

SENATE, No. 1859

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 24, 2020

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Reduces taxable wage base applied to certain tax contributions.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning payroll taxes and amending R.S.43:21-7.

2

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

5

6 1. R.S.43:21-7 is amended to read as follows:

7 43:21-7. Contributions. Employers other than governmental
8 entities, whose benefit financing provisions are set forth in section 4
9 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
10 liable for payment in lieu of contributions on the basis set forth in
11 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the
12 controller for the unemployment compensation fund, contributions
13 as set forth in subsections (a), (b) and (c) hereof, and the provisions
14 of subsections (d) and (e) shall be applicable to all employers,
15 consistent with the provisions of the "unemployment compensation
16 law" and the "Temporary Disability Benefits Law," P.L.1948, c.110
17 (C.43:21-25 et al.).

18 (a) Payment.

19 (1) Contributions shall accrue and become payable by each
20 employer for each calendar year in which he is subject to this
21 chapter (R.S.43:21-1 et seq.), with respect to having individuals in
22 his employ during that calendar year, at the rates and on the basis
23 hereinafter set forth. Such contributions shall become due and be
24 paid by each employer to the controller for the fund, in accordance
25 with such regulations as may be prescribed, and shall not be
26 deducted, in whole or in part, from the remuneration of individuals
27 in his employ.

28 (2) In the payment of any contributions, a fractional part of a
29 cent shall be disregarded unless it amounts to \$0.005 or more, in
30 which case it shall be increased to \$0.01.

31 (b) Rate of contributions. Each employer shall pay the following
32 contributions:

33 (1) For the calendar year 1947, and each calendar year
34 thereafter, 2 7/10% of wages paid by him during each such calendar
35 year, except as otherwise prescribed by subsection (c) of this
36 section.

37 (2) The "wages" of any individual, with respect to any one
38 employer, as the term is used in this subsection (b) and in
39 subsections (c), (d) and (e) of this section 7, shall include the first
40 \$4,800.00 paid during calendar year 1975, for services performed
41 either within or without this State; provided that no contribution
42 shall be required by this State with respect to services performed in
43 another state if such other state imposes contribution liability with
44 respect thereto. If an employer (hereinafter referred to as a
45 successor employer) during any calendar year acquires substantially

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.

1 all the property used in a trade or business of another employer
2 (hereinafter referred to as a predecessor), or used in a separate unit
3 of a trade or business of a predecessor, and immediately after the
4 acquisition employs in his trade or business an individual who
5 immediately prior to the acquisition was employed in the trade or
6 business of such predecessors, then, for the purpose of determining
7 whether the successor employer has paid wages with respect to
8 employment equal to the first \$4,800.00 paid during calendar year
9 1975, any wages paid to such individual by such predecessor during
10 such calendar year and prior to such acquisition shall be considered
11 as having been paid by such successor employer.

12 (3) (A) For calendar years beginning on and after January 1,
13 1976, the "wages" of any individual, as defined in the preceding
14 paragraph (2) of this subsection (b), shall be established and
15 promulgated by the Commissioner of Labor and Workforce
16 Development on or before September 1 of the preceding year and,
17 except as provided in paragraph (4) of this subsection (b), shall be,
18 28 times the Statewide average weekly remuneration paid to
19 workers by employers, as determined under R.S.43:21-3(c), raised
20 to the next higher multiple of \$100.00 if not already a multiple
21 thereof, provided that if the amount of wages so determined for a
22 calendar year is less than the amount similarly determined for the
23 preceding year, the greater amount will be used; provided, further,
24 that if the amount of such wages so determined does not equal or
25 exceed the amount of wages as defined in subsection (b) of section
26 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
27 the wages as determined in this paragraph in any calendar year shall
28 be raised to equal the amount established under the "Federal
29 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
30 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

