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P.L. 2004, CHAPTER 45, *approved June 29, 2004*
Assembly, No. 3104 (*First Reprint*)

1 **AN ACT** ¹[redirecting \$100 million in payroll taxes from the
2 unemployment compensation fund to the Health Care Subsidy
3 Fund, changing the thresholds for employer unemployment tax
4 schedules and amending P.L.1992, c.160 and R.S.43:21-7]
5 concerning the provision and funding of services and benefits for
6 certain persons and revising parts of the statutory law¹.
7

8 **BE IT ENACTED** *by the Senate and General Assembly of the State*
9 *of New Jersey:*
10

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

12 43:21-3. Benefits.

13 (a) Payment of benefits.

14 All benefits shall be promptly paid from the fund in accordance with
15 such regulations as may be prescribed hereunder.

16 (b) Weekly benefits for unemployment.

17 With respect to an individual's benefit year commencing on or after
18 July 1, 1961, such individual, if eligible and unemployed (as defined in
19 subsection (m) of R.S.43:21-19), shall be paid an amount (except as
20 to final payment) equal to his weekly benefit rate less any
21 remuneration, other than remuneration from self-employment paid to
22 an individual who is receiving a self-employment assistance allowance,
23 paid or payable to him for such week in excess of 20% of his weekly
24 benefit rate (fractional part of a dollar omitted) or \$5.00, whichever is
25 the greater; provided that such amount shall be computed to the next
26 lower multiple of \$1.00 if not already a multiple thereof.

27 (c) Weekly benefit rate.

28 (1) With respect to an individual whose benefit year commences
29 after September 30, 1984, his weekly benefit rate under each
30 determination shall be 60% of his average weekly wage, subject to a
31 maximum of 56 2/3 % of the Statewide average weekly remuneration
32 paid to workers by employers subject to this chapter (R.S.43:21-1 et
33 seq.), as determined and promulgated by the Commissioner of Labor;
34 provided, however, that such individual's weekly benefit rate shall be
35 computed to the next lower multiple of \$1.00 if not already a multiple
36 thereof.

37 (2) Dependency benefits.

38 (A) With respect to an individual whose benefit year commences
39 after September 30, 1984, the individual's weekly benefit rate as
40 determined in paragraph (1) of this subsection (c) will be increased by
41 7% for the first dependent and 4% each for the next two dependents
42 (up to a maximum of three dependents), computed to the next lower

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 ABU committee amendments adopted June 17, 2004.

1 multiple of \$1.00 if not already a multiple thereof, except that the
2 maximum weekly benefit rate payable for an individual claiming
3 dependency benefits shall not exceed the maximum amount determined
4 under paragraph (1) of this subsection (c).

5 (B) For the purposes of this paragraph (2), a dependent is defined
6 as an individual's unemployed spouse or an unemployed unmarried
7 child (including a stepchild or a legally adopted child) under the age
8 of 19 or an unemployed unmarried child, who is attending an
9 educational institution as defined in subsection (y) of R.S.43:21-19 on
10 a full-time basis and is under the age of 22. If an individual's spouse
11 is employed during the week the individual files an initial claim for
12 benefits, this paragraph (2) shall not apply. If both spouses establish
13 a claim for benefits in accordance with the provisions of this chapter
14 (R.S.43:21-1 et seq.), only one shall be entitled to dependency benefits
15 as provided in this paragraph (2).

16 (C) Any determination establishing dependency benefits under this
17 paragraph (2) shall remain fixed for the duration of the individual's
18 benefit year and shall not be increased or decreased unless it is
19 determined by the division that the individual wrongfully claimed
20 dependency benefits as a result of false or fraudulent representation.

21 (D) Notwithstanding the provisions of any other law, the division
22 shall use every available administrative means to insure that
23 dependency benefits are paid only to individuals who meet the
24 requirements of this paragraph (2). These administrative actions may
25 include, but shall not be limited to, the following:

26 (i) All married individuals claiming dependents under this paragraph
27 (2) shall be required to provide the social security number of the
28 individual's spouse. If the individual indicates that the spouse is
29 unemployed, the division shall match the social security number of the
30 spouse against available wage records to determine whether earnings
31 were reported on the last quarterly earnings report filed by employers
32 under R.S.43:21-14. If earnings were reported, the division shall
33 contact in writing the last employer to determine whether the spouse
34 is currently employed.

35 (ii) Where a child is claimed as a dependent by an individual under
36 this paragraph (2), the individual shall be required to provide to the
37 division the most recent federal income tax return filed by the
38 individual to assist the division in verifying the claim.

39 (3) For the purposes of this subsection (c), the "Statewide average
40 weekly remuneration paid to workers by employers" shall be computed
41 and determined by the Commissioner of Labor on or before September
42 1 of each year on the basis of one-fifty-second of the total
43 remuneration reported for the preceding calendar year by employers
44 subject to this chapter, divided by the average of the number of
45 workers reported by such employers, and shall be effective as to
46 benefit determinations in the calendar year following such computation

1 and determination.

2 (d) Maximum total benefits.

3 (1) (A) (Deleted by amendment, P.L.2003, c.107).

4 (B) (i) With respect to an individual for whom benefits shall be
5 payable for benefit years commencing on or after July 1, 1986, and
6 before July 1, 2003[, and on or after July 1, 2005,] as provided in this
7 section, the individual shall be entitled to receive a total amount of
8 benefits equal to three-quarters of the individual's base weeks with all
9 employers in the base year multiplied by the individual's weekly benefit
10 rate; but the amount of benefits thus resulting under that determination
11 shall be adjusted to the next lower multiple of \$1.00 if not already a
12 multiple thereof. With respect to an individual for whom benefits shall
13 be payable for benefit years commencing on or after July 1, 2003 [and
14 before July 1, 2005,] as provided in this section, the individual shall
15 be entitled to receive a total amount of benefits equal to the number
16 of the individual's base weeks with all employers in the base year
17 multiplied by the individual's weekly benefit rate; but the amount of
18 benefits thus resulting under that determination shall be adjusted to the
19 next lower multiple of \$1.00 if not already a multiple thereof.

20 (ii) Except as provided pursuant to paragraph (1) of subsection (c)
21 of R.S.43:21-7, benefits paid to an individual for benefit years
22 commencing on or after July 1, 1986 shall be charged against the
23 accounts of the individual's base year employers in the following
24 manner:

25 Each week of benefits paid to an eligible individual shall be charged
26 against each base year employer's account in the same proportion that
27 the wages paid by each employer to the individual during the base year
28 bear to the wages paid by all employers to that individual during the
29 base year.

30 (iii) (Deleted by amendment, P.L.1997, c.255.)

31 (2) No such individual shall be entitled to receive benefits under this
32 chapter (R.S.43:21-1 et seq.) in excess of 26 times his weekly benefit
33 rate in any benefit year under either of subsections (c) and (f) of R.S.
34 43:21-4. In the event that any individual qualifies for benefits under
35 both of said subsections during any benefit year, the maximum total
36 amount of benefits payable under said subsections combined to such
37 individual during the benefit year shall be one and one-half times the
38 maximum amount of benefits payable under one of said subsections.

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

40 (cf: P.L.2003, c.107, s.2)

41

42 ¹[1.] 2.¹ R.S.43:21-7 is amended to read as follows:

43 43:21-7. Contributions. Employers other than governmental
44 entities, whose benefit financing provisions are set forth in section 4
45 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
46 liable for payment in lieu of contributions on the basis set forth in

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

8 (a) Payment.

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

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

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

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

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

44 (3) For calendar years beginning on and after January 1, 1976, the
45 "wages" of any individual, as defined in the preceding paragraph (2)
46 of this subsection (b), shall be established and promulgated by the

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

15 (c) Future rates based on benefit experience.

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

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

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

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

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

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

33 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than 5%,
34 of his average annual payroll (as defined in paragraph (2), subsection
35 (a) of R.S.43:21-19);

36 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than
37 6%, of his average annual payroll;

38 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than
39 7%, of his average annual payroll;

40 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than
41 8%, of his average annual payroll;

42 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than
43 9%, of his average annual payroll;

44 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
45 of his average annual payroll;

46 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less

1 than 11%, of his average annual payroll;

2 (8) $4\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his average
3 annual payroll.

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

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

10 (2) $4\frac{3}{10}$ %, if such excess equals or exceeds 10%, but is less than
11 20%, of his average annual payroll;

12 (3) $4\frac{6}{10}$ %, if such excess equals or exceeds 20% of his average
13 annual payroll.

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

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

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

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

45 If on March 31 of any calendar year the balance of the
46 unemployment trust fund is less than 2 $\frac{1}{2}$ % of the total taxable wages

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

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

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

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

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

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

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

8 (iii) (Deleted by amendment, P.L.2003, c.107).

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

16

17 EXPERIENCE RATING TAX TABLE

18 Fund Reserve Ratio¹

19

20	3.50%	3.00%	2.50%	2.00%	1.99%
21 Employer	and	to	to	to	and
22 Reserve	Over	3.49%	2.99%	2.49%	Under
23 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)] (Deleted by amendment,
13 P.L. , c.) (now before the Legislature as this bill).

