

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4852

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 12, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4852 (1R), with committee amendments.

This bill changes the requirements for eligibility for extended unemployment insurance (UI) benefits.

Under current law, an individual who qualifies for regular UI benefits but exhausts those benefits, may then qualify for extended UI benefits, funded on a 50-50, State/federal basis, only if the individual was paid wages during the base year of his applicable benefit year which are 40 times his weekly benefit rate.

With the amendments proposed by the sponsor, this bill permits the individual to be eligible for the extended UI benefits if, during the base year, the individual either had been eligible for regular UI benefits prior to exhausting those benefits, or attains the current requirement of being paid wages 40 times his weekly benefit rate.

Under current law, to be eligible for regular UI benefits, an individual is required, during the individual's base year, to have established 20 base weeks with minimum pay of 20 times the State minimum wage, or to have been paid not less than 1,000 times the State minimum wage during the entire base year.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1. provide that an individual is eligible for extended UI benefits either because they had qualified for regular UI benefits or they attained the current requirement of being paid wages 40 times the individual's weekly benefit rate, instead of being required to meet both qualifications, as required in the current law; and
2. remove from the bill two alternative ways that the bill had added to the existing law for an individual to qualify for extended UI benefits, which were that the individual either was paid wages 1½ times the individual's wages paid during the calendar quarter of the base year in which the individual's wages were highest; or had twenty full-time weeks of employment during that base year.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that, if enacted, this bill may increase annual expenditures to the Unemployment Insurance (UI) Compensation Fund, which would be realized by the bill's expansion of eligibility to a wider pool of extended unemployment (EU) benefit claims.

The OLS further notes that, under the bill, it is reasonable to expect a greater amount of EU benefits paid from the UI compensation fund compared to those benefits paid under current law. The OLS does not have enough information to estimate the number of claims or the total fiscal impact of enacting this bill.