ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5151

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 15, 2020

The Assembly Appropriations Committee favorably reports, with committee amendments, Assembly Bill, No. 5151.

This bill provides eight weeks of emergency unemployment insurance (UI) benefits during the period from December 22, 2020 to February 27, 2021, or to the calendar week in which total expenditures of emergency UI benefits first exceed $350 million if the conclusion of that week occurs before February 27, 2021, to individuals who exhaust all other UI benefits. The bill provides the emergency UI benefits to individuals who have exhausted their regular State UI benefits, any State or federal extended UI benefits, and any other federal UI benefits, including the Pandemic Unemployment Assistance (PUA) benefits that are provided to certain self-employed workers, gig workers, and other workers who are not eligible for regular State UI benefits, except that emergency UI benefits are not provided to any individual for whom the only UI benefits exhausted were PUA benefits, and for whom no contributions were made by, or on behalf of, the individual to the UI trust fund during the period used to determine the individual's eligibility for UI benefits. The amount of the weekly emergency UI benefit paid to an individual is the same as the amount the individual was paid in regular State UI benefits, or in PUA benefits, as applicable.

The emergency UI benefits provided by the bill from the State's UI trust fund are funded entirely by the State, that is, without any federal funding such as the 50 percent federal funding provided for extended UI benefits pursuant to P.L.1970, c.325 (C.43:21-24.11 et seq.). No employer's individual UI account is charged for emergency UI benefits paid pursuant to the bill, although the payment of the emergency UI benefits will affect the balance of the State's UI trust fund and therefore the reserve ratio of the entire UI fund, which is used to determine which of the tax schedule "columns" apply to all employers pursuant to the UI Tax Experience Rating Table located in R.S.43:21-7(cc)(5)(E)(vii).

The bill also provides that the actions that the Division of Unemployment and Temporary Disability is required by section 5 of P.L.2020, c.57 (C.43:21-20.13) to undertake to help employers obtain federal funding of shared work UI benefits shall continue to be

required as long as the federal funding is available or, in certain cases, after federal funds are no longer available. The actions which would not continue to be required when the federal funds are no longer available involve providing guidance to employers to obtain those federal funds, but those requirements would be reinstated if federal funding was reinstated. The actions which will continue to be required after the ending of the availability of the federal funding are:

1. providing any eligible employer with guidance in making an application for approval of a shared work program;

2. permitting submission and approval of applications to participate in a shared work program in advance of the date benefits commence;

3. permitting employers who have fully laid off employees to resume employing those employees on a partial basis and establish a shared work program making benefits available to those employees; and

4. permitting, upon approval of a shared work program, the payment of benefits retroactively back to the time that the application was made for approval of a shared work program.

COMMITTEE AMENDMENTS:

The committee amended the bill to exclude from receiving emergency UI benefits any individual for whom the only UI benefits exhausted were PUA benefits, and for whom, during the period used to determine the individual's eligibility for the UI benefits, no contributions were made to the UI trust fund by, or on behalf of, the individual.