14 (v) With respect to the experience rating [years] year beginning on
15 [or after] July 1, 2003, the new employer rate or the unemployment
16 experience rate of an employer under this section shall be the rate
17 which appears in the column headed by the Unemployment Trust Fund
18 Reserve Ratio as of the applicable calculation date and on the line with
19 the Employer Reserve Ratio, as defined in paragraph 4 of this
20 subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

21

EXPERIENCE RATING TAX TABLE

Fund Reserve Ratio¹

22		2.50%	2.00%	1.50%	1.00%	0.99%
23		and	to	to	to	and
24		Over	2.49%	1.99%	1.49%	Under
25	Employer	A	B	C	D	E
26	Reserve					
27	Ratio ²					
28	Positive Reserve Ratio:					
29	17% and over	0.3	0.4	0.5	0.6	1.2
30	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
31	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
32	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
33	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
34	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
35	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
36	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
37	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
38	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
39	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
40	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
41	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
42	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
43	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
44	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
45	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1

1	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
2	Deficit Reserve Ratio:					
3	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
4	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
5	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
6	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
7	-12.00%to-14.99%	3.6	4.6	5.4	6.0	6.5
8	-15.00%to-19.99%	3.6	4.6	5.5	6.1	6.6
9	-20.00%to-24.99%	3.7	4.7	5.6	6.2	6.7
10	-25.00%to-29.99%	3.7	4.8	5.6	6.3	6.8
11	-30.00%to-34.99%	3.8	4.8	5.7	6.3	6.9
12	-35.00% and under	5.4	5.4	5.8	6.4	7.0
13	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

18 (vi) With respect to experience rating years beginning on or after
19 July 1, 2004, the new employer rate or the unemployment experience
20 rate of an employer under this section shall be the rate which appears
21 in the column headed by the Unemployment Trust Fund Reserve Ratio
22 as of the applicable calculation date and on the line with the Employer
23 Reserve Ratio, as defined in paragraph 4 of this subsection
24 (R.S.43:21-7 (c)(4)), as set forth in the following table:

25

EXPERIENCE RATING TAX TABLE

26

Fund Reserve Ratio¹

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	<u>1.40%</u>	<u>1.00%</u>	<u>0.75%</u>	<u>0.50%</u>	<u>0.49%</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>1.39%</u>	<u>0.99%</u>	<u>0.74%</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>

1	<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>
2	<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>
3	<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>
4	<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>
5	<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>
6	<u>Deficit Reserve Ratio:</u>					
7	<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>
8	<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>
9	<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>
10	<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>
11	<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>
12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>

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

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

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

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

30 (iii) With respect to experience rating years beginning on or after
31 July 1, 2004, if the fund reserve ratio, based on the fund balance as of
32 the prior March 31, is less than 0.50%, the contribution rate for each
33 employer liable to pay contributions, as computed under subparagraph
34 (E) of this paragraph (5), shall be increased by a factor of 10%
35 computed to the nearest multiple of 1/10% if not already a multiple
36 thereof.

37 (G) On or after January 1, 1993, notwithstanding any other
38 provisions of this paragraph (5), the contribution rate for each
39 employer liable to pay contributions, as computed under subparagraph
40 (E) of this paragraph (5), shall be decreased by 0.1%, except that,
41 during any experience rating year starting before January 1, 1998 in
42 which the fund reserve ratio is equal to or greater than 7.00% or
43 during any experience rating year starting on or after January 1, 1998,
44 in which the fund reserve ratio is equal to or greater than 3.5%, there
45 shall be no decrease pursuant to this subparagraph (G) in the
46 contribution of any employer who has a deficit reserve ratio of

1 negative 35.00% or under.

2 (H) On or after January 1, 1993 until December 31, 1993,
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 52.0% 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%. On or after January 1, 1994 until
18 December 31, 1995, except as provided pursuant to subparagraph (I)
19 of this paragraph (5), notwithstanding any other provisions of this
20 paragraph (5), the contribution rate for each employer liable to pay
21 contributions, as computed under subparagraph (E) of this paragraph
22 (5), shall be decreased by a factor of 36.0% computed to the nearest
23 multiple of 1/10%, except that, if an employer has a deficit reserve
24 ratio of negative 35.0% or under, the employer's rate of contribution
25 shall not be reduced pursuant to this subparagraph (H) to less than
26 5.4%. The amount of the reduction in the employer contributions
27 stipulated by this subparagraph (H) shall be in addition to the amount
28 of the reduction in the employer contributions stipulated by
29 subparagraph (G) of this paragraph (5), except that the rate of
30 contribution of an employer who has a deficit reserve ratio of negative
31 35.0% or under shall not be reduced pursuant to this subparagraph (H)
32 to less than 5.4% and the rate of contribution of any other employer
33 shall not be reduced to less than 0.0%.

34 On or after April 1, 1996 until December 31, 1996, the contribution
35 rate for each employer liable to pay contributions, as computed under
36 subparagraph (E) of this paragraph (5), shall be decreased by a factor
37 of 25.0% computed to the nearest multiple of 1/10%, except that, if
38 an employer has a deficit reserve ratio of negative 35.0% or under, the
39 employer's rate of contribution shall not be reduced pursuant to this
40 subparagraph (H) to less than 5.4%. The amount of the reduction in
41 the employer contributions stipulated by this subparagraph (H) shall
42 be in addition to the amount of the reduction in the employer
43 contributions stipulated by subparagraph (G) of this paragraph (5),
44 except that the rate of contribution of an employer who has a deficit
45 reserve ratio of negative 35.0% or under shall not be reduced pursuant
46 to this subparagraph (H) to less than 5.4% and the rate of contribution

1 of any other employer shall not be reduced to less than 0.0%.

2 On or after January 1, 1997 until December 31, 1997, the
3 contribution rate for each employer liable to pay contributions, as
4 computed under subparagraph (E) of this paragraph (5), shall be
5 decreased by a factor of 10.0% computed to the nearest multiple of
6 1/10%, except that, if an employer has a deficit reserve ratio of
7 negative 35.0% or under, the employer's rate of contribution shall not
8 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
9 amount of the reduction in the employer contributions stipulated by
10 this subparagraph (H) shall be in addition to the amount of the
11 reduction in the employer contributions stipulated by subparagraph (G)
12 of this paragraph (5), except that the rate of contribution of an
13 employer who has a deficit reserve ratio of negative 35.0% or under
14 shall not be reduced pursuant to this subparagraph (H) to less than
15 5.4% and the rate of contribution of any other employer shall not be
16 reduced to less than 0.0%.

17 On and after January 1, 1998 until December 31, 2000 and on or
18 after January 1, 2002 until June 30, 2004, the contribution rate for
19 each employer liable to pay contributions, as computed under
20 subparagraph (E) of this paragraph (5), shall be decreased by a factor,
21 as set out below, computed to the nearest multiple of 1/10%, except
22 that, if an employer has a deficit reserve ratio of negative 35.0% or
23 under, the employer's rate of contribution shall not be reduced
24 pursuant to this subparagraph (H) to less than 5.4%:

25 From January 1, 1998 until December 31, 1998, a factor of 12%;
26 From January 1, 1999 until December 31, 1999, a factor of 10%;
27 From January 1, 2000 until December 31, 2000, a factor of 7%;
28 From January 1, 2002 until March 31, 2002, a factor of 36%;
29 From April 1, 2002 until June 30, 2002, a factor of 85%;
30 From July 1, 2002 until June 30, 2003, a factor of 15%; [and]
31 From July 1, 2003 until June 30, 2004, a factor of 15%; and
32 From July 1, 2004 until June 30, 2005, a factor of 7% .

33 The amount of the reduction in the employer contributions
34 stipulated by this subparagraph (H) shall be in addition to the amount
35 of the reduction in the employer contributions stipulated by
36 subparagraph (G) of this paragraph (5), except that the rate of
37 contribution of an employer who has a deficit reserve ratio of negative
38 35.0% or under shall not be reduced pursuant to this subparagraph (H)
39 to less than 5.4% and the rate of contribution of any other employer
40 shall not be reduced to less than 0.0%.

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

45 If, upon calculating the unemployment compensation fund reserve
46 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,

1 March 31, 1998 or March 31, 1999, the controller finds that the fund
2 reserve ratio has decreased to a level of less than 3.00%, the
3 Commissioner of Labor shall notify the State Treasurer of this fact and
4 of the dollar amount necessary to bring the fund reserve ratio up to a
5 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
6 March 31, 1998 or March 31, 1999, as applicable, transfer from the
7 General Fund to the unemployment compensation fund, revenues in
8 the amount specified by the commissioner and which, upon deposit in
9 the unemployment compensation fund, shall result, upon recalculation,
10 in a fund reserve ratio used to determine employer contributions
11 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
12 at least 3.00%. If, upon calculating the unemployment compensation
13 fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March
14 31, 2000, the controller finds that the fund reserve ratio has decreased
15 to a level of less than 3.00%, the Commissioner of Labor shall notify
16 the State Treasurer of this fact and of the dollar amount necessary to
17 bring the fund reserve ratio up to a level of 3.00%. The State
18 Treasurer shall, prior to March 31, 2000, transfer from the General
19 Fund to the unemployment compensation fund, revenues in the amount
20 specified by the commissioner and which, upon deposit in the
21 unemployment compensation fund, shall result, upon recalculation, in
22 a fund reserve ratio used to determine employer contributions
23 beginning July 1, 2000 of at least 3.00%.

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

40 (6) Additional contributions.

41 Notwithstanding any other provision of law, any employer who has
42 been assigned a contribution rate pursuant to subsection (c) of this
43 section for the year commencing July 1, 1948, and for any year
44 commencing July 1 thereafter, may voluntarily make payment of
45 additional contributions, and upon such payment shall receive a
46 recomputation of the experience rate applicable to such employer,

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

17 (7) Transfers.

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

39 (B) An employer who transfers part of his or its organization, trade,
40 assets or business to a successor in interest, whether by merger,
41 consolidation, sale, transfer, descent or otherwise, may jointly make
42 application with such successor in interest for transfer of that portion
43 of the employment experience of the predecessor employer relating to
44 the portion of the organization, trade, assets or business transferred to
45 the successor in interest, including credit for past years, contributions
46 paid, annual payrolls, benefit charges, et cetera, applicable to such

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

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

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

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

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

45 (C) (i) Notwithstanding the above provisions of this paragraph (1),
46 during the period starting July 1, 1986 and ending December 31, 1992,

1 each worker shall contribute to the fund 1.125% of wages paid with
2 respect to his employment with a governmental employer electing or
3 required to pay contributions or nongovernmental employer, including
4 a nonprofit organization which is an employer as defined under
5 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
6 elects or is required to finance its benefit costs with contributions to
7 the fund or by payments in lieu of contributions, after that employer
8 has satisfied the conditions set forth in subsection R.S.43:21-19(h)
9 with respect to becoming an employer. Contributions, however, shall
10 be at the rate of 0.625% while the worker is covered by an approved
11 private plan under the "Temporary Disability Benefits Law" while the
12 worker is exempt under section 7 of that law, P.L.1948, c.110
13 (C.43:21-31) or any other provision of that law; provided that such
14 contributions shall be at the rate of 0.625% of wages paid with respect
15 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 and which is covered by the State
18 plan under the "Temporary Disability Benefits Law," except that, while
19 the worker is exempt from the provisions of the "Temporary Disability
20 Benefits Law" under section 7 of that law, P.L.1948, c.110
21 (C.43:21-31) or any other provision of that law, or is covered for
22 disability benefits by an approved private plan of the employer, the
23 contributions to the fund shall be 0.125%.

