

43:21-47

LEGISLATIVE HISTORY CHECKLIST
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(Disability benefits)

NJSA: 43:21-47

LAWS OF: 1996 **CHAPTER:** 47

BILL NO: A32

SPONSOR(S): Kavanaugh

DATE INTRODUCED: June 17, 1996

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage
First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** June 24, 1996

SENATE: June 27, 1996

DATE OF APPROVAL: June 28, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

[First Reprint]
ASSEMBLY, No. 32

STATE OF NEW JERSEY

INTRODUCED JUNE 17, 1996

By Assemblyman KAVANAUGH

1 AN ACT concerning the State disability benefits fund, amending
2 P.L.1948, c.110, and making appropriations.

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

6
7 1. Section 23 of P.L.1948, c.110 (C.43:21-47) is amended to read
8 as follows:

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22 portion of the amount requisitioned or withdrawn from the Federal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

25 (b) The State Treasurer is hereby authorized and directed to
26 requisition and withdraw within 90 days of this enactment, an
27 additional sum of \$50,000,000.00 from the amount of worker
28 contributions heretofore accumulated in the State unemployment
29 compensation fund and deposited in and credited to the account of this
30 State in the unemployment trust fund of the United States of America,
31 established and maintained pursuant to section 904 of the Social

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted June 20, 1996.

1 Security Act, as amended (42 U.S.C. §1104), and to deposit such sums
2 in the State disability benefits fund, established under the "Temporary
3 Disability Benefits Law." The State Treasurer is further authorized and
4 empowered to make such requisitions or withdrawals in accordance
5 with such regulations relating thereto as may be prescribed by the
6 United States Secretary of the Treasury. If the balance in the State
7 disability benefits fund as of December 31 of any calendar year,
8 increased by the contributions credited thereto on or before, or as of
9 January 31 immediately thereafter is in excess of \$75,000,000.00, the
10 excess shall be withdrawn from the State disability benefits fund and
11 deposited to the account of this State in the unemployment trust fund
12 until the entire \$50,000,000.00 requisitioned and withdrawn under this
13 subsection (b) has been returned and deposited to the account of this
14 State in the unemployment trust fund pursuant to the provisions of this
15 subsection (b) and subsection (c) hereof. Such repayment to the
16 unemployment trust fund shall be considered in determining
17 contribution rates by employers to the State disability benefits fund
18 under ~~【R.S.43:21-7(c)】~~ R.S.43:21-7(e). No portion of the amount
19 requisitioned or withdrawn from the Federal Treasury shall be
20 expended for the purpose of administering the "Temporary Disability
21 Benefits Law."

22 (c) The State Treasurer shall transfer from the State disability
23 benefits fund to the clearing account of the unemployment
24 compensation fund, as established under R.S.43:21-9, the sum of
25 \$25,000,000.00. Such transfer may be made at such times and in such
26 installments as the State Treasurer may deem proper, except that the
27 total sum shall have been transferred by no later than April 30, 1971.
28 Amounts transferred to the clearing account of the unemployment
29 compensation fund under this subsection shall be clear immediately
30 and shall be deposited with the Secretary of the Treasury of the United
31 States of America in accordance with the provisions of
32 R.S.43:21-9(b).

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

43 (e) The State Treasurer is hereby authorized and directed to
44 requisition and withdraw on or after July 1, 1992 an amount not
45 greater than \$25,000,000 from revenues received pursuant to
46 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the

1 Commissioner of Labor, from the State disability benefits fund
2 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)
3 and to deposit that amount in the New Jersey Workforce Development
4 Partnership Fund created pursuant to section 9 of P.L.1992, c.43
5 (C.34:15D-9).

6 (f) The State Treasurer, in consultation with the Commissioner of
7 Labor, is hereby authorized and directed to requisition and withdraw
8 on or after July 1, 1994 from revenues received pursuant to paragraph
9 (1) of subsection (e) of R.S.43:21-7, an amount from the State
10 disability benefits fund not greater than 25% of the balance in that fund
11 as of June 30, 1994 and to deposit that amount in the clearing account
12 of the unemployment compensation fund established under
13 R.S.43:21-9. The amount transferred under this subsection (f) shall be
14 cleared immediately and shall be deposited with the Secretary of the
15 Treasury of United States of America, in accordance with the
16 provisions of R.S.43:21-9(b).

