March 31, 1999, the controller finds that the fund
30 reserve ratio has decreased to a level of less than 3.00%, the
31 Commissioner of Labor shall notify the State Treasurer of this fact and
32 of the dollar amount necessary to bring the fund reserve ratio up to a
33 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
34 March 31, 1998 or March 31, 1999, as applicable, transfer from the
35 General Fund to the unemployment compensation fund, revenues in
36 the amount specified by the commissioner and which, upon deposit in
37 the unemployment compensation fund, shall result, upon recalculation,
38 in a fund reserve ratio used to determine employer contributions
39 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
40 at least 3.00%.

41 If, upon calculating the unemployment compensation fund reserve
42 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the
43 controller finds that the fund reserve ratio has decreased to a level of
44 less than 3.00%, the Commissioner of Labor shall notify the State
45 Treasurer of this fact and of the dollar amount necessary to bring the
46 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,

1 prior to March 31, 2000, transfer from the General Fund to the
2 unemployment compensation fund, revenues in the amount specified
3 by the commissioner and which, upon deposit in the unemployment
4 compensation fund, shall result, upon recalculation, in a fund reserve
5 ratio used to determine employer contributions beginning July 1, 2000
6 of at least 3.00%.

7 (J) On or after July 1, 2001, notwithstanding any other provisions
8 of this paragraph (5), the contribution rate for each employer liable to
9 pay contributions, as computed under subparagraph (E) of this
10 paragraph (5), shall be decreased by 0.0175%, except that, during any
11 experience rating year starting on or after July 1, 2001, in which the
12 fund reserve ratio is equal to or greater than 3.5%, there shall be no
13 decrease pursuant to this subparagraph (J) in the contribution of any
14 employer who has a deficit reserve ratio of negative 35.00% or under.
15 The amount of the reduction in the employer contributions stipulated
16 by this subparagraph (J) shall be in addition to the amount of the
17 reduction in the employer contributions stipulated by subparagraphs
18 (G) and (H) of this paragraph (5), except that the rate of contribution
19 of an employer who has a deficit reserve ratio of negative 35.0% or
20 under shall not be reduced pursuant to this subparagraph (J) to less
21 than 5.4% and the rate of contribution of any other employer shall not
22 be reduced to less than 0.0%.

23 (6) Additional contributions.

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

46 (7) Transfers.

1 (A) Upon the transfer of the organization, trade or business, or
2 substantially all the assets of an employer to a successor in interest,
3 whether by merger, consolidation, sale, transfer, descent or otherwise,
4 the controller shall transfer the employment experience of the
5 predecessor employer to the successor in interest, including credit for
6 past years, contributions paid, annual payrolls, benefit charges, et
7 cetera, applicable to such predecessor employer, pursuant to
8 regulation, if it is determined that the employment experience of the
9 predecessor employer with respect to the organization, trade, assets
10 or business which has been transferred may be considered indicative
11 of the future employment experience of the successor in interest.
12 Unless the predecessor employer was owned or controlled (by legally
13 enforceable means or otherwise), directly or indirectly, by the
14 successor in interest, or the predecessor employer and the successor
15 in interest were owned or controlled (by legally enforceable means or
16 otherwise), directly or indirectly, by the same interest or interests, the
17 transfer of the employment experience of the predecessor shall not be
18 effective if such successor in interest, within four months of the date
19 of such transfer of the organization, trade, assets or business, or
20 thereafter upon good cause shown, files a written notice protesting the
21 transfer of the employment experience of the predecessor employer.

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

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

1 employer subject to this chapter (R.S.43:21-1 et seq.).

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

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

17 (B) Effective January 1, 1978 there shall be no contributions by
18 workers in the employ of any governmental or nongovernmental
19 employer electing or required to make payments in lieu of
20 contributions unless the employer is covered by the State plan under
21 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in
22 that case contributions shall be at the rate of 1/2 of 1%, except that
23 commencing July 1, 1986, workers in the employ of any
24 nongovernmental employer electing or required to make payments in
25 lieu of contributions shall be required to make contributions to the
26 fund at the same rate prescribed for workers of other nongovernmental
27 employers.

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

1 plan under the "Temporary Disability Benefits Law," except that, while
2 the worker is exempt from the provisions of the "Temporary Disability
3 Benefits Law" under section 7 of that law, P.L.1948, c.110
4 (C.43:21-31) or any other provision of that law, or is covered for
5 disability benefits by an approved private plan of the employer, the
6 contributions to the fund shall be 0.125%.