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

25 (D) Notwithstanding any other provisions of this paragraph (1),
26 during the period starting January 1, 1993 and ending June 30, 1994,
27 each worker shall contribute to the unemployment compensation fund
28 0.5% of 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. No contributions, however,
37 shall be made by the worker while the worker is covered by an
38 approved private plan under the "Temporary Disability Benefits Law,"
39 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
40 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
41 provision of that law; provided that the contributions shall be at the
42 rate of 0.50% of wages paid with respect to employment with the
43 State of New Jersey or any other governmental entity or
44 instrumentality electing or required to make payments in lieu of
45 contributions and which is covered by the State plan under the
46 "Temporary Disability Benefits Law," except that, 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) or any
3 other provision of that law, or is covered for disability benefits by an
4 approved private plan of the employer, no contributions shall be made
5 to the fund.

6 Each worker shall, starting on January 1, 1996 and ending March
7 31, 1996, contribute to the unemployment compensation fund 0.60%
8 of wages paid with respect to the worker's employment with a
9 governmental employer electing or required to pay contributions or
10 nongovernmental employer, including a nonprofit organization which
11 is an employer as defined under paragraph (6) of subsection (h) of
12 R.S.43:21-19, regardless of whether that nonprofit organization elects
13 or is required to finance its benefit costs with contributions to the fund
14 or by payments in lieu of contributions, after that employer has
15 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
16 with respect to becoming an employer, provided that the contributions
17 shall be at the rate of 0.10% of wages paid with respect to
18 employment with the State of New Jersey or any other governmental
19 entity or instrumentality electing or required to make payments in lieu
20 of contributions.

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

36 Each worker shall, starting on January 1, 1999 until December 31,
37 1999, contribute to the unemployment compensation fund 0.15% of
38 wages paid with respect to the worker's employment with a
39 governmental employer electing or required to pay contributions or
40 nongovernmental employer, including a nonprofit organization which
41 is an employer as defined under paragraph (6) of subsection (h) of
42 R.S.43:21-19, regardless of whether that nonprofit organization elects
43 or is required to finance its benefit costs with contributions to the fund
44 or by payments in lieu of contributions, after that employer has
45 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
46 with respect to becoming an employer, provided that the contributions

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

5 Each worker shall, starting on January 1, 2000 until December 31,
6 2001, contribute to the unemployment compensation fund 0.20% 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, 2002 until June 30, 2004,
21 contribute to the unemployment compensation fund 0.1825% of wages
22 paid with respect to the worker's employment with a governmental
23 employer electing or required to pay contributions or a
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 0.0825% 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 and after July 1, 2004, contribute to
36 the unemployment compensation fund 0.3825% of wages paid with
37 respect to the worker's employment with a governmental employer
38 electing or required to pay contributions or nongovernmental
39 employer, including a nonprofit organization which is an employer as
40 defined under paragraph (6) of subsection (h) of R.S.43:21-19,
41 regardless of whether that nonprofit organization elects or is required
42 to finance its benefit costs with contributions to the fund or by
43 payments in lieu of contributions, after that employer has satisfied the
44 conditions set forth in subsection (h) of R.S.43:21-19 with respect to
45 becoming an employer, provided that the contributions shall be at the
46 rate of 0.0825% of wages paid with respect to employment with the

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

4 (E) Each employer shall, notwithstanding any provision of law in
5 this State to the contrary, withhold in trust the amount of his workers'
6 contributions from their wages at the time such wages are paid, shall
7 show such deduction on his payroll records, shall furnish such
8 evidence thereof to his workers as the division or controller may
9 prescribe, and shall transmit all such contributions, in addition to his
10 own contributions, to the office of the controller in such manner and
11 at such times as may be prescribed. If any employer fails to deduct the
12 contributions of any of his workers at the time their wages are paid, or
13 fails to make a deduction therefor at the time wages are paid for the
14 next succeeding payroll period, he alone shall thereafter be liable for
15 such contributions, and for the purpose of R.S.43:21-14, such
16 contributions shall be treated as employer's contributions required
17 from him.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (B) A separate disability benefits account shall be maintained for
39 each employer required to contribute to the State disability benefits
40 fund and such account shall be credited with contributions deposited
41 in and credited to such fund with respect to employment occurring on
42 and after January 1, 1949. Each employer's account shall be credited
43 with all contributions paid on or before January 31 of any calendar
44 year on his own behalf and on behalf of individuals in his service with
45 respect to employment occurring in preceding calendar years;
46 provided, however, that if January 31 of any calendar year falls on a

1 Saturday or Sunday an employer's account shall be credited as of
2 January 31 of such calendar year with all the contributions which he
3 has paid on or before the next succeeding day which is not a Saturday
4 or Sunday. But nothing in this act shall be construed to grant any
5 employer or individuals in his service prior claims or rights to the
6 amounts paid by him to the fund either on his own behalf or on behalf
7 of such individuals. Benefits paid to any covered individual in
8 accordance with Article III of the "Temporary Disability Benefits
9 Law" on or before December 31 of any calendar year with respect to
10 disability in such calendar year and in preceding calendar years shall be
11 charged against the account of the employer by whom such individual
12 was employed at the commencement of such disability or by whom he
13 was last employed, if out of employment.

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

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

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

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

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

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

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

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

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

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

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

5 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
6 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

7 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
8 3/4 of 1% but is less than 1% of his average annual payroll;

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

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

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

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

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

43 (ii) If the percentage determined in accordance with paragraph
44 (E)(1) of this subsection equals or exceeds 3/4 of 1% and is less than
45 1 1/4 of 1%, the final employer rates shall be the preliminary employer
46 rates.

1 (iii) If the percentage determined in accordance with paragraph
2 (E)(1) of this subsection is less than $\frac{3}{4}$ of 1%, but in excess of $\frac{1}{4}$ of
3 1%, the final employer rates shall be the preliminary employer rates
4 determined as provided in (D) hereof increased by the difference
5 between $\frac{3}{4}$ of 1% and such percentage taken to the nearest $\frac{5}{100}$ of
6 1%; provided, however, that no such final rate shall be more than $\frac{1}{4}$
7 of 1% in the case of an employer whose preliminary rate is determined
8 as provided in (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
9 employer whose preliminary rate is determined as provided in (D)(1)
10 and (D)(3) hereof, nor more than $\frac{3}{4}$ of 1% in the case of an employer
11 whose preliminary rate is determined as provided in (D)(4) hereof.

12 (iv) If the amount of the State disability benefits fund determined
13 as provided in paragraph (E)(1) of this subsection is equal to or less
14 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
15 employer whose preliminary rate is determined as provided in (D)(2)
16 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
17 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
18 case of an employer whose preliminary rate is determined as provided
19 in (D)(4) hereof. Notwithstanding any other provision of law or any
20 determination made by the controller with respect to any 12-month
21 period commencing on July 1, 1970, the final rates for all employers
22 for the period beginning January 1, 1971, shall be as set forth herein.
23 (cf: P.L.2003, c.107, s.3)

24

25 ¹[2.] 3.¹ Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended
26 to read as follows:

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

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

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

44 Beginning on January 1, 1998 until December 31, 1998, each
45 employee shall, in such a manner and at such times as determined by
46 the commissioner, contribute to the fund an amount equal to 0.30% of

1 the employee's taxable wages.

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

6 Beginning on January 1, 2000 until June 30, 2004, each employee
7 shall, in such a manner and at such times as determined by the
8 commissioner, contribute to the fund an amount equal to 0.20% of the
9 employee's taxable wages.

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

17 Also beginning on January 1, 1998 until December 31, 2000, and
18 beginning on January 1, 2002 and ending June 30, [2004] 2005, each
19 employer shall, in such a manner and at such times as determined by
20 the commissioner, contribute to the fund an amount equal to the
21 amount that the employer's contribution to the unemployment
22 compensation fund is decreased pursuant to subparagraph (H) of
23 paragraph (5) of subsection (c) of R.S.43:21-7.

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

35 c. If the total amount of contributions to the fund pursuant to this
36 section during the calendar year 1993 exceeds \$600 million, all
37 contributions which exceed \$600 million shall be deposited in the
38 unemployment compensation fund. If the total amount of
39 contributions to the fund pursuant to this section during calendar year
40 1994 or calendar year 1995 exceeds \$500 million, all contributions
41 which exceed \$500 million shall be deposited in the unemployment
42 compensation fund. If the total amount of contributions made to the
43 fund pursuant to this section for the calendar year 1996 or 1997
44 exceeds \$330 million, all contributions which exceed \$330 million in
45 calendar year 1996 or 1997 shall be deposited in the unemployment
46 compensation fund. If the total amount of contributions made to the

1 fund pursuant to this section for the calendar year 1998 exceeds \$288
2 million, all contributions which exceed \$288 million in the calendar
3 year 1998 shall be deposited in the unemployment compensation fund.
4 If the total amount of contributions made to the fund pursuant to this
5 section for the calendar year 1999 exceeds \$233.9 million, all
6 contributions which exceed \$233.9 million in the calendar year 1999
7 shall be deposited in the unemployment compensation fund. If the
8 total amount of contributions made to the fund pursuant to this section
9 for the calendar year 2000 exceeds \$178.6 million, all contributions
10 which exceed \$178.6 million in the calendar year 2000 shall be
11 deposited in the unemployment compensation fund. If the total
12 amount of contributions made to the fund pursuant to this section for
13 the calendar year 2001 exceeds \$94.9 million, all contributions which
14 exceed \$94.9 million in the calendar year 2001 shall be deposited in
15 the unemployment compensation fund. If the total amount of
16 contributions made to the fund pursuant to this section for the period
17 beginning January 1, 2002 and ending June 30, 2002 exceeds \$516.5
18 million, all contributions which exceed \$516.5 million in the period
19 beginning January 1, 2002 and ending June 30, 2002 shall be deposited
20 in the unemployment compensation fund. If the total amount of
21 contributions made to the fund pursuant to this section for the fiscal
22 year 2003 or fiscal year 2004 exceeds \$325 million, all contributions
23 which exceed \$325 million in the fiscal year 2003 or fiscal year 2004
24 shall be deposited in the unemployment compensation fund. If the
25 total amount of contributions made to the fund pursuant to this section
26 for the fiscal year 2005 exceeds \$100 million, all contributions which
27 exceed \$100 million in the fiscal year 2005 shall be deposited in the
28 unemployment compensation fund.

