Sponsored by:
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District 6 (Burlington and Camden)
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)
Assemblyman ANTHONY S. VERRELLI
District 15 (Hunterdon and Mercer)

Co-Sponsored by:
Assemblymen Benson, Wirths, Johnson, Spearman and Assemblywoman
Reynolds-Jackson

SYNOPSIS
Concerns liability of certain non-profit and governmental employers for
unemployment benefits paid during coronavirus disease 2019 pandemic state of
emergency; appropriates $50 million.

CURRENT VERSION OF TEXT
As reported by the Assembly Labor Committee on May 17, 2021, with
amendments.
AN ACT concerning the liability of certain non-profit and
governmental employers for unemployment benefits paid during
coronavirus disease 2019 pandemic state of emergency,
amending P.L.2020, c.150, and making an appropriation.

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

1. Section 1 of P.L.2020, c.150 (C.43:21-7.9) is amended to
read as follows:

1. a. The costs of any unemployment compensation benefits
paid to employees of an employer during the public health
emergency and state of emergency declared by the Governor on
March 9, 2020, and any subsequent extensions of that public health
emergency and state of emergency, shall not be considered when
calculating that employer’s reserve ratio for the purposes of
determining the rate of the employer’s contributions to the State
unemployment compensation fund pursuant to R.S.43:21-7.

b. Any employer that is a nonprofit organization which elects
to make payments in lieu of contributions pursuant to section 3 of
P.L.1971, c.346 (C.43:21-7.2) [and any] or is a governmental
entity or instrumentality which elects to make payments in lieu of
contributions pursuant to section 4 of P.L.1971, c.346 (C.43:21-
7.3), shall not be liable for payments in lieu of contributions with
respect to [only 50% of] the payments of unemployment
compensation benefits made pursuant to either of those two sections
during the public health emergency and state of emergency declared
by the Governor on March 9, 2020, and any subsequent extensions
of that public health emergency and state of emergency. except that
the employer shall be required to make payments in lieu of
contributions from any available funds held in trust for that purpose
from contributions made by its employees. Any portion of the
payments of unemployment benefits which are not paid from the
employee contributions held in trust or from funds provided by the
federal government pursuant to the federal CARES Act, public law
116-136, pursuant to section 9012 of the American Rescue Plan Act
of 2021, or pursuant to any other applicable federal law, shall not
result in a liability for the employer but shall be regarded as State
liability relief to the employer and shall be paid from the
unemployment compensation fund. Any reimbursing employer
who, prior to the effective date of this act, made payments in lieu of
contributions during the public health emergency shall be entitled to
a reimbursement from the unemployment compensation fund of all
of those payments in lieu of contributions made during this period,
except that the employer shall not be reimbursed for payments made

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.
Matter enclosed in superscript numerals has been adopted as follows:
3Assembly ALA committee amendments adopted May 17, 2021.
in lieu of contributions from funds held in trust for that purpose
from contributions made by its employees.
(cf: P.L.2020, c.150, s.1)

2. [There is appropriated from the General Fund the sum of
$50 million to] a. From the funds provided by the federal
government in connection with the COVID-19 pandemic pursuant
to the federal “CARES Act,” Pub.L.116-136, pursuant to section
9012 of the “American Rescue Plan Act of 2021,” Pub.L.117-2, or
pursuant to any other applicable federal law, any portions of those
funds which are available and permitted by those laws shall be
used as needed to reimburse the unemployment compensation
fund for any costs of providing State liability relief to employers
pursuant to subsection b. of section 1 of P.L.2020, c.150 (C.43:21-
7.9).

b. There is appropriated from the General Fund any sum not
exceeding $50 million which, after available amounts are used
pursuant to subsection a. of this section, is still required to
reimburse the unemployment compensation fund to pay any
remaining costs of providing State liability relief to employers
pursuant to subsection b. of section 1 of P.L.2020, c.150 (C.43:21-
7.9).]

3. This act shall take effect immediately.