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

8 (D) Notwithstanding any other provisions of this paragraph (1),
9 during the period starting January 1, 1993 and ending June 30, 1994,
10 each worker shall contribute to the unemployment compensation fund
11 0.5% of wages paid with respect to the worker's employment with a
12 governmental employer electing or required to pay contributions or
13 nongovernmental employer, including a nonprofit organization which
14 is an employer as defined under paragraph (6) of subsection (h) of
15 R.S.43:21-19, regardless of whether that nonprofit organization elects
16 or is required to finance its benefit costs with contributions to the fund
17 or by payments in lieu of contributions, after that employer has
18 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
19 with respect to becoming an employer. No contributions, however,
20 shall be made by the worker while the worker is covered by an
21 approved private plan under the "Temporary Disability Benefits Law,"
22 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
23 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
24 provision of that law; provided that the contributions shall be at the
25 rate of 0.50% of wages paid with respect to employment with the
26 State of New Jersey or any other governmental entity or
27 instrumentality electing or required to make payments in lieu of
28 contributions and which is covered by the State plan under the
29 "Temporary Disability Benefits Law," except that, while the worker is
30 exempt from the provisions of the "Temporary Disability Benefits
31 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
32 other provision of that law, or is covered for disability benefits by an
33 approved private plan of the employer, no contributions shall be made
34 to the fund.

35 Each worker shall, starting on January 1, 1996 and ending
36 March 31, 1996, contribute to the unemployment compensation fund
37 0.60% of wages paid with respect to the worker's employment with a
38 governmental employer electing or required to pay contributions or
39 nongovernmental employer, including a nonprofit organization which
40 is an employer as defined under paragraph (6) of subsection (h) of
41 R.S.43:21-19, regardless of whether that nonprofit organization elects
42 or is required to finance its benefit costs with contributions to the fund
43 or by payments in lieu of contributions, after that employer has
44 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
45 with respect to becoming an employer, provided that the contributions
46 shall be at the rate of 0.10% of wages paid with respect to

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

4 Each worker shall, starting on January 1, 1998 and ending
5 December 31, 1998, contribute to the unemployment compensation
6 fund 0.10% of wages paid with respect to the worker's employment
7 with a governmental employer electing or required to pay
8 contributions or nongovernmental employer, including a nonprofit
9 organization which is an employer as defined under paragraph (6) of
10 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
11 organization elects or is required to finance its benefit costs with
12 contributions to the fund or by payments in lieu of contributions, after
13 that employer has satisfied the conditions set forth in subsection (h) of
14 R.S.43:21-19 with respect to becoming an employer, provided that the
15 contributions shall be at the rate of 0.10% of wages paid with respect
16 to employment with the State of New Jersey or any other
17 governmental entity or instrumentality electing or required to make
18 payments in lieu of contributions.

19 Each worker shall, starting on January 1, 1999 until December 31,
20 1999, contribute to the unemployment compensation fund 0.15% of
21 wages paid with respect to the worker's employment with a
22 governmental employer electing or required to pay contributions or
23 nongovernmental employer, including a nonprofit organization which
24 is an employer as defined under paragraph (6) of subsection (h) of
25 R.S.43:21-19, regardless of whether that nonprofit organization elects
26 or is required to finance its benefit costs with contributions to the fund
27 or by payments in lieu of contributions, after that employer has
28 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
29 with respect to becoming an employer, provided that the contributions
30 shall be at the rate of 0.10% of wages paid with respect to
31 employment with the State of New Jersey or any other governmental
32 entity or instrumentality electing or required to make payments in lieu
33 of contributions.

34 Each worker shall, starting on January 1, 2000 until December 31,
35 2001, contribute to the unemployment compensation fund 0.20% of
36 wages paid with respect to the worker's employment with a
37 governmental employer electing or required to pay contributions or
38 nongovernmental employer, including a nonprofit organization which
39 is an employer as defined under paragraph (6) of subsection (h) of
40 R.S.43:21-19, regardless of whether that nonprofit organization elects
41 or is required to finance its benefit costs with contributions to the fund
42 or by payments in lieu of contributions, after that employer has
43 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
44 with respect to becoming an employer, provided that the contributions
45 shall be at the rate of 0.10% of wages paid with respect to
46 employment with the State of New Jersey or any other governmental

1 entity or instrumentality electing or required to make payments in lieu
2 of contributions.

3 Each worker shall, starting on January 1, 2002 until [~~December 31,~~
4 ~~2002~~] June 30, 2003, contribute to the unemployment compensation
5 fund 0.1825% of wages paid with respect to the worker's employment
6 with a governmental employer electing or required to pay
7 contributions or a nongovernmental employer, including a nonprofit
8 organization which is an employer as defined under paragraph (6) of
9 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions, after
12 that employer has satisfied the conditions set forth in subsection (h) of
13 R.S.43:21-19 with respect to becoming an employer, provided that the
14 contributions shall be at the rate of 0.0825% of wages paid with
15 respect to employment with the State of New Jersey or any other
16 governmental entity or instrumentality electing or required to make
17 payments in lieu of contributions.