29 d. All necessary administrative costs related to the collection of
30 contributions pursuant to this section shall be paid from the
31 contributions.

32 (cf: P.L.2003, c.107, s.4)

33

34 ¹⁴. Section 8 of P.L.1992, c.47 (C.43:21-64) is amended to read
35 as follows:

36 8. a. Whenever the Commissioner of Labor determines that the
37 total amount of additional benefits paid pursuant to this act [during a
38 calendar year] has become greater than [1.5% of the amount of the
39 balance in the unemployment trust fund on the immediately preceding]
40 2.0% of the sum of balances in the unemployment trust fund on every
41 December 31 since the effective date of P.L.1992, c.47 (C.43:21-57
42 et seq.), the commissioner shall, during the period lasting until the end
43 of [that] the calendar year in which the determination is made,
44 prohibit any additional individuals from beginning to receive additional
45 benefits pursuant to this act and shall end the prohibition at the end of
46 that calendar year.

1 b. The Department of Labor shall, during any period in which the
2 commissioner prohibits additional individuals from beginning to
3 receive additional benefits pursuant to subsection a. of this section,
4 continue to provide any otherwise eligible individual with:

5 (1) The notice required pursuant to section 6 of this act;

6 (2) The counseling required pursuant to section 3 of this act; and

7 (3) The opportunity for the individual to notify the department of
8 the individual's intention to enter into remedial education or vocational
9 training pursuant to subsection d. of section 4 of this act. Any
10 individual who, during the period in which the commissioner prohibits
11 additional individuals from beginning to receive additional benefits
12 pursuant to subsection a. of this section, meets the requirements of
13 section 4 of this act shall be permitted to receive additional benefits
14 pursuant to this act after the commissioner has ended the prohibition
15 pursuant to subsection ~~[b.] a.~~ of this section.

16 c. Additional benefits paid pursuant to this act shall continue for
17 any individual who, at the time that the commissioner imposes the
18 prohibition pursuant to subsection a. of this section, is already
19 receiving the additional benefits or has already enrolled in the training
20 or education identified in the Employability Development Plan
21 developed pursuant to section 3 of this act.¹

22 (cf: P.L.1992, c.47, s.8)

23
24 ¹[3.] 5.¹ This act shall take effect immediately.

25
26
27 _____
28
29 Redirects \$100 million in unemployment taxes to Health Care Subsidy
30 Fund, changes thresholds for employer unemployment taxes, and
31 modifies UI benefits.

ASSEMBLY, No. 3104

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 14, 2004

Sponsored by:

Assemblyman PATRICK DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

Assemblyman Fisher

SYNOPSIS

Redirects \$100 million in unemployment taxes to Health Care Subsidy Fund, changes thresholds for employer unemployment taxes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/18/2004)

1 AN ACT redirecting \$100 million in payroll taxes from the
2 unemployment compensation fund to the Health Care Subsidy
3 Fund, changing the thresholds for employer unemployment tax
4 schedules and amending P.L.1992, c.160 and R.S.43:21-7.

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

8
9 1. R.S.43:21-7 is amended to read as follows:

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

21 (a) Payment.

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

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

33 (b) Rate of contributions. Each employer shall pay the following
34 contributions:

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

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

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

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

31 (c) Future rates based on benefit experience.

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

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

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

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

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

37 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
38 8/10%, except as otherwise provided in the following provisions. No
39 employer's rate for the 12 months commencing July 1 of any calendar
40 year shall be other than 2 8/10%, unless as of the preceding January 31
41 such employer shall have paid contributions with respect to wages paid
42 in each of the three calendar years immediately preceding such year,
43 in which case such employer's rate for the 12 months commencing July
44 1 of any calendar year shall be determined on the basis of his record up
45 to the beginning of such calendar year. If, at the beginning of such
46 calendar year, the total of all his contributions, paid on his own behalf,

1 for all past years exceeds the total benefits charged to his account for
2 all such years, his contribution rate shall be:

3 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
4 5%, of his average annual payroll (as defined in paragraph (2),
5 subsection (a) of R.S.43:21-19);

6 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
7 6%, of his average annual payroll;

8 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
9 7%, of his average annual payroll;

10 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
11 8%, of his average annual payroll;

12 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
13 9%, of his average annual payroll;

14 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
15 of his average annual payroll;

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

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

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

24 (1) 4%, if such excess is less than 10% of his average annual
25 payroll;

26 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
27 20%, of his average annual payroll;

28 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
29 annual payroll.

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

35 (i) if the reserve balance in its account is positive, its assigned rate
36 shall be the highest rate in effect for positive balance accounts for that
37 period, or 5.4%, whichever is higher, and (ii) if the reserve balance
38 in its account is negative, its assigned rate shall be the highest rate in
39 effect for deficit accounts for that period.

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

44 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31
45 of any calendar year the balance in the unemployment trust fund equals
46 or exceeds 4% but is less than 7% of the total taxable wages reported

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

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

34 (B) If on March 31 of any calendar year the balance in the
35 unemployment trust fund equals or exceeds 10% but is less than 12
36 1/2% of the total taxable wages reported to the controller as of that
37 date in respect to employment during the preceding calendar year, the
38 contribution rate, effective July 1 following, of each employer eligible
39 for a contribution rate calculation based upon benefit experience, shall
40 be reduced by 3/10 of 1% under the contribution rate otherwise
41 established under the provisions of paragraphs (3) and (4) of this
42 subsection; provided that in no event shall the contribution rate of any
43 employer be reduced to less than 4/10 of 1%. If on March 31 of any
44 calendar year the balance in the unemployment trust fund equals or
45 exceeds 12 1/2% of the total taxable wages reported to the controller
46 as of that date in respect to employment during the preceding calendar

1 year, the contribution rate, effective July 1 following, of each
 2 employer eligible for a contribution rate calculation based upon benefit
 3 experience, shall be reduced by 6/10 of 1% if his account for all past
 4 periods reflects an excess of contributions paid over total benefits
 5 charged of 3% or more of his average annual payroll, otherwise by
 6 3/10 of 1% under the contribution rate otherwise established under the
 7 provisions of paragraphs (3) and (4) of this subsection; provided that
 8 in no event shall the contribution rate of any employer be reduced to
 9 less than 4/10 of 1%.

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

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

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

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

24 (iii) (Deleted by amendment, P.L.2003, c.107).

25 (iv) [With respect to the experience rating year beginning on July
 26 1, 2002, the new employer rate or the unemployment experience rate
 27 of an employer under this section shall be the rate which appears in the
 28 column headed by the Unemployment Trust Fund Reserve Ratio as of
 29 the applicable calculation date and on the line with the Employer
 30 Reserve Ratio, as defined in paragraph 4 of this subsection
 31 (R.S.43:21-7 (c)(4)), as set forth in the following table:

32
 33 EXPERIENCE RATING TAX TABLE

34 Fund Reserve Ratio¹

35	36	3.50%	3.00%	2.50%	2.00%	1.99%
37	Employer	and	to	to	to	and
38	Reserve	Over	3.49%	2.99%	2.49%	Under
39	Ratio ²	A	B	C	D	E
40	Positive Reserve Ratio:					
41	17% and over	0.3	0.4	0.5	0.6	1.2
42	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
43	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
44	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
45	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
46	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2

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

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

27 ²Employer Reserve Ratio (Contributions minus benefits as a
28 percentage of employer's taxable wages)] (Deleted by amendment,
29 P.L. , c.) (now before the Legislature as this bill).

30 (v) With respect to the experience rating [years] year beginning on
31 [or after] July 1, 2003, the new employer rate or the unemployment
32 experience rate of an employer under this section shall be the rate
33 which appears in the column headed by the Unemployment Trust Fund
34 Reserve Ratio as of the applicable calculation date and on the line with
35 the Employer Reserve Ratio, as defined in paragraph 4 of this
36 subsection (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		2.50%	2.00%	1.50%	1.00%	0.99%
42	Employer	and	to	to	to	and
43	Reserve	Over	2.49%	1.99%	1.49%	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	<u>Reserve</u>	<u>Over</u>	<u>1.39%</u>	<u>0.99%</u>	<u>0.74%</u>	<u>Under</u>
2	<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
3	<u>Positive Reserve Ratio:</u>					
4	<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>
5	<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>
6	<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>
7	<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>
8	<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>
9	<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>
10	<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>
11	<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>
12	<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>
13	<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>
14	<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>
15	<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>
16	<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>
17	<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>
18	<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>
19	<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>
20	<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>
21	<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>
22	<u>Deficit Reserve Ratio:</u>					
23	<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>
24	<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>
25	<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>
26	<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>
27	<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>
28	<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>
29	<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>
30	<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>
31	<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>
32	<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>
33	<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>

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

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

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

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

46 (iii) With respect to experience rating years beginning on or after

1 July 1, 2004, if the fund reserve ratio, based on the fund balance as of
2 the prior March 31, is less than 0.50%, the contribution rate for each
3 employer liable to pay contributions, as computed under subparagraph
4 (E) of this paragraph (5), shall be increased by a factor of 10%
5 computed to the nearest multiple of 1/10% if not already a multiple
6 thereof.

