

# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 4772**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 8, 2022

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 4772.

As amended, this bill modifies certain conditions under which employees involved in a labor dispute may obtain unemployment insurance (UI) benefits.

The bill changes the provisions of current law that permit the payment of UI benefits in the case of an employer lockout. An employer lockout occurs when an employer prevents the employees from working after their union has directed them to work under previous contract conditions. The bill permits the benefit payments in the case of an employer lockout even if there was not a strike immediately preceding the lockout.

The bill decreases from 30 days to 14 days the period of time following the commencement of unemployment caused by a labor dispute before which UI benefits may be paid, but specifies that benefits be paid to claimants immediately, even during the 14-day period, upon the hiring of replacement workers to take positions of the claimants, without regard to whether the replacement workers are purported to be “permanent”, and removes the penalty of up to \$750 per week against employers who state that a replacement worker is not “permanent” but fails to rehire the replaced worker upon the conclusion of the dispute. The bill does not change the provisions of current law that the waiting period before benefit payments does not apply either to benefits paid during lockouts or to benefits paid during certain labor disputes.

The bill also clarifies that there is no disqualification of a claim due to a labor dispute if an issue in the labor dispute is a failure or refusal of the employer to comply with an agreement or contract between the employer and the claimant, including a collective bargaining agreement with a union representing the claimant, or a failure or refusal to comply with a State or federal law pertaining to hours, wages, or other conditions of work, even if the failure or refusal is not the only issue in the labor dispute.

COMMITTEE AMENDMENTS:

The committee amended the bill to remove the definition of stoppage of work as only stoppages in which it is documented that production is reduced by 20 percent or more, thus permitting the payment of benefits even if there is no reduction of production.