18 Each worker shall, starting on and after [~~January 1, 2003,~~] July 1,
19 2003, contribute to the unemployment compensation fund 0.3825% of
20 wages paid with respect to the worker's employment with a
21 governmental employer electing or required to pay contributions or
22 nongovernmental employer, including a nonprofit organization which
23 is an employer as defined under paragraph (6) of subsection (h) of
24 R.S.43:21-19, regardless of whether that nonprofit organization elects
25 or is required to finance its benefit costs with contributions to the fund
26 or by payments in lieu of contributions, after that employer has
27 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
28 with respect to becoming an employer, provided that the contributions
29 shall be at the rate of 0.0825% of wages paid with respect to
30 employment with the State of New Jersey or any other governmental
31 entity or instrumentality electing or required to make payments in lieu
32 of contributions.

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

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

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

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

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

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

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

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

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

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

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

1 wages so exempt plus the amount of such wages subject to
2 contributions to the disability benefits fund, as provided in
3 subparagraph (G) of paragraph (1) of this subsection. The controller
4 shall, in accordance with prescribed regulations, prorate the amount
5 so determined among the applicable private plans in the proportion
6 that the wages covered by each plan bear to the total private plan
7 wages involved in such refunds, and shall assess against and recover
8 from the employer, or the insurer if the insurer has indemnified the
9 employer with respect thereto, the amount so prorated. The
10 provisions of R.S.43:21-14 with respect to collection of employer
11 contributions shall apply to such assessments. The amount so
12 recovered by the controller shall be paid into the State disability
13 benefits fund.

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

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

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

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

39 (1) Except as hereinafter provided, each employer shall, in addition
40 to the contributions required by subsections (a), (b), and (c) of this
41 section, contribute 1/2 of 1% of the wages paid by such employer to
42 workers with respect to employment unless he is not a covered
43 employer as defined in section 3 of the "Temporary Disability Benefits
44 Law" (C.43:21-27 (a)), except that the rate for the State of New
45 Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first
46 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year

1 thereafter, the controller shall review the experience accumulated in
2 the account of the State of New Jersey and establish a rate for the next
3 following fiscal year which, in combination with worker contributions,
4 will produce sufficient revenue to keep the account in balance; except
5 that the rate so established shall not be less than 1/10 of 1%. Such
6 contributions shall become due and be paid by the employer to the
7 controller for the State disability benefits fund as established by law,
8 in accordance with such regulations as may be prescribed, and shall
9 not be deducted, in whole or in part, from the remuneration of
10 individuals in his employ. In the payment of any contributions, a
11 fractional part of a cent shall be disregarded unless it amounts to
12 \$0.005 or more, in which case it shall be increased to \$0.01.

13 (2) During the continuance of coverage of a worker by an
14 approved private plan of disability benefits under the "Temporary
15 Disability Benefits Law," the employer shall be exempt from the
16 contributions required by subparagraph (1) above with respect to
17 wages paid to such worker.

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

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

43 (C) The controller may prescribe regulations for the establishment,
44 maintenance, and dissolution of joint accounts by two or more
45 employers, and shall, in accordance with such regulations and upon
46 application by two or more employers to establish such an account, or

1 to merge their several individual accounts in a joint account, maintain
2 such joint account as if it constituted a single employer's account.

3 (D) Prior to July 1 of each calendar year, the controller shall make
4 a preliminary determination of the rate of contribution for the
5 12 months commencing on such July 1 for each employer subject to
6 the contribution requirements of this subsection (e).

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

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

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

18 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
19 $\frac{1}{4}$ % but is less than $1\frac{1}{2}$ % of his average annual payroll;

20 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
21 $\frac{1}{2}$ % of his average annual payroll.

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

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

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

32 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
33 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

34 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
35 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

36 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
37 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

38 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
39 1% of his average annual payroll.

40 (5) Determination of the preliminary rate as specified in (2), (3)
41 and (4) above shall be subject, however, to the condition that it shall
42 in no event be decreased by more than $\frac{1}{10}$ of 1% of wages or
43 increased by more than $\frac{2}{10}$ of 1% of wages from the preliminary rate
44 determined for the preceding year in accordance with (1), (2), (3) or
45 (4), whichever shall have been applicable.

46 (E) (1) Prior to July 1 of each calendar year the controller shall

1 determine the amount of the State disability benefits fund as of
2 December 31 of the preceding calendar year, increased by the
3 contributions paid thereto during January of the current calendar year
4 with respect to employment occurring in the preceding calendar year.
5 If such amount exceeds the net amount withdrawn from the
6 unemployment trust fund pursuant to section 23 of the "Temporary
7 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the
8 amount at the end of such preceding calendar year of the
9 unemployment disability account (as defined in section 22 of said law
10 (C.43:21-46)), such excess shall be expressed as a percentage of the
11 wages on which contributions were paid to the State disability benefits
12 fund on or before January 31 with respect to employment in the
13 preceding calendar year.