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

18 (H) On or after January 1, 1993 until December 31, 1993,
19 notwithstanding any other provisions of this paragraph (5), the
20 contribution rate for each employer liable to pay contributions, as
21 computed under subparagraph (E) of this paragraph (5), shall be
22 decreased by a factor of 52.0% computed to the nearest multiple of
23 1/10%, except that, if an employer has a deficit reserve ratio of
24 negative 35.0% or under, the employer's rate of contribution shall not
25 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
26 amount of the reduction in the employer contributions stipulated by
27 this subparagraph (H) shall be in addition to the amount of the
28 reduction in the employer contributions stipulated by subparagraph (G)
29 of this paragraph (5), except that the rate of contribution of an
30 employer who has a deficit reserve ratio of negative 35.0% or under
31 shall not be reduced pursuant to this subparagraph (H) to less than
32 5.4% and the rate of contribution of any other employer shall not be
33 reduced to less than 0.0%. On or after January 1, 1994 until
34 December 31, 1995, except as provided pursuant to subparagraph (I)
35 of this paragraph (5), notwithstanding any other provisions of this
36 paragraph (5), the contribution rate for each employer liable to pay
37 contributions, as computed under subparagraph (E) of this paragraph
38 (5), shall be decreased by a factor of 36.0% computed to the nearest
39 multiple of 1/10%, except that, if an employer has a deficit reserve
40 ratio of negative 35.0% or under, the employer's rate of contribution
41 shall not be reduced pursuant to this subparagraph (H) to less than
42 5.4%. The amount of the reduction in the employer contributions
43 stipulated by this subparagraph (H) shall be in addition to the amount
44 of the reduction in the employer contributions stipulated by
45 subparagraph (G) of this paragraph (5), except that the rate of
46 contribution of an employer who has a deficit reserve ratio of negative

1 35.0% or under shall not be reduced pursuant to this subparagraph (H)
2 to less than 5.4% and the rate of contribution of any other employer
3 shall not be reduced to less than 0.0%.

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

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

33 On and after January 1, 1998 until December 31, 2000 and on or
34 after January 1, 2002 until June 30, 2004, the contribution rate for
35 each employer liable to pay contributions, as computed under
36 subparagraph (E) of this paragraph (5), shall be decreased by a factor,
37 as set out below, computed to the nearest multiple of 1/10%, except
38 that, if an employer has a deficit reserve ratio of negative 35.0% or
39 under, the employer's rate of contribution shall not be reduced
40 pursuant to this subparagraph (H) to less than 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 March 31, 2002, a factor of 36%;

45 From April 1, 2002 until June 30, 2002, a factor of 85%;

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

1 From July 1, 2003 until June 30, 2004, a factor of 15%; and
2 From July 1, 2004 until June 30, 2005, a factor of 7% .

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

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

15 If, upon calculating the unemployment compensation fund reserve
16 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
17 March 31, 1998 or March 31, 1999, the controller finds that the fund
18 reserve ratio has decreased to a level of less than 3.00%, the
19 Commissioner of Labor shall notify the State Treasurer of this fact and
20 of the dollar amount necessary to bring the fund reserve ratio up to a
21 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
22 March 31, 1998 or March 31, 1999, as applicable, transfer from the
23 General Fund to the unemployment compensation fund, revenues in
24 the amount specified by the commissioner and which, upon deposit in
25 the unemployment compensation fund, shall result, upon recalculation,
26 in a fund reserve ratio used to determine employer contributions
27 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
28 at least 3.00%. If, upon calculating the unemployment compensation
29 fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March
30 31, 2000, the controller finds that the fund reserve ratio has decreased
31 to a level of less than 3.00%, the Commissioner of Labor shall notify
32 the State Treasurer of this fact and of the dollar amount necessary to
33 bring the fund reserve ratio up to a level of 3.00%. The State
34 Treasurer shall, prior to March 31, 2000, transfer from the General
35 Fund to the unemployment compensation fund, revenues in the amount
36 specified by the commissioner and which, upon deposit in the
37 unemployment compensation fund, shall result, upon recalculation, in
38 a fund reserve ratio used to determine employer contributions
39 beginning July 1, 2000 of at least 3.00%.

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

1 employer who has a deficit reserve ratio of negative 35.00% or under.
2 The amount of the reduction in the employer contributions stipulated
3 by this subparagraph (J) shall be in addition to the amount of the
4 reduction in the employer contributions stipulated by subparagraphs
5 (G) and (H) of this paragraph (5), except that the rate of contribution
6 of an employer who has a deficit reserve ratio of negative 35.0% or
7 under shall not be reduced pursuant to this subparagraph (J) to less
8 than 5.4% and the rate of contribution of any other employer shall not
9 be reduced to less than 0.0%.

10 (6) Additional contributions.

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

33 (7) Transfers.

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

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

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

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

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

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

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

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

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

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

41 (D) Notwithstanding any other provisions of this paragraph (1),
42 during the period starting January 1, 1993 and ending June 30, 1994,
43 each worker shall contribute to the unemployment compensation fund
44 0.5% 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. No contributions, however,
7 shall be made by the worker while the worker is covered by an
8 approved private plan under the "Temporary Disability Benefits Law,"
9 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
10 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
11 provision of that law; provided that the contributions shall be at the
12 rate of 0.50% of wages paid with respect to employment with the
13 State of New Jersey or any other governmental entity or
14 instrumentality electing or required to make payments in lieu of
15 contributions and which is covered by the State plan under the
16 "Temporary Disability Benefits Law," except that, while the worker is
17 exempt from the provisions of the "Temporary Disability Benefits
18 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
19 other provision of that law, or is covered for disability benefits by an
20 approved private plan of the employer, no contributions shall be made
21 to the fund.

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

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

1 R.S.43:21-19 with respect to becoming an employer, provided that the
2 contributions shall be at the rate of 0.10% of wages paid with respect
3 to employment with the State of New Jersey or any other
4 governmental entity or instrumentality electing or required to make
5 payments in lieu of contributions.

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

21 Each worker shall, starting on January 1, 2000 until December 31,
22 2001, contribute to the unemployment compensation fund 0.20% of
23 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, 2002 until June 30, 2004,
37 contribute to the unemployment compensation fund 0.1825% of wages
38 paid with respect to the worker's employment with a governmental
39 employer electing or required to pay contributions or a
40 nongovernmental employer, including a nonprofit organization which
41 is an employer as defined under paragraph (6) of subsection (h) of
42 R.S.43:21-19, regardless of whether that nonprofit organization elects
43 or is required to finance its benefit costs with contributions to the fund
44 or by payments in lieu of contributions, after that employer has
45 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
46 with respect to becoming an employer, provided that the contributions

1 shall be at the rate of 0.0825% of wages paid with respect to
2 employment with the State of New Jersey or any other governmental
3 entity or instrumentality electing or required to make payments in lieu
4 of contributions.

5 Each worker shall, starting on and after July 1, 2004, contribute to
6 the unemployment compensation fund 0.3825% of wages paid with
7 respect to the worker's employment with a governmental employer
8 electing or required to pay contributions or nongovernmental
9 employer, including a nonprofit organization which is an employer as
10 defined under paragraph (6) of subsection (h) of R.S.43:21-19,
11 regardless of whether that nonprofit organization elects or is required
12 to finance its benefit costs with contributions to the fund or by
13 payments in lieu of contributions, after that employer has satisfied the
14 conditions set forth in subsection (h) of R.S.43:21-19 with respect to
15 becoming an employer, provided that the contributions shall be at the
16 rate of 0.0825% of wages paid with respect to employment with the
17 State of New Jersey or any other governmental entity or
18 instrumentality electing or required to make payments in lieu of
19 contributions.

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

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

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

1 of that law.

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

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

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

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

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

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

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

9 (3) If an employee receives wages from more than one employer

10 during any calendar year, and either the sum of his contributions

11 deposited in and credited to the State disability benefits fund plus the

12 amount of his contributions, if any, required towards the costs of

13 benefits under one or more approved private plans under the

14 provisions of section 9 of the "Temporary Disability Benefits Law"

15 (C.43:21-33) and deducted from his wages, or the sum of such latter

16 contributions, if the employee is covered during such calendar year

17 only by two or more private plans, exceeds an amount equal to 1/2 of

18 1% of the "wages" determined in accordance with the provisions of

19 R.S.43:21-7(b)(3) during the calendar years beginning on or after

20 January 1, 1976, the employee shall be entitled to a refund of the

21 excess if he makes a claim to the controller within two years after the

22 end of the calendar year in which the wages are received with respect

23 to which the refund is claimed and establishes his right to such refund.

24 Such refund shall be made by the controller from the State disability

25 benefits fund. No interest shall be allowed or paid with respect to any

26 such refund. The controller shall, in accordance with prescribed

27 regulations, determine the portion of the aggregate amount of such

28 refunds made during any calendar year which is applicable to private

29 plans for which deductions were made under section 9 of the

30 "Temporary Disability Benefits Law," such determination to be based

31 upon the ratio of the amount of such wages exempt from contributions

32 to such fund, as provided in subparagraph (B) of paragraph (1) of this

33 subsection with respect to coverage under private plans, to the total

34 wages so exempt plus the amount of such wages subject to

35 contributions to the disability benefits fund, as provided in

36 subparagraph (G) of paragraph (1) of this subsection. The controller

37 shall, in accordance with prescribed regulations, prorate the amount

38 so determined among the applicable private plans in the proportion

39 that the wages covered by each plan bear to the total private plan

40 wages involved in such refunds, and shall assess against and recover

41 from the employer, or the insurer if the insurer has indemnified the

42 employer with respect thereto, the amount so prorated. The

43 provisions of R.S.43:21-14 with respect to collection of employer

44 contributions shall apply to such assessments. The amount so

45 recovered by the controller shall be paid into the State disability

46 benefits fund.

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

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

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

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

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

46 (2) During the continuance of coverage of a worker by an

1 approved private plan of disability benefits under the "Temporary
2 Disability Benefits Law," the employer shall be exempt from the
3 contributions required by subparagraph (1) above with respect to
4 wages paid to such worker.

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

8 (B) A separate disability benefits account shall be maintained for
9 each employer required to contribute to the State disability benefits
10 fund and such account shall be credited with contributions deposited
11 in and credited to such fund with respect to employment occurring on
12 and after January 1, 1949. Each employer's account shall be credited
13 with all contributions paid on or before January 31 of any calendar
14 year on his own behalf and on behalf of individuals in his service with
15 respect to employment occurring in preceding calendar years;
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 act shall be construed to grant any
21 employer or individuals in his service prior claims or rights to the
22 amounts paid by him to the fund either on his own behalf or on behalf
23 of such individuals. Benefits paid to any covered individual in
24 accordance with Article III of the "Temporary Disability Benefits
25 Law" on or before December 31 of any calendar year with respect to
26 disability in such calendar year and in preceding calendar years shall be
27 charged against the account of the employer by whom such individual
28 was employed at the commencement of such disability or by whom he
29 was last employed, if out of employment.