31 (B) For calendar years beginning on and after January 1, 2021,
32 the "wages" of any individual, as defined in the preceding
33 paragraph (2) of this subsection (b), shall be established and
34 promulgated by the Commissioner of Labor and Workforce
35 Development on or before September 1 of the preceding year and
36 shall be, 14 times the Statewide average weekly remuneration paid
37 to workers by employers, as determined under R.S.43:21-3(c),
38 raised to the next higher multiple of \$100.00 if not already a
39 multiple thereof, provided that if the amount of wages so
40 determined for a calendar year is less than the amount similarly
41 determined for the preceding year, the greater amount will be used;
42 provided, further, that if the amount of the wages so determined
43 does not equal or exceed the amount of wages as defined in
44 subsection (b) of section 3306 of the Internal Revenue Code of
45 1986 (26 U.S.C. s.3306(b)), the wages as determined in this
46 paragraph in any calendar year shall be raised to equal the amount
47 established under the "Federal Unemployment Tax Act," chapter 23

1 of the Internal Revenue Code of 1986 (26 U.S.C. s.3301 et seq.), for
2 that calendar year

3 (c) Future rates based on benefit experience.

4 (1) A separate account for each employer shall be maintained
5 and this shall be credited with all the contributions which he has
6 paid on his own behalf on or before January 31 of any calendar year
7 with respect to employment occurring in the preceding calendar
8 year; provided, however, that if January 31 of any calendar year
9 falls on a Saturday or Sunday, an employer's account shall be
10 credited as of January 31 of such calendar year with all the
11 contributions which he has paid on or before the next succeeding
12 day which is not a Saturday or Sunday. But nothing in this chapter
13 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
14 individuals in his service prior claims or rights to the amounts paid
15 by him into the fund either on his own behalf or on behalf of such
16 individuals. Benefits paid with respect to benefit years commencing
17 on and after January 1, 1953, to any individual on or before
18 December 31 of any calendar year with respect to unemployment in
19 such calendar year and in preceding calendar years shall be charged
20 against the account or accounts of the employer or employers in
21 whose employment such individual established base weeks
22 constituting the basis of such benefits, except that, with respect to
23 benefit years commencing after January 4, 1998, an employer's
24 account shall not be charged for benefits paid to a claimant if the
25 claimant's employment by that employer was ended in any way
26 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of
27 R.S.43:21-5, would have disqualified the claimant for benefits if the
28 claimant had applied for benefits at the time when that employment
29 ended. Benefits paid under a given benefit determination shall be
30 charged against the account of the employer to whom such
31 determination relates. When each benefit payment is made,
32 notification shall be promptly provided to each employer included
33 in the unemployment insurance monetary calculation of benefits.
34 Such notification shall identify the employer against whose account
35 the amount of such payment is being charged, shall show at least
36 the name and social security account number of the claimant and
37 shall specify the period of unemployment to which said benefit
38 payment applies.

39 An annual summary statement of unemployment benefits
40 charged to the employer's account shall be provided.

41 (2) Regulations may be prescribed for the establishment,
42 maintenance, and dissolution of joint accounts by two or more
43 employers, and shall, in accordance with such regulations and upon
44 application by two or more employers to establish such an account,
45 or to merge their several individual accounts in a joint account,
46 maintain such joint account as if it constituted a single employer's
47 account.

1 (3) No employer's rate shall be lower than 5.4% unless
2 assignment of such lower rate is consistent with the conditions
3 applicable to additional credit allowance for such year under section
4 3303(a)(1) of the Internal Revenue Code of 1986
5 (26 U.S.C. s.3303(a)(1)), any other provision of this section to the
6 contrary notwithstanding.

7 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
8 $\frac{8}{10}\%$, except as otherwise provided in the following provisions.
9 No employer's rate for the 12 months commencing July 1 of any
10 calendar year shall be other than 2 $\frac{8}{10}\%$, unless as of the
11 preceding January 31 such employer shall have paid contributions
12 with respect to wages paid in each of the three calendar years
13 immediately preceding such year, in which case such employer's
14 rate for the 12 months commencing July 1 of any calendar year
15 shall be determined on the basis of his record up to the beginning of
16 such calendar year. If, at the beginning of such calendar year, the
17 total of all his contributions, paid on his own behalf, for all past
18 years exceeds the total benefits charged to his account for all such
19 years, his contribution rate shall be:

20 (1) 2 $\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
21 5%, of his average annual payroll (as defined in paragraph (2),
22 subsection (a) of R.S.43:21-19);

23 (2) 2 $\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
24 than 6%, of his average annual payroll;

25 (3) 1 $\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
26 than 7%, of his average annual payroll;

27 (4) 1 $\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
28 than 8%, of his average annual payroll;

29 (5) 1 $\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
30 than 9%, of his average annual payroll;

31 (6) 1%, if such excess equals or exceeds 9%, but is less than
32 10%, of his average annual payroll;

33 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
34 than 11%, of his average annual payroll;

35 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
36 average annual payroll.