17 (g) To the extent that funds from the General Fund are also
18 deposited into the clearing account subsequent to July 1, 1994 but
19 before October 2, 1994, such amount shall be reimbursed to the
20 General Fund from amounts collected pursuant to
21 R.S.43:21-7(d)(1)(G) and R.S.43:21-7(e) for quarterly periods ending
22 on or after September 30, 1994.

23 (h) The amount transferred from the State disability benefits fund
24 to the clearing account of the unemployment compensation fund under
25 subsection (f) of this section plus any amount reimbursed to the
26 General Fund in accordance with subsection (g) shall be repaid to the
27 State disability benefits fund from general state revenues with interest
28 at the rate earned by the investments made with moneys remaining in
29 the State disability benefits fund. The repayment period shall not
30 exceed ten years. The amount repaid each year shall be not less than
31 one tenth of the total amount transferred from the State disability
32 benefits fund to the clearing account of the unemployment
33 compensation fund under subsection (f) of this section, plus not less
34 than one tenth of the amount reimbursed to the General Fund in
35 accordance with subsection (g), plus accrued interest. The State
36 Treasurer shall, on or before the thirty-first day of January in 1995 and
37 in each subsequent year determine what amount shall be repaid to the
38 State disability benefits fund in the next commencing fiscal year, which
39 amount shall be consistent with the provisions of this subsection (h).
40 The Legislature shall appropriate that amount from the General Fund
41 to the State disability benefits fund. For purposes of determining the
42 balance in the State disability benefits fund as prescribed pursuant to
43 subparagraph (1) of subparagraph (E) of paragraph (3) of subsection
44 (e) of R.S.43:21-7, the amount transferred from the State disability
45 benefits fund to the unemployment compensation fund pursuant to
46 subsection (f) of this section and reimbursed to the General Fund

1 pursuant to subsection (g) of this section less repayments or other
2 reductions, plus accrued interest shall be included therein.

3 (i) The State Treasurer is hereby authorized and directed to
4 requisition and withdraw on or after July 1, 1996 an amount not
5 greater than \$250,000,000 from the State disability benefits fund and
6 to deposit that amount in the General Fund. For purposes of
7 determining the balance in the State disability benefits fund as
8 prescribed pursuant to subparagraph (1) of subparagraph (E) of
9 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred
10 from the State disability benefits fund to the General Fund pursuant to
11 this subsection (i) shall be included therein.

12 (j) To ensure that the provisions of subsection (i) of this section do
13 not reduce or delay benefits payable pursuant to the "Temporary
14 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),
15 whenever the amount in the State disability benefits fund is less than
16 the amount required to pay the benefits provided under that law and
17 the necessary costs of administering those benefits, the additional
18 amount required to pay the benefits and the administrative costs shall
19 be paid from the General Fund. The amounts paid from the General
20 Fund for benefits and administrative costs pursuant to this subsection
21 shall be repaid to the General Fund from the State disability benefits
22 fund at such time as the Treasurer determines that the repayment may
23 be made without reducing or delaying benefits payable pursuant to the
24 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
25 seq.). ¹The repayment to the General Fund from the State disability
26 benefits fund pursuant to this subsection (j) shall not effect an increase
27 in employee or employer contributions under subsections (d) or (e) of
28 R.S.43:21-7.¹

29 (cf: P.L.1994, c.112, s.4)

30

31 2. There is appropriated in the Fiscal Year 1996, from the General
32 Fund to the State disability benefits fund, the entire amount
33 determined by the State Treasurer to be necessary to meet, in full, the
34 requirements of subsection (h) of section 23 of P.L.1948, c.110
35 (C.43:21-47) for repayment to the State disability benefits fund,
36 including the interest required by that subsection.

37

38 3. There is appropriated in Fiscal Year 1997, \$250,000,000 from
39 the State disability benefits fund for deposit into the General Fund as
40 authorized and directed pursuant to subsection (i) of section 23 of
41 P.L.1948, c.110 (C.43:21-47).

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43 4. This act shall take effect immediately, except that section 2 shall
44 be retroactive to June 30, 1996 if enacted after that date and section
45 3 shall take effect July 1, 1996.

A32 [1R]

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Concerns State disability benefits fund; makes appropriations.

1 requisition and withdraw on or after July 1, 1996 an amount not
2 greater than \$250,000,000 from the State disability benefits fund and
3 to deposit that amount in the General Fund. For purposes of
4 determining the balance in the State disability benefits fund as
5 prescribed pursuant to subparagraph (1) of subparagraph (E) of
6 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred
7 from the State disability benefits fund to the General Fund pursuant to
8 this subsection (i) shall be included therein.