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

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

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

45 (2) If the minimum requirements in (1) above have been fulfilled
46 and the credited contributions exceed the benefits charged by more

1 than \$500.00, such preliminary rate shall be as follows:

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

5 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
6 $\frac{1}{4}$ % but is less than $1\frac{1}{2}$ % of his average annual payroll;

7 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
8 $\frac{1}{2}$ % of his average annual payroll.

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

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

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

19 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
20 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

21 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
22 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

23 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
24 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

25 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
26 1% of his average annual payroll.

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

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

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

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

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

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

28 (iv) If the amount of the State disability benefits fund determined
29 as provided in paragraph (E)(1) of this subsection is equal to or less
30 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
31 employer whose preliminary rate is determined as provided in (D)(2)
32 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
33 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
34 case of an employer whose preliminary rate is determined as provided
35 in (D)(4) hereof. Notwithstanding any other provision of law or any
36 determination made by the controller with respect to any 12-month
37 period commencing on July 1, 1970, the final rates for all employers
38 for the period beginning January 1, 1971, shall be as set forth herein.
39 (cf: P.L.2003, c.107, s.3)

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

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

1 employee's taxable wages.

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

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

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

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

22 Beginning on January 1, 2000 until June 30, 2004, each employee
23 shall, in such a manner and at such times as determined by the
24 commissioner, contribute to the fund an amount equal to 0.20% of the
25 employee's taxable wages.

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

33 Also beginning on January 1, 1998 until December 31, 2000, and
34 beginning on January 1, 2002 and ending June 30, [2004] 2005, each
35 employer shall, in such a manner and at such times as determined by
36 the commissioner, contribute to the fund an amount equal to the
37 amount that the employer's contribution to the unemployment
38 compensation fund is decreased pursuant to subparagraph (H) of
39 paragraph (5) of subsection (c) of R.S.43:21-7.

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

1 subsection were in effect shall, beginning on July 1 of that calendar
2 year, contribute to the fund an amount equal to 0.62% of the total
3 wages paid by the employer and shall continue to contribute that
4 amount until December 31, 1995.

5 c. If the total amount of contributions to the fund pursuant to this
6 section during the calendar year 1993 exceeds \$600 million, all
7 contributions which exceed \$600 million shall be deposited in the
8 unemployment compensation fund. If the total amount of
9 contributions to the fund pursuant to this section during calendar year
10 1994 or calendar year 1995 exceeds \$500 million, all contributions
11 which exceed \$500 million shall be deposited in the unemployment
12 compensation fund. If the total amount of contributions made to the
13 fund pursuant to this section for the calendar year 1996 or 1997
14 exceeds \$330 million, all contributions which exceed \$330 million in
15 calendar year 1996 or 1997 shall be deposited in the unemployment
16 compensation fund. If the total amount of contributions made to the
17 fund pursuant to this section for the calendar year 1998 exceeds \$288
18 million, all contributions which exceed \$288 million in the calendar
19 year 1998 shall be deposited in the unemployment compensation fund.
20 If the total amount of contributions made to the fund pursuant to this
21 section for the calendar year 1999 exceeds \$233.9 million, all
22 contributions which exceed \$233.9 million in the calendar year 1999
23 shall be deposited in the unemployment compensation fund. If the
24 total amount of contributions made to the fund pursuant to this section
25 for the calendar year 2000 exceeds \$178.6 million, all contributions
26 which exceed \$178.6 million in the calendar year 2000 shall be
27 deposited in the unemployment compensation fund. If the total
28 amount of contributions made to the fund pursuant to this section for
29 the calendar year 2001 exceeds \$94.9 million, all contributions which
30 exceed \$94.9 million in the calendar year 2001 shall be deposited in
31 the unemployment compensation fund. If the total amount of
32 contributions made to the fund pursuant to this section for the period
33 beginning January 1, 2002 and ending June 30, 2002 exceeds \$516.5
34 million, all contributions which exceed \$516.5 million in the period
35 beginning January 1, 2002 and ending June 30, 2002 shall be deposited
36 in the unemployment compensation fund. If the total amount of
37 contributions made to the fund pursuant to this section for the fiscal
38 year 2003 or fiscal year 2004 exceeds \$325 million, all contributions
39 which exceed \$325 million in the fiscal year 2003 or fiscal year 2004
40 shall be deposited in the unemployment compensation fund. If the
41 total amount of contributions made to the fund pursuant to this section
42 for the fiscal year 2005 exceeds \$100 million, all contributions which
43 exceed \$100 million in the fiscal year 2005 shall be deposited in the
44 unemployment compensation fund.

45 d. All necessary administrative costs related to the collection of
46 contributions pursuant to this section shall be paid from the

1 contributions.
2 (cf: P.L.2003, c.107, s.4)

3

4 3. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill redirects \$100 million in payroll tax revenue from the
10 unemployment compensation fund to the Health Care Subsidy Fund
11 during fiscal year 2005 and adjusts unemployment compensation fund
12 reserve ratios to reduce the likelihood that a higher unemployment tax
13 rate schedule on employers will be triggered by the loss of the \$100
14 million in revenue during that fiscal year.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3104

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 15, 2004

The Assembly Budget Committee reports favorably Assembly Bill No. 3104, with committee amendments.

Assembly Bill No. 3104, as amended, redirects \$100 million in payroll tax revenue from the unemployment compensation fund to the Health Care Subsidy Fund during State Fiscal Year 2005 and adjusts unemployment compensation fund reserve ratios to reduce the likelihood that a higher unemployment tax rate schedule on employers will be triggered by the loss of the \$100 million in revenue during that fiscal year.

FISCAL IMPACT

This bill redirects \$100 million in payroll tax revenue from the unemployment compensation fund to the Health Care Subsidy Fund during FY2005.

COMMITTEE AMENDMENTS:

The amendments (1) make permanent a provision of the unemployment insurance (UI) law, now scheduled to expire on June 30, 2005, that makes each claimant eligible for a number of weeks of regular UI benefits equal to 100 percent of the claimant's number of base weeks (up to a maximum of 26 weeks), and (2) revises the trigger for cutting off admission of new eligibles to the "additional UI benefits during job training" (ABT) program from the point at which total ABT payments in a calendar year exceed 1.5 percent of the balance in the UI trust fund on the immediately preceding December 31 to the point at which those payments exceed 2 percent of the sum of balances in the fund on each December 31 since the effective date of P.L.1992, c.47.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3104
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JUNE 29, 2004

SUMMARY

- Synopsis:** Redirects \$100 million in unemployment taxes to Health Care Subsidy Fund, changes thresholds for employer unemployment taxes.
- Type of Impact:** Redirects \$100 million in payroll taxes from the UI fund to the Health Care Subsidy Fund during fiscal year 2005. Offsets demand on General Fund resources. Adjusts UI fund reserve ratios in order to avoid a higher employer unemployment tax rate schedule triggered by the loss of \$100 million in UI fund revenues.
- Agencies Affected:** Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Health Care Subsidy Fund	Increase revenue, by \$100 million	N.A.	N.A.
UI Fund	Reduce revenue, by \$100 million for redirection	N.A.	N.A.

- ! During FY 2005, the bill redirects \$100 million to the Health Care Subsidy Fund from the UI fund.
- ! The \$100 million in new payroll tax contributions to the Health Care Subsidy Fund offsets what would have been a demand on General Fund resources to pay for programs financed through the Health Care Subsidy Fund.
- ! The bill adjusts UI fund reserve ratios in the employer tax schedule, which triggers the transition from the UI "A" schedule to the UI "B" schedule from 2.5 percent to 1.4 percent.
- ! The Department of Labor has *informally* indicated that the 2005 reserve ratio is estimated to be 1.34 percent, inclusive of the proposed \$100 million diversion. Based on the department's estimate, the reduction in the UI fund balance as a result of the redirection may trigger a higher employer tax schedule, resulting in the trigger change from the UI "A" schedule to the higher UI "B" schedule.

BILL DESCRIPTION

Assembly Bill No. 3104 of 2004 provides for a redirection of \$100 million from the UI fund to the Health Care Subsidy Fund and reduces the tax schedule reserve ratio. During FY 2005, the bill increases by \$100 million the total amount of payroll tax revenue which is redirected from the UI fund to the Health Care Subsidy Fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The UI fund balance for the fiscal year ending June 30, 2003 was \$2.1 billion. The UI fund cash balance as of May, 2004 was \$1.1 billion. Under reasonable projection scenarios, the redirection of payroll taxes during FY 2005, as provided under this bill, will not impair the payment of benefits or imperil the stability of the fund. This bill will provide \$100 million in payroll tax contributions to the Health Care Subsidy Fund to offset what would have been a future demand on General Fund resources to pay for programs financed through the Health Care Subsidy Fund.

The UI tax rates on each employer are calculated on the basis of a combination of the employer's own "reserve ratio" (the amount of UI taxes paid by the employer minus the benefits paid to workers laid off by the employer as a percentage of UI taxable wages paid by the employer) and "reserve ratio" for the entire UI trust fund (the fund balance as a percentage of the total UI taxable wages on the State). This bill lowers the UI "A" schedule from 2.5 percent to 1.4 percent and the UI "B" schedule to 1.0 percent-1.39 percent from 2.00 percent-2.49 percent. The Department of Labor has *informally* indicated that the 2005 reserve ratio is estimated to be 1.34 percent, inclusive of the proposed \$100 million diversion. Based on the department's estimate, the reduction in the UI fund balance as a result of the redirection may trigger a higher employer tax schedule, resulting in the trigger change from the UI "A" schedule to the higher UI "B" schedule.

Section: *Commerce, Labor and Industry*
Analyst: *Sonya S. Davis*
Associate Fiscal Analyst
Approved: *David J. Rosen*
Legislative Budget and Finance Officer

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

SENATE, No. 1656

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 7, 2004

Sponsored by:

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

SYNOPSIS

Redirects \$100 million in unemployment taxes to Health Care Subsidy Fund, changes thresholds for employer unemployment taxes.