37 (B) If the total of an employer's contributions, paid on his own
38 behalf, for all past periods for the purposes of this paragraph (4), is
39 less than the total benefits charged against his account during the
40 same period, his rate shall be:

41 (1) 4%, if such excess is less than 10% of his average annual
42 payroll;

43 (2) 4 $\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less
44 than 20%, of his average annual payroll;

45 (3) 4 $\frac{6}{10}\%$, if such excess equals or exceeds 20% of his
46 average annual payroll.

47 (C) Specially assigned rates.

1 (i) If no contributions were paid on wages for employment in
2 any calendar year used in determining the average annual payroll of
3 an employer eligible for an assigned rate under this paragraph (4),
4 the employer's rate shall be specially assigned as follows:

5 if the reserve balance in its account is positive, its assigned rate
6 shall be the highest rate in effect for positive balance accounts for
7 that period, or 5.4%, whichever is higher, and

8 if the reserve balance in its account is negative, its assigned rate
9 shall be the highest rate in effect for deficit accounts for that period.

10 (ii) If, following the purchase of a corporation with little or no
11 activity, known as a corporate shell, the resulting employing unit
12 operates a new or different business activity, the employing unit
13 shall be assigned a new employer rate.

14 (iii) Entities operating under common ownership, management or
15 control, when the operation of the entities is not identifiable,
16 distinguishable and severable, shall be considered a single employer
17 for the purposes of this chapter (R.S.43:21-1 et seq.).

18 (D) The contribution rates prescribed by subparagraphs (A) and
19 (B) of this paragraph (4) shall be increased or decreased in
20 accordance with the provisions of paragraph (5) of this subsection
21 (c) for experience rating periods through June 30, 1986.

22 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
23 31 of any calendar year the balance in the unemployment trust fund
24 equals or exceeds 4% but is less than 7% of the total taxable wages
25 reported to the controller as of that date in respect to employment
26 during the preceding calendar year, the contribution rate, effective
27 July 1 following, of each employer eligible for a contribution rate
28 calculation based upon benefit experience, shall be increased by
29 3/10 of 1% over the contribution rate otherwise established under
30 the provisions of paragraph (3) or (4) of this subsection. If on
31 March 31 of any calendar year the balance of the unemployment
32 trust fund exceeds 2 1/2% but is less than 4% of the total taxable
33 wages reported to the controller as of that date in respect to
34 employment during the preceding calendar year, the contribution
35 rate, effective July 1 following, of each employer eligible for a
36 contribution rate calculation based upon benefit experience, shall be
37 increased by 6/10 of 1% over the contribution rate otherwise
38 established under the provisions of paragraph (3) or (4) of this
39 subsection.

40 If on March 31 of any calendar year the balance of the
41 unemployment trust fund is less than 2 1/2% of the total taxable
42 wages reported to the controller as of that date in respect to
43 employment during the preceding calendar year, the contribution
44 rate, effective July 1 following, of each employer: (1) eligible for a
45 contribution rate calculation based upon benefit experience, shall be
46 increased by (i) 6/10 of 1% over the contribution rate otherwise
47 established under the provisions of paragraph (3), (4)(A) or (4)(B)
48 of this subsection, and (ii) an additional amount equal to 20% of the

1 total rate established herein, provided, however, that the final
2 contribution rate for each employer shall be computed to the nearest
3 multiple of 1/10% if not already a multiple thereof; (2) not eligible
4 for a contribution rate calculation based upon benefit experience,
5 shall be increased by 6/10 of 1% over the contribution rate
6 otherwise established under the provisions of paragraph (4) of this
7 subsection. For the period commencing July 1, 1984 and ending
8 June 30, 1986, the contribution rate for each employer liable to pay
9 contributions under R.S.43:21-7 shall be increased by a factor of
10 10% computed to the nearest multiple of 1/10% if not already a
11 multiple thereof.