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

18 (i) If the percentage determined in accordance with paragraph
19 (E)(1) of this subsection equals or exceeds $1\frac{1}{4}\%$, the final employer
20 rates shall be the preliminary rates determined as provided in (D)
21 hereof, except that if the employer's preliminary rate is determined as
22 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be
23 the preliminary employer rate decreased by such percentage of excess
24 taken to the nearest $\frac{5}{100}$ of 1%, but in no case shall such final rate
25 be less than $\frac{1}{10}$ of 1%.

26 (ii) If the percentage determined in accordance with paragraph
27 (E)(1) of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than
28 $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer
29 rates.

30 (iii) If the percentage determined in accordance with paragraph
31 (E)(1) of this subsection is less than $\frac{3}{4}$ of 1%, but in excess of $\frac{1}{4}$ of
32 1%, the final employer rates shall be the preliminary employer rates
33 determined as provided in (D) hereof increased by the difference
34 between $\frac{3}{4}$ of 1% and such percentage taken to the nearest $\frac{5}{100}$ of
35 1%; provided, however, that no such final rate shall be more than $\frac{1}{4}$
36 of 1% in the case of an employer whose preliminary rate is determined
37 as provided in (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
38 employer whose preliminary rate is determined as provided in (D)(1)
39 and (D)(3) hereof, nor more than $\frac{3}{4}$ of 1% in the case of an employer
40 whose preliminary rate is determined as provided in (D)(4) hereof.

41 (iv) If the amount of the State disability benefits fund determined
42 as provided in paragraph (E)(1) of this subsection is equal to or less
43 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
44 employer whose preliminary rate is determined as provided in (D)(2)
45 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
46 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the

1 case of an employer whose preliminary rate is determined as provided
2 in (D)(4) hereof. Notwithstanding any other provision of law or any
3 determination made by the controller with respect to any 12-month
4 period commencing on July 1, 1970, the final rates for all employers
5 for the period beginning January 1, 1971, shall be as set forth herein.
6 (cf: P.L.2001, c.152, s.13)

7

8 4. Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended to read
9 as follows:

10 29. a. Beginning January 1, 1993 until December 31, 1995, except
11 as provided pursuant to subsection b. of this section, each employee
12 shall, in such a manner and at such times as determined by the
13 commissioner, contribute to the fund an amount equal to 0.6% of the
14 employee's taxable wages.

15 Beginning April 1, 1996 through December 31, 1996, each
16 employee shall, in such a manner and at such times as determined by
17 the commissioner, contribute to the fund an amount equal to 0.6% of
18 the employee's taxable wages, except that the total amount contributed
19 to the fund when combined with the employee's contribution made
20 pursuant to R.S.43:31-7(d)(1)(D) for the period January 1, 1996
21 through March 31, 1996, shall not exceed 0.6% of the employee's
22 taxable wages for the 1996 calendar year.

23 Beginning January 1, 1997 through December 31, 1997, each
24 employee shall, in such a manner and at such times as determined by
25 the commissioner, contribute to the fund an amount equal to 0.5% of
26 the employee's taxable wages.

27 Beginning on January 1, 1998 until December 31, 1998, each
28 employee shall, in such a manner and at such times as determined by
29 the commissioner, contribute to the fund an amount equal to 0.30% of
30 the employee's taxable wages.

31 Beginning on January 1, 1999 until December 31, 1999, each
32 employee shall, in such a manner and at such times as determined by
33 the commissioner, contribute to the fund an amount equal to 0.25% of
34 the employee's taxable wages.

35 Beginning on January 1, 2000 until ~~December 31, 2002,~~ June 30,
36 2003, each employee shall, in such a manner and at such times as
37 determined by the commissioner, contribute to the fund an amount
38 equal to 0.20% of the employee's taxable wages.

39 Also beginning on January 1, 1993 until December 31, 1995 and
40 beginning April 1, 1996 until December 31, 1997, each employer shall,
41 in such a manner and at such times as determined by the commissioner,
42 contribute to the fund an amount equal to the amount that the
43 employer's contribution to the unemployment compensation fund is
44 decreased pursuant to subparagraph (H) of paragraph (5) of subsection
45 (c) of R.S.43:21-7.

46 Also beginning on January 1, 1998 until December 31, 2000, and

1 beginning on January 1, 2002 and ending June 30, 2003, each
2 employer shall, in such a manner and at such times as determined by
3 the commissioner, contribute to the fund an amount equal to the
4 amount that the employer's contribution to the unemployment
5 compensation fund is decreased pursuant to subparagraph (H) of
6 paragraph (5) of subsection (c) of R.S.43:21-7.

7 b. If the unemployment compensation fund reserve ratio, as
8 determined pursuant to paragraph (5) of subsection (c) of
9 R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
10 calendar year 1994 or calendar year 1995, the provisions of subsection
11 a. of this section shall cease to be in effect as of July 1 of that calendar
12 year and each employer who would be subject to making the
13 contributions pursuant to subsection a. of this section if that
14 subsection were in effect shall, beginning on July 1 of that calendar
15 year, contribute to the fund an amount equal to 0.62% of the total
16 wages paid by the employer and shall continue to contribute that
17 amount until December 31, 1995.