CURRENT VERSION OF TEXT

As introduced.



S1656 KENNY

2

1 **AN ACT** redirecting \$100 million in payroll taxes from the
2 unemployment compensation fund to the Health Care Subsidy
3 Fund, changing the thresholds for employer unemployment tax
4 schedules and amending P.L.1992, c.160 and R.S.43:21-7.

5

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

8

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

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

21 (a) Payment.

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

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

33 (b) Rate of contributions. Each employer shall pay the following
34 contributions:

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

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

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

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

31 (c) Future rates based on benefit experience.

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

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

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

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

36 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
37 8/10%, except as otherwise provided in the following provisions. No
38 employer's rate for the 12 months commencing July 1 of any calendar
39 year shall be other than 2 8/10%, unless as of the preceding January 31
40 such employer shall have paid contributions with respect to wages paid
41 in each of the three calendar years immediately preceding such year,
42 in which case such employer's rate for the 12 months commencing July
43 1 of any calendar year shall be determined on the basis of his record up
44 to the beginning of such calendar year. If, at the beginning of such
45 calendar year, the total of all his contributions, paid on his own behalf,
46 for all past years exceeds the total benefits charged to his account for

1 all such years, his contribution rate shall be:

2 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
3 5%, of his average annual payroll (as defined in paragraph (2),
4 subsection (a) of R.S.43:21-19);

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

7 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
8 7%, of his average annual payroll;

9 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
10 8%, of his average annual payroll;

11 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
12 9%, of his average annual payroll;

13 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
14 of his average annual payroll;

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

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

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

23 (1) 4%, if such excess is less than 10% of his average annual
24 payroll;

25 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
26 20%, of his average annual payroll;

27 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
28 annual payroll.

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

34 (i) if the reserve balance in its account is positive, its assigned rate
35 shall be the highest rate in effect for positive balance accounts for that
36 period, or 5.4%, whichever is higher, and (ii) if the reserve balance
37 in its account is negative, its assigned rate shall be the highest rate in
38 effect for deficit accounts for that period.

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

43 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31
44 of any calendar year the balance in the unemployment trust fund equals
45 or exceeds 4% but is less than 7% of the total taxable wages reported
46 to the controller as of that date in respect to employment during the

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

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

33 (B) If on March 31 of any calendar year the balance in the
34 unemployment trust fund equals or exceeds 10% but is less than 12
35 1/2% of the total taxable wages reported to the controller as of that
36 date in respect to employment during the preceding calendar year, the
37 contribution rate, effective July 1 following, of each employer eligible
38 for a contribution rate calculation based upon benefit experience, shall
39 be reduced by 3/10 of 1% under the contribution rate otherwise
40 established under the provisions of paragraphs (3) and (4) of this
41 subsection; provided that in no event shall the contribution rate of any
42 employer be reduced to less than 4/10 of 1%. If on March 31 of any
43 calendar year the balance in the unemployment trust fund equals or
44 exceeds 12 1/2% of the total taxable wages reported to the controller
45 as of that date in respect to employment during the preceding calendar
46 year, the contribution rate, effective July 1 following, of each

1 employer eligible for a contribution rate calculation based upon benefit
 2 experience, shall be reduced by 6/10 of 1% if his account for all past
 3 periods reflects an excess of contributions paid over total benefits
 4 charged of 3% or more of his average annual payroll, otherwise by
 5 3/10 of 1% under the contribution rate otherwise established under the
 6 provisions of paragraphs (3) and (4) of this subsection; provided that
 7 in no event shall the contribution rate of any employer be reduced to
 8 less than 4/10 of 1%.

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

15 (D) Prior to July 1 of each calendar year the controller shall
 16 determine the Unemployment Trust Reserve Ratio, which shall be
 17 calculated by dividing the balance of the unemployment trust fund as
 18 of the prior March 31 by total taxable wages reported to the controller
 19 by all employers as of March 31 with respect to their employment
 20 during the last calendar year.

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

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

23 (iii) (Deleted by amendment, P.L.2003, c.107).

24 (iv) [With respect to the experience rating year beginning on July
 25 1, 2002, the new employer rate or the unemployment experience rate
 26 of an employer under this section shall be the rate which appears in the
 27 column headed by the Unemployment Trust Fund Reserve Ratio as of
 28 the applicable calculation date and on the line with the Employer
 29 Reserve Ratio, as defined in paragraph 4 of this subsection
 30 (R.S.43:21-7 (c)(4)), as set forth in the following table:

31

32 EXPERIENCE RATING TAX TABLE

33 Fund Reserve Ratio¹

34

	3.50%	3.00%	2.50%	2.00%	1.99%
35	and	to	to	to	and
36 Employer	Over	3.49%	2.99%	2.49%	Under
37 Reserve	A	B	C	D	E
38 Ratio ²					
39 Positive Reserve Ratio:					
40 17% and over	0.3	0.4	0.5	0.6	1.2
41 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
42 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
43 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
44 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
45 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
46 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2

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

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

26 ²Employer Reserve Ratio (Contributions minus benefits as a
27 percentage of employer's taxable wages)] (Deleted by amendment,
28 P.L. _____, c. _____) (now before the Legislature as this bill).

29 (v) With respect to the experience rating [years] year beginning on
30 [or after] July 1, 2003, the new employer rate or the unemployment
31 experience rate of an employer under this section shall be the rate
32 which appears in the column headed by the Unemployment Trust Fund
33 Reserve Ratio as of the applicable calculation date and on the line with
34 the Employer Reserve Ratio, as defined in paragraph 4 of this
35 subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

36

37 EXPERIENCE RATING TAX TABLE

38 Fund Reserve Ratio¹

39

40		2.50%	2.00%	1.50%	1.00%	0.99%
41	Employer	and	to	to	to	and
42	Reserve	Over	2.49%	1.99%	1.49%	Under
43	Ratio ²	A	B	C	D	E
44	Positive Reserve Ratio:					
45	17% and over	0.3	0.4	0.5	0.6	1.2
46	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2

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

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

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

33 (vi) With respect to experience rating years beginning on or after
34 July 1, 2004, the new employer rate or the unemployment experience
35 rate of an employer under this section shall be the rate which appears
36 in the column headed by the Unemployment Trust Fund Reserve Ratio
37 as of the applicable calculation date and on the line with the Employer
38 Reserve Ratio, as defined in paragraph 4 of this subsection
39 (R.S.43:21-7 (c)(4)), as set forth in the following table:

40

41

EXPERIENCE RATING TAX TABLE

42

Fund Reserve Ratio¹

43

44

1.40% 1.00% 0.75% 0.50% 0.49%

45

Employer

and to to to and

46

Reserve

Over 1.39% 0.99% 0.74% Under

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1 <u>Ratio</u> ²	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
2 <u>Positive Reserve Ratio:</u>					
3 <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>
4 <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>
5 <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>
6 <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>
7 <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>
8 <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>
9 <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>
10 <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>
11 <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>
12 <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>
13 <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>
14 <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>
15 <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>
16 <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>
17 <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>
18 <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>
19 <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>
20 <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>
21 <u>Deficit Reserve Ratio:</u>					
22 <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>
23 <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>
24 <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>
25 <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>
26 <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>
27 <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>
28 <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>
29 <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>
30 <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>
31 <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>
32 <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>

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

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

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

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

45 (iii) With respect to experience rating years beginning on or after
46 July 1, 2004, if the fund reserve ratio, based on the fund balance as of

1 the prior March 31, is less than 0.50%, the contribution rate for each
2 employer liable to pay contributions, as computed under subparagraph
3 (E) of this paragraph (5), shall be increased by a factor of 10%
4 computed to the nearest multiple of 1/10% if not already a multiple
5 thereof.

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

17 (H) On or after January 1, 1993 until December 31, 1993,
18 notwithstanding any other provisions of this paragraph (5), the
19 contribution rate for each employer liable to pay contributions, as
20 computed under subparagraph (E) of this paragraph (5), shall be
21 decreased by a factor of 52.0% computed to the nearest multiple of
22 1/10%, except that, if an employer has a deficit reserve ratio of
23 negative 35.0% or under, the employer's rate of contribution shall not
24 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
25 amount of the reduction in the employer contributions stipulated by
26 this subparagraph (H) shall be in addition to the amount of the
27 reduction in the employer contributions stipulated by subparagraph (G)
28 of this paragraph (5), except that the rate of contribution of an
29 employer who has a deficit reserve ratio of negative 35.0% or under
30 shall not be reduced pursuant to this subparagraph (H) to less than
31 5.4% and the rate of contribution of any other employer shall not be
32 reduced to less than 0.0%. On or after January 1, 1994 until
33 December 31, 1995, except as provided pursuant to subparagraph (I)
34 of this paragraph (5), notwithstanding any other provisions of this
35 paragraph (5), the contribution rate for each employer liable to pay
36 contributions, as computed under subparagraph (E) of this paragraph
37 (5), shall be decreased by a factor of 36.0% computed to the nearest
38 multiple of 1/10%, except that, if an employer has a deficit reserve
39 ratio of negative 35.0% or under, the employer's rate of contribution
40 shall not be reduced pursuant to this subparagraph (H) to less than
41 5.4%. The amount of the reduction in the employer contributions
42 stipulated by this subparagraph (H) shall be in addition to the amount
43 of the reduction in the employer contributions stipulated by
44 subparagraph (G) of this paragraph (5), except that the rate of
45 contribution of an employer who has a deficit reserve ratio of negative
46 35.0% or under shall not be reduced pursuant to this subparagraph (H)

1 to less than 5.4% and the rate of contribution of any other employer
2 shall not be 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 by a factor,
36 as set out below, computed to the nearest multiple of 1/10%, except
37 that, if an employer has a deficit reserve ratio of negative 35.0% or
38 under, the employer's rate of contribution shall not be reduced
39 pursuant to this subparagraph (H) to less than 5.4%:

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

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

42 From January 1, 2000 until December 31, 2000, a factor of 7%;

43 From January 1, 2002 until March 31, 2002, a factor of 36%;

44 From April 1, 2002 until June 30, 2002, a factor of 85%;

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

46 From July 1, 2003 until June 30, 2004, a factor of 15%; and

1 From July 1, 2004 until June 30, 2005, a factor of 7% .

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

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

14 If, upon calculating the unemployment compensation fund reserve
15 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
16 March 31, 1998 or March 31, 1999, the controller finds that the fund
17 reserve ratio has decreased to a level of less than 3.00%, the
18 Commissioner of Labor shall notify the State Treasurer of this fact and
19 of the dollar amount necessary to bring the fund reserve ratio up to a
20 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,
21 March 31, 1998 or March 31, 1999, as applicable, transfer from the
22 General Fund to the unemployment compensation fund, revenues in
23 the amount specified by the commissioner and which, upon deposit in
24 the unemployment compensation fund, shall result, upon recalculation,
25 in a fund reserve ratio used to determine employer contributions
26 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of
27 at least 3.00%. If, upon calculating the unemployment compensation
28 fund reserve ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March
29 31, 2000, the controller finds that the fund reserve ratio has decreased
30 to a level of less than 3.00%, the Commissioner of Labor shall notify
31 the State Treasurer of this fact and of the dollar amount necessary to
32 bring the fund reserve ratio up to a level of 3.00%. The State
33 Treasurer shall, prior to March 31, 2000, transfer from the General
34 Fund to the unemployment compensation fund, revenues in the amount
35 specified by the commissioner and which, upon deposit in the
36 unemployment compensation fund, shall result, upon recalculation, in
37 a fund reserve ratio used to determine employer contributions
38 beginning July 1, 2000 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 June 30, 2004,
36 contribute to the unemployment compensation fund 0.1825% of wages
37 paid with respect to the worker's employment with a governmental
38 employer electing or required to pay contributions or a
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 0.0825% 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 July 1, 2004, contribute to
5 the unemployment compensation fund 0.3825% of wages paid with
6 respect to the worker's employment with a governmental employer
7 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.2003, c.107, s.3)

39

40 2. 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 June 30, 2004, each employee
22 shall, in such a manner and at such times as determined by the
23 commissioner, contribute to the fund an amount equal to 0.20% of the
24 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, and
33 beginning on January 1, 2002 and ending June 30, [2004] 2005, each
34 employer shall, in such a manner and at such times as determined by
35 the commissioner, contribute to the fund an amount equal to the
36 amount that the employer's contribution to the unemployment
37 compensation fund is decreased pursuant to subparagraph (H) of
38 paragraph (5) of subsection (c) of R.S.43:21-7.

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

1 year, contribute to the fund an amount equal to 0.62% of the total
2 wages paid by the employer and shall continue to contribute that
3 amount until December 31, 1995.

4 c. If the total amount of contributions to the fund pursuant to this
5 section during the calendar year 1993 exceeds \$600 million, all
6 contributions which exceed \$600 million shall be deposited in the
7 unemployment compensation fund. If the total amount of
8 contributions to the fund pursuant to this section during calendar year
9 1994 or calendar year 1995 exceeds \$500 million, all contributions
10 which exceed \$500 million shall be deposited in the unemployment
11 compensation fund. If the total amount of contributions made to the
12 fund pursuant to this section for the calendar year 1996 or 1997
13 exceeds \$330 million, all contributions which exceed \$330 million in
14 calendar year 1996 or 1997 shall be deposited in the unemployment
15 compensation fund. If the total amount of contributions made to the
16 fund pursuant to this section for the calendar year 1998 exceeds \$288
17 million, all contributions which exceed \$288 million in the calendar
18 year 1998 shall be deposited in the unemployment compensation fund.
19 If the total amount of contributions made to the fund pursuant to this
20 section for the calendar year 1999 exceeds \$233.9 million, all
21 contributions which exceed \$233.9 million in the calendar year 1999
22 shall be deposited in the unemployment compensation fund. If the
23 total amount of contributions made to the fund pursuant to this section
24 for the calendar year 2000 exceeds \$178.6 million, all contributions
25 which exceed \$178.6 million in the calendar year 2000 shall be
26 deposited in the unemployment compensation fund. If the total
27 amount of contributions made to the fund pursuant to this section for
28 the calendar year 2001 exceeds \$94.9 million, all contributions which
29 exceed \$94.9 million in the calendar year 2001 shall be deposited in
30 the unemployment compensation fund. If the total amount of
31 contributions made to the fund pursuant to this section for the period
32 beginning January 1, 2002 and ending June 30, 2002 exceeds \$516.5
33 million, all contributions which exceed \$516.5 million in the period
34 beginning January 1, 2002 and ending June 30, 2002 shall be deposited
35 in the unemployment compensation fund. If the total amount of
36 contributions made to the fund pursuant to this section for the fiscal
37 year 2003 or fiscal year 2004 exceeds \$325 million, all contributions
38 which exceed \$325 million in the fiscal year 2003 or fiscal year 2004
39 shall be deposited in the unemployment compensation fund. If the
40 total amount of contributions made to the fund pursuant to this section
41 for the fiscal year 2005 exceeds \$100 million, all contributions which
42 exceed \$100 million in the fiscal year 2005 shall be deposited in the
43 unemployment compensation fund.

44 d. All necessary administrative costs related to the collection of
45 contributions pursuant to this section shall be paid from the
46 contributions.

47 (cf: P.L.2003, c.107, s.4)

1 3. This act shall take effect immediately.

2

3

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STATEMENT

5

6 This bill redirects \$100 million in payroll tax revenue from the
7 unemployment compensation fund to the Health Care Subsidy Fund
8 during fiscal year 2005 and adjusts unemployment compensation fund
9 reserve ratios to reduce the likelihood that a higher unemployment tax
10 rate schedule on employers will be triggered by the loss of the \$100
11 million in revenue during that fiscal year.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1656

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 2004

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1656, with committee amendments.

This bill redirects \$100 million in payroll tax revenue from the unemployment compensation fund to the Health Care Subsidy Fund during fiscal year 2005 and adjusts unemployment compensation fund reserve ratios to reduce the likelihood that a higher unemployment tax rate schedule on employers will be triggered by the loss of the \$100 million in revenue during that fiscal year.

COMMITTEE AMENDMENTS

Committee amendments to this bill (1) make permanent a provision of the unemployment insurance (UI) law, now scheduled to expire on June 30, 2005, that makes each claimant eligible for a number of weeks of regular UI benefits equal to 100 percent of the claimant's number of base weeks (up to a maximum of 26 weeks), and (2) revises the trigger for cutting off admission of new eligibles to the "additional UI benefits during job training" (ABT) program from the point at which total ABT payments in a calendar year exceed 1.5 percent of the balance in the UI trust fund on the immediately preceding December 31 to the point at which those payments exceed 2 percent of the sum of balances in the fund on each December 31 since the effective date of P.L.1992, c.47.

FISCAL IMPACT

This bill redirects \$100 million in payroll tax revenue from the unemployment compensation fund to the Health Care Subsidy Fund during fiscal year 2005. It is anticipated that the amendments will increase claims upon the UI fund.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1656
STATE OF NEW JERSEY
211th LEGISLATURE

DATED: JUNE 29, 2004

SUMMARY

- Synopsis:** Redirects \$100 million in unemployment taxes to Health Care Subsidy Fund, changes thresholds for employer unemployment taxes.
- Type of Impact:** Redirects \$100 million in payroll taxes from the UI fund to the Health Care Subsidy Fund during fiscal year 2005. Offsets demand on General Fund resources. Adjusts UI fund reserve ratios in order to avoid a higher employer unemployment tax rate schedule triggered by the loss of \$100 million in UI fund revenues.
- Agencies Affected:** Department of Labor

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Health Care Subsidy Fund	Increase revenue, by \$100 million	N.A.	N.A.
UI Fund	Reduce revenue by \$100 million for redirection	N.A.	N.A.

- ! During FY 2005, the bill redirects \$100 million to the Health Care Subsidy Fund from the UI fund.
- ! The \$100 million in new payroll tax contributions to the Health Care Subsidy Fund offsets what would have been a demand on General Fund resources to pay for programs financed through the Health Care Subsidy Fund.
- ! The bill adjusts UI fund reserve ratios in the employer tax schedule, which triggers the transition from the UI "A" schedule to the UI "B" schedule from 2.5 percent to 1.4 percent.
- ! The Department of Labor has *informally* indicated that the 2005 reserve ratio is estimated to be 1.34 percent, inclusive of the proposed \$100 million diversion. Based on the department's estimate, the reduction in the UI fund balance as a result of the redirection may trigger a higher employer tax schedule, resulting in the trigger change from the UI "A" schedule to the higher UI "B" schedule.

BILL DESCRIPTION

Senate Bill No. 1656 of 2004 provides for a redirection of \$100 million from the UI fund to the Health Care Subsidy Fund and reduces the tax schedule reserve ratio. During FY 2005, the bill increases by \$100 million the total amount of payroll tax revenue which is redirected from the UI fund to the Health Care Subsidy Fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The UI fund balance for the fiscal year ending June 30, 2003 was \$2.1 billion. The UI fund cash balance as of May, 2004 was \$1.1 billion. Under reasonable projection scenarios, the redirection of payroll taxes during FY 2005, as provided under this bill, will not impair the payment of benefits or imperil the stability of the fund. This bill will provide \$100 million in payroll tax contributions to the Health Care Subsidy Fund to offset what would have been a future demand on General Fund resources to pay for programs financed through the Health Care Subsidy Fund.

UI tax rates on each employer are calculated on the basis of a combination of the employer's own "reserve ratio" (the amount of UI taxes paid by the employer minus the benefits paid to workers laid off by the employer as a percentage of UI taxable wages paid by the employer) and "reserve ratio" for the entire UI trust fund (the fund balance as a percentage of the total UI taxable wages on the State). This bill lowers the UI "A" schedule from 2.5 percent to 1.4 percent and the UI "B" schedule to 1.0 percent-1.39 percent from 2.00 percent-2.49 percent. The Department of Labor has *informally* indicated that the 2005 reserve ratio is estimated to be 1.34 percent, inclusive of the proposed \$100 million diversion. Based on the department's estimate, the reduction in the UI fund balance as a result of the redirection may trigger a higher employer tax schedule, resulting in the trigger change from the UI "A" schedule to the higher UI "B" schedule.

Section: *Commerce, Labor and Industry*

Analyst: *Sonya S. Davis*
Associate Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

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