

# ASSEMBLY LABOR COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 5691**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 17, 2021

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 5691.

As amended, this bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, exempts any nonprofit or governmental employer which has elected to make payments in lieu of contributions from liability for payments in lieu of contributions for unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it, except that the employer is required to make payments in lieu of contributions from any available funds held in trust for that purpose from contributions made by its employees. The bill provides that those employers are not liable for 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, but that portion shall be regarded as State liability relief to the employer and paid from the unemployment compensation fund. If the employer made the payments during the public health emergency before the effective date of the bill, the employer is entitled to a reimbursement of all of those payments in lieu of contributions made during that period, except for payments made from funds held in trust for that purpose from contributions made by its employees.

As amended, the bill provides that any available federal funds related to the COVID pandemic which have already been appropriated shall, if permitted by federal law, be used to reimburse the unemployment compensation fund for any costs to the fund of providing State liability relief to employers under the bill.

As amended, the bill appropriates from the General Fund any sum not exceeding \$50 million which, after available federal amounts are used, is still required to reimburse the unemployment compensation fund to pay any remaining costs of providing State liability relief to employers under the bill.

COMMITTEE AMENDMENTS:

The committee amendments modify the section of the bill concerning appropriations as follows:

1. Provide that any available federal funds related to the COVID pandemic which have already been appropriated shall, if permitted by federal law, be used to reimburse the unemployment compensation fund for any costs to the fund of providing State liability relief to employers under the bill; and

2. Appropriate from the General Fund any sum not exceeding \$50 million which, after available federal amounts are used, is still required to reimburse the unemployment compensation fund to pay any remaining costs of providing State liability relief to employers under the bill.