18 c. If the total amount of contributions to the fund pursuant to this
19 section during the calendar year 1993 exceeds \$600 million, all
20 contributions which exceed \$600 million shall be deposited in the
21 unemployment compensation fund. If the total amount of
22 contributions to the fund pursuant to this section during calendar year
23 1994 or calendar year 1995 exceeds \$500 million, all contributions
24 which exceed \$500 million shall be deposited in the unemployment
25 compensation fund. If the total amount of contributions made to the
26 fund pursuant to this section for the calendar year 1996 or 1997
27 exceeds \$330 million, all contributions which exceed \$330 million in
28 calendar year 1996 or 1997 shall be deposited in the unemployment
29 compensation fund. If the total amount of contributions made to the
30 fund pursuant to this section for the calendar year 1998 exceeds
31 \$288 million, all contributions which exceed \$288 million in the
32 calendar year 1998 shall be deposited in the unemployment
33 compensation fund. If the total amount of contributions made to the
34 fund pursuant to this section for the calendar year 1999 exceeds
35 \$233.9 million, all contributions which exceed \$233.9 million in the
36 calendar year 1999 shall be deposited in the unemployment
37 compensation fund. If the total amount of contributions made to the
38 fund pursuant to this section for the calendar year 2000 exceeds
39 \$178.6 million, all contributions which exceed \$178.6 million in the
40 calendar year 2000 shall be deposited in the unemployment
41 compensation fund. If the total amount of contributions made to the
42 fund pursuant to this section for the calendar year 2001 exceeds \$94.9
43 million, all contributions which exceed \$94.9 million in the calendar
44 year 2001 shall be deposited in the unemployment compensation fund.
45 If the total amount of contributions made to the fund pursuant to this
46 section for the [calendar year] period beginning January 1, 2002 and

1 ending June 30, 2002 exceeds [\$66.5] \$391.5 million, all
2 contributions which exceed [\$66.5] \$391.5 million in the [calendar
3 year] period beginning January 1, 2002 and ending June 30, 2002 shall
4 be deposited in the unemployment compensation fund. If the total
5 amount of contributions made to the fund pursuant to this section for
6 the fiscal year 2003 exceeds \$325 million, all contributions which
7 exceed \$325 million in the fiscal year 2003 shall be deposited in the
8 unemployment compensation fund.

9 d. All necessary administrative costs related to the collection of
10 contributions pursuant to this section shall be paid from the
11 contributions.

12 (cf: P.L.1997, c.263, s.14)

13

14 5. Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended to read
15 as follows:

16 32. a. If an employee receives wages from more than one
17 employer during any calendar year, and the sum of the employee's
18 contributions deposited in the fund exceeds an amount equal to 0.6%
19 of the wages determined in accordance with the provisions of
20 paragraph (3) of subsection (b) of R.S.43:21-7 during calendar year
21 1993, calendar year 1994 or calendar year 1995, the employee shall be
22 entitled to a refund of the excess if a claim establishing the employee's
23 right to the refund is made within two years after the end of the
24 respective calendar year in which the wages are received and are the
25 subject of the claim. The commissioner shall refund any overpayment
26 from the fund without interest.

27 If an employee receives wages from more than one employer during
28 the calendar year 1996 and the sum of the employee's contributions
29 deposited in the unemployment compensation fund during the period
30 January 1, 1996 through March 31, 1996 and the employee's
31 contributions deposited in the health care subsidy fund during the
32 period April 1, 1996 through December 31, 1996 exceeds an amount
33 equal to 0.6% of the wages determined in accordance with the
34 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 which
35 wages are received during the period January 1, 1996 through
36 December 31, 1996, the employee shall be entitled to a refund of the
37 excess if a claim establishing the employee's right to the refund is made
38 within two years after the end of the respective calendar year in which
39 the wages are received and are the subject of the claim. The
40 commissioner shall refund any overpayment without interest from the
41 unemployment compensation fund or the health care subsidy fund, or
42 both, as appropriate.

43 If an employee receives wages from more than one employer during
44 the calendar year 1997, and the sum of the employee's contributions
45 deposited in the fund exceeds an amount equal to 0.5% of the wages
46 determined in accordance with the provisions of paragraph (3) of

1 subsection (b) of R.S.43:21-7 during calendar year 1997, the employee
2 shall be entitled to a refund of the excess if a claim establishing the
3 employee's right to the refund is made within two years after the end
4 of the respective calendar year in which the wages are received and are
5 the subject of the claim. The commissioner shall refund any
6 overpayment from the fund without interest.