9 (j) To ensure that the provisions of subsection (i) of this section do
10 not reduce or delay benefits payable pursuant to the "Temporary
11 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),
12 whenever the amount in the State disability benefits fund is less than
13 the amount required to pay the benefits provided under that law and
14 the necessary costs of administering those benefits, the additional
15 amount required to pay the benefits and the administrative costs shall
16 be paid from the General Fund. The amounts paid from the General
17 Fund for benefits and administrative costs pursuant to this subsection
18 shall be repaid to the General Fund from the State disability benefits
19 fund at such time as the Treasurer determines that the repayment may
20 be made without reducing or delaying benefits payable pursuant to the
21 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
22 seq.).

23 (cf: P.L.1994,c.112,s.4)

24
25 2. There is appropriated in the Fiscal Year 1996, from the General
26 Fund to the State disability benefits fund, the entire amount
27 determined by the State Treasurer to be necessary to meet, in full, the
28 requirements of subsection (h) of section 23 of P.L.1948, c.110
29 (C.43:21-47) for repayment to the State disability benefits fund,
30 including the interest required by that subsection.

31
32 3. There is appropriated in Fiscal Year 1997, \$250,000,000 from
33 the State disability benefits fund for deposit into the General Fund as
34 authorized and directed pursuant to subsection (i) of section 23 of
35 P.L.1948, c.110 (C.43:21-47).

36
37 4. This act shall take effect immediately, except that section 2 shall
38 be retroactive to June 30, 1996 if enacted after that date and section
39 3 shall take effect July 1, 1996.

40
41
42 STATEMENT

43
44 This bill authorizes and directs the State Treasurer to requisition
45 and withdraw on or after July 1, 1996 an amount not greater than
46 \$250 million from the State disability benefits fund and to deposit that

1 amount in the General Fund. The bill provides that for the purposes
2 of setting the rate of employer contributions to the State disability
3 benefits fund, the \$250 million withdrawn will be treated as if it were
4 still in the State disability benefits fund. The bill appropriates from the
5 General Fund to the State disability benefits fund the entire amount
6 determined by the State Treasurer to be necessary to meet, in full, the
7 requirements of present law for repayment to the State disability
8 benefits fund of amounts still outstanding from a previous loan,
9 including interest due.

10 To prevent any reductions or delays in the payment of temporary
11 disability benefits, the bill requires that, whenever the amount in the
12 State disability benefits fund is less than the amount required to pay
13 the benefits and the necessary costs of administering those benefits, the
14 additional amount required to pay the benefits and the administrative
15 costs will be paid from the General Fund. The bill provides that those
16 amounts paid from the General Fund be repaid to the General Fund
17 from the State disability benefits fund at such time as the Treasurer
18 determines that the repayment may be made without reducing or
19 delaying benefits.

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24 Concerns State disability benefits fund; makes appropriations.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 32

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 20, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 32, with committee amendments.

Assembly Bill No. 32, as amended, authorizes and directs the State Treasurer to requisition and withdraw, on or after July 1, 1996, an amount not greater than \$250 million from the State disability benefits fund and to deposit that amount in the General Fund. The bill provides that for the purposes of setting the rate of employer contributions to the State disability benefits fund, the \$250 million withdrawn will be treated as if it were still in the State disability benefits fund.

The bill appropriates from the General Fund to the State disability benefits fund the entire amount determined by the State Treasurer to be necessary to meet, in full, the requirements of present law for repayment to the State disability benefits fund of amounts still outstanding from a previous loan, including interest due.

To prevent any reductions or delays in the payment of temporary disability benefits, the bill requires that, whenever the amount in the State disability benefits fund is less than the amount required to pay the benefits and the necessary costs of administering those benefits, the additional amount required to pay the benefits and the administrative costs will be paid from the General Fund. The bill provides that those amounts paid from the General Fund be repaid to the General Fund from the State disability benefits fund at such time as the Treasurer determines that the repayment may be made without reducing or delaying benefits.

FISCAL IMPACT:

This bill authorizes and directs the State Treasurer to requisition and withdraw on or after July 1, 1996 an amount not greater than \$250 million from the State disability benefits fund and to deposit that amount in the General Fund.

In addition, the bill appropriates from the General Fund to the State disability benefits fund the entire amount determined by the State Treasurer to be necessary to meet, in full, the requirements of present law for repayment to the State disability benefits fund of amounts still

outstanding from a previous loan, including interest due.

COMMITTEE AMENDMENTS:

The amendments clarify that the repayment from the State disability benefits fund shall not increase employee or employer contributions to the fund.