7 If an employee receives wages from more than one employer during
8 the calendar year 1998, 1999, 2000[,] or 2001 [or 2002] and the
9 sum of the employee's contributions deposited in the unemployment
10 compensation fund and the employee's contributions deposited in the
11 health care subsidy fund during the calendar year 1998, 1999, 2000[,]
12 or 2001 [or 2002] exceeds an amount equal to 0.4% of the wages
13 determined in accordance with the provisions of paragraph (3) of
14 subsection (b) of R.S.43:21-7 which wages are received during the
15 respective calendar year, the employee shall be entitled to a refund of
16 the excess if a claim establishing the employee's right to the refund is
17 made within two years after the end of the respective calendar year in
18 which the wages are received and are the subject of the claim. The
19 commissioner shall refund any overpayment without interest from the
20 unemployment compensation fund or the health care subsidy fund, or
21 both, as appropriate.

22 If an employee receives wages from more than one employer during
23 the calendar year 2002 or any subsequent calendar year, and the sum
24 of the employee's contributions deposited in the unemployment
25 compensation fund and the employee's contributions deposited in the
26 health care subsidy fund during the calendar year 2002 or the
27 subsequent year exceeds an amount equal to 0.3825% of the wages
28 determined in accordance with the provisions of paragraph (3) of
29 subsection (b) of R.S.43:21-7 which wages are received during the
30 respective calendar year, the employee shall be entitled to a refund of
31 the excess if a claim establishing the employee's right to the refund is
32 made within two years after the end of the respective calendar year in
33 which the wages are received and are the subject of the claim. The
34 commissioner shall refund any overpayment without interest from the
35 unemployment compensation fund or the health care subsidy fund, or
36 both, as appropriate.

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

1 liability, the amount of the new or increased excess shall be considered
2 an overpayment and shall be refunded to the taxpayer in the manner
3 provided by subsection (a) of N.J.S.54A:9-7.

4 (cf: P.L.1997, c.263, s.15)

5
6 6. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read
7 as follows:

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

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

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

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

45 (e) On or before September 1 of each year, the Commissioner of
46 Labor shall review the composite benefit cost experience of all

1 governmental entities and instrumentalities electing to pay
2 contributions and, on the basis of that experience, establish the
3 contribution rate for the next following calendar year which can be
4 expected to yield sufficient revenue in combination with worker
5 contributions to equal or exceed the projected costs for that calendar
6 year.

7 (f) Any covered governmental entity or instrumentality electing to
8 pay contributions shall each year appropriate, out of its general funds,
9 moneys to pay the projected costs of benefits at the rate determined
10 under subsection (e) of this section. These funds shall be held in a
11 trust fund maintained by the governmental entity for this purpose. Any
12 surplus remaining in this trust fund may be retained in reserve for
13 payment of benefit costs for subsequent years either by contributions
14 or payments in lieu of contributions.

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

39 (h) Notwithstanding the provisions of the above subsection (g),
40 commencing July 1, 1986 worker contributions to the unemployment
41 trust fund with respect to wages paid by any governmental entity or
42 instrumentality electing or required to make payments in lieu of
43 contributions, including the State of New Jersey, shall be made in
44 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
45 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each
46 governmental entity or instrumentality electing or required to make

1 payments in lieu of contributions shall, except during the period
2 starting January 1, 1993 and ending December 31, 1995 and the period
3 starting April 1, 1996 and ending December 31, 1998, require
4 payments from its workers at the following rates of wages paid, which
5 amounts are to be held in the trust fund maintained by the
6 governmental entity or instrumentality for payment of benefit costs:
7 for the calendar year 1999, 0.05%; for each calendar year 2000 to
8 2002, and the period from January 1, 2003 until June 30, 2003, 0.10%;
9 and each calendar year thereafter, 0.30%.

10 (cf: P.L.1997, c.263, s.13)

11

12 7. (New section) For the purposes of the Emergency
13 Unemployment Benefits Program and as used in sections 7 through 11
14 of P.L. , c. (C.) (now pending before the Legislature as this
15 bill):

16 "Emergency unemployment benefits" means benefits financed
17 entirely by the State and paid to exhaustees pursuant to sections 7
18 through 11 of P.L. , c. (C.) (now pending before the
19 Legislature as this bill).

20 "Emergency unemployment benefit period" means a period not
21 within an extended benefit period, which:

22 a. Begins on December 30, 2001, and

23 b. Ends on March 9, 2002 or at the conclusion of the calendar
24 week in which total expenditures of emergency unemployment benefits
25 chargeable to the unemployment compensation fund Statewide first
26 exceed \$100 million, if the conclusion of that week occurs before
27 March 9, 2002.

28 No emergency unemployment benefits shall be paid to any
29 individual with respect to periods of unemployment after March 9,
30 2002.

31 "Eligibility period" of an exhaustee means the period consisting of
32 the weeks in the exhaustee's benefit year which begin in an emergency
33 unemployment benefit period and, if that benefit year ends in the
34 emergency unemployment benefit period, any weeks thereafter which
35 begin in the period.

36 "Exhaustee" means an individual who exhausted all of the regular
37 benefits that were available to the individual pursuant to the
38 "unemployment compensation law," R.S.43:21-1 et seq., (including
39 benefits payable to federal civilian employees and ex-service persons
40 or payable under the combined wage program) after November 24,
41 2001 and before December 30, 2001, or during any calendar week of
42 the emergency unemployment benefit period. No individual who
43 exhausted all of the available regular benefits prior to November 25,
44 2001 shall be eligible for emergency unemployment benefits.

45

46 8. (New section) During an emergency unemployment benefit

1 period, an exhaustee who otherwise continues to meet the eligibility
2 requirements for regular benefits pursuant to the provisions of the
3 "unemployment compensation law," R.S.43:21-1 et seq., and who is
4 not eligible for any other unemployment benefits, including benefits
5 provided for by any federal law extending benefits beyond those
6 provided for as regular benefits or extended benefits, may receive
7 weekly emergency unemployment benefits for weeks subsequent to
8 December 29, 2001 in an amount equal to the weekly benefit amount
9 of the exhaustee's most recent regular unemployment benefit claim
10 subject to the provisions of the "unemployment compensation law,"
11 R.S.43:21-1 et seq. The maximum emergency unemployment benefits
12 an individual may receive pursuant to sections 7 through 11 of
13 P.L. , c. (C.) (now pending before the Legislature as this bill)
14 is 10 times the weekly benefit amount that was payable to the
15 individual pursuant to the "unemployment compensation law,"
16 R.S.43:21-1 et seq., (including benefits payable to federal civilian
17 employees and ex-service persons or payable under the combined wage
18 program) in the individual's applicable benefit year.

19

20 9. (New section) No employer's account shall be charged for
21 emergency unemployment benefits paid to an unemployed individual
22 pursuant to sections 7 through 11 of P.L. , c. (C.) (now
23 pending before the Legislature as this bill), except for the account of
24 an out-of-State employer who is liable for charges under the Combined
25 Wage Program. However, nothing in this section shall be construed
26 to relieve employers electing to make payments in lieu of contributions
27 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or
28 C.43:21-7.3) from reimbursing the unemployment benefits paid to an
29 unemployed individual pursuant to sections 7 through 11 of P.L. ,
30 c. (C.) (now pending before the Legislature as this bill).

31 Emergency unemployment benefits paid to federal civilian
32 employees shall be charged to the appropriate federal account.
33 Emergency unemployment benefits paid to ex-service persons shall be
34 charged to the General Fund.

35

36 10. (New section) Emergency unemployment benefits may be
37 paid pursuant to the provisions of sections 7 through 11 of P.L. ,
38 c. (C.) (now pending before the Legislature as this bill) only
39 with respect to weeks not within an extended benefit period, and not
40 within a period covered by any federal law allowing the filing of new
41 claims extending benefits beyond those provided for as regular or
42 extended benefits.

43

44 11. (New section) The division shall use appropriate
45 administrative means to insure that emergency unemployment benefits
46 are paid only to individuals who meet the requirements of sections 7

1 through 11 of P.L. , c. (C.) (now pending before the
2 Legislature as this bill). These administrative actions may include, but
3 shall not be limited to, matching the claimant's social security number
4 against available wage records to insure that no earnings were
5 reported for that claimant by employers under R.S.43:21-14 for
6 periods in which emergency unemployment benefits were paid.

7
8 12. This act shall take effect immediately.

9
10
11 STATEMENT

12
13 This bill increases, by \$650 million, the total amount of payroll tax
14 revenues that are redirected from the unemployment compensation
15 fund to the Health Care Subsidy Fund during the period from January
16 1, 2002 until June 30, 2003. Current law provides that \$66.5 million
17 in payroll taxes are redirected from the unemployment compensation
18 fund to the Health Care Subsidy Fund during calendar year 2002, with
19 no further redirection after that year ends. The bill increases to \$391.5
20 million, the amount redirected during the period from January 1, 2002
21 to June 30, 2002 and, in addition, redirects \$325 million in fiscal year
22 2003; that is, until June 30, 2003.

23 The bill also permits money from the Health Care Subsidy Fund to
24 be spent for appropriate Medicaid expenses in State fiscal year 2002.

25 Finally, the bill provides \$100 million from the unemployment
26 compensation fund to pay for up to 10 weeks of emergency
27 unemployment benefits for laid off workers who exhaust their regular
28 benefits before being able to find new work.

29 This bill as introduced, is essentially the same as Assembly, No.
30 2009(2R), which is intended to accomplish the same purposes. That
31 bill, however, includes certain technical insufficiencies with respect to
32 the timing of, and qualification for, the extended unemployment
33 benefits, which insufficiencies are addressed in this revised version. In
34 all other respects, the two bills should be identical.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2127
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: APRIL 23, 2002

SUMMARY

Synopsis: Permits use of Health Care Subsidy Fund for Medicaid expenses in FY 2002; redirects \$650,000,000 in payroll taxes from UI fund to Health Care Subsidy Fund; provides extended UI benefits.

Type of Impact: Redirects \$650 million in payroll taxes from the UI fund to the Health Care Subsidy Fund through FY 2003. Withdraws \$100 million from the UI fund for 10 weeks of extended benefits. Offsets demand on General Fund resources.

Agencies Affected: Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Health Care Subsidy Fund	Increase revenue, by \$325 million	Increase revenue, by \$325 million	N.A.
UI Fund	Reduce revenues by \$325 million for redirection.	Reduce revenues by \$325 million for redirection.	N.A.
	Reduce UI fund balance by \$100 million for extended benefits.	N.A.	N.A.
	Reduces UI fund balance by \$1 million to \$2 million annually by eliminating waiting period for benefits.		

- ! During the period January 1, 2002 to June 30, 2002, the bill redirects \$325 million and further redirects \$325 million during FY 2003 to the Health Care Subsidy Fund from the UI fund.
- ! The \$650 million in new payroll tax contributions to the Health Care Subsidy Fund offsets what would have been a demand on General Fund resources under existing law.
- ! Authorizes the expenditure of Health Care Subsidy Fund resources in FY 2002 for appropriate Medicaid expenses.

- ! The 10 week extension of benefits will cost the UI fund approximately \$105 million; however, the bill caps the benefits at \$100 million.

BILL DESCRIPTION

Assembly Bill No. 2127 of 2002 provides for a redirection of \$650 million from the UI fund to the Health Care Subsidy Fund, reduces the tax schedule reserve ratio, extends unemployment compensation benefits by 10 weeks and eliminates the seven day waiting period for unemployment benefits eligibility. During the 18 month period from January 1, 2002 until June 30, 2003, the bill increases, by \$650 million, the total amount of payroll tax revenues which is redirected from the UI fund to the Health Care Subsidy Fund. Current law provides that \$66.5 million in payroll taxes are redirected from the UI fund to the Health Care Subsidy Fund during calendar year 2002 and provides for no further redirection after that year ends. This bill increases by \$325 million the amount redirected during the period from January 1, 2002 to June 30, 2003 and, in addition, redirects \$325 million in FY 2003. The bill also reduces the reserve ratio in the employer tax schedule, which triggers the transition from the UI "A" schedule to the UI "B" schedule, from 4.5 percent to 3.5 percent.

The bill withdraws \$100 million from the UI fund to pay up to 10 weeks of emergency UI benefits for laid off workers who exhaust their regular UI benefits during the emergency unemployment benefit period before being able to find new work. Additionally, the bill eliminates the seven day waiting period for unemployment benefits eligibility.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The UI fund balance for fiscal year ending June 30, 2001 was \$3.5 billion. Under reasonable projection scenarios, the redirection of payroll taxes over the next two years, as provided in this bill, will not impair the payment of benefits or imperil the stability of the UI fund. Since the UI fund contribution to the Health Care Subsidy Fund was due to expire in fiscal year 2003 and was only \$66.5 million for FY 2002, the State General Fund would have paid out approximately \$334 million annually beginning next year to pay for programs financed through the Health Care Subsidy Fund. This bill will, over two fiscal years, provide \$650 million in payroll tax contributions to the Health Care Subsidy Fund to offset what would have been a future demand on General Fund resources. It should be noted that the bill permits Medicaid expenses to be paid out of the Health Care Subsidy Fund only in fiscal year 2002.

Emergency unemployment benefits would be available to workers for the period beginning on December 30, 2001 with benefits paid retroactively to those individuals who exhausted all of their available regular benefits after November 24, 2001. According to the Department of Labor, this bill will affect approximately 48,000 individuals and cost \$105 million; however, the bill caps the benefits at \$100 million. The extended benefits are terminated as of March 9, 2002

due to federal legislation which went into effect on that date and which allows an extension of 13 weeks of benefits, to be paid prospectively.

According to the Department of Labor, the elimination of the seven day waiting period will cost the UI fund approximately \$1 million to \$2 million every fiscal year. This reduction should have little to no effect on the UI Fund balance.

The reduction in the UI fund balance as a result of these measures is not estimated to trigger a higher employer tax schedule due to the provision in the bill which reduces the reserve ratio from 4.5 percent to 3.5 percent, avoiding a trigger from the UI "A" schedule to the UI "B" schedule. In addition, the recent transfer of funds under the federal Reed Act totaling \$242.8 million to the State Unemployment Trust Fund (UTF) is taken into account for calculating the reserve ratio. Even though this transfer is distributed to the UTF, it secures the current UI "A" tax schedule and further reduces the likelihood of a higher "B" schedule.

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