12 (B) If on March 31 of any calendar year the balance in the
13 unemployment trust fund equals or exceeds 10% but is less than 12
14 1/2% of the total taxable wages reported to the controller as of that
15 date in respect to employment during the preceding calendar year,
16 the contribution rate, effective July 1 following, of each employer
17 eligible for a contribution rate calculation based upon benefit
18 experience, shall be reduced by 3/10 of 1% under the contribution
19 rate otherwise established under the provisions of paragraphs (3)
20 and (4) of this subsection; provided that in no event shall the
21 contribution rate of any employer be reduced to less than 4/10 of
22 1%. If on March 31 of any calendar year the balance in the
23 unemployment trust fund equals or exceeds 12 1/2% of the total
24 taxable wages reported to the controller as of that date in respect to
25 employment during the preceding calendar year, the contribution
26 rate, effective July 1 following, of each employer eligible for a
27 contribution rate calculation based upon benefit experience, shall be
28 reduced by 6/10 of 1% if his account for all past periods reflects an
29 excess of contributions paid over total benefits charged of 3% or
30 more of his average annual payroll, otherwise by 3/10 of 1% under
31 the contribution rate otherwise established under the provisions of
32 paragraphs (3) and (4) of this subsection; provided that in no event
33 shall the contribution rate of any employer be reduced to less than
34 4/10 of 1%.

35 (C) The "balance" in the unemployment trust fund, as the term is
36 used in subparagraphs (A) and (B) above, shall not include moneys
37 credited to the State's account under section 903 of the Social
38 Security Act, as amended (42 U.S.C. s.1103), during any period in
39 which such moneys are appropriated for the payment of expenses
40 incurred in the administration of the "unemployment compensation
41 law."

42 (D) Prior to July 1 of each calendar year the controller shall
43 determine the Unemployment Trust Fund Reserve Ratio, which
44 shall be calculated by dividing the balance of the unemployment
45 trust fund as of the prior March 31 by total taxable wages reported
46 to the controller by all employers as of March 31 with respect to
47 their employment during the last calendar year.

1 (E) (i) (Deleted by amendment, P.L.1997, c.263).
2 (ii) (Deleted by amendment, P.L.2001, c.152).
3 (iii) (Deleted by amendment, P.L.2003, c.107).
4 (iv) (Deleted by amendment, P.L.2004, c.45).
5 (v) (Deleted by amendment, P.L.2008, c.17).
6 (vi) (Deleted by amendment, P.L.2013, c.75).
7 (vii) With respect to experience rating years beginning on or
8 after July 1, 2011, the new employer rate or the unemployment
9 experience rate of an employer under this section shall be the rate
10 which appears in the column headed by the Unemployment Trust
11 Fund Reserve Ratio as of the applicable calculation date and on the
12 line with the Employer Reserve Ratio, as defined in paragraph (4)
13 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
14 table:

15	EXPERIENCE RATING TAX TABLE					
16	Fund Reserve Ratio 1					
17		3.50%	3.00%	2.5%	2.0%	1.99%
18	Employer	and	to	to	to	and
19	Reserve	Over	3.49%	2.99%	2.49%	Under
20	Ratio 2	A	B	C	D	E
21	Positive Reserve Ratio:					
22	17% and over	0.3	0.4	0.5	0.6	1.2
23	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
24	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
25	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
26	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
27	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
28	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
29	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
30	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
31	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
32	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
33	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
34	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
35	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
36	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
37	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
38	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
39	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
40	Deficit Reserve Ratio:					
41	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
42	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
43	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
44	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
45	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
46	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
47	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
48	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8

1	-30.00% to-34.99%	3.8	4.8	5.7	6.3	6.9
2	-35.00% and under	5.4	5.4	5.8	6.4	7.0
3	New Employer Rate	2.8	2.8	2.8	3.1	3.4

4 ¹ Fund balance as of March 31 as a percentage of taxable wages
5 in the prior calendar year.

6 ² Employer Reserve Ratio (Contributions minus benefits as a
7 percentage of employer's taxable wages).

8 (F) (i) (Deleted by amendment, P.L.1997, c.263).

9 (ii) (Deleted by amendment, P.L.2008, c.17).

10 (iii) (Deleted by amendment, P.L.2013, c.75).

11 (iv) With respect to experience rating years beginning on or after
12 July 1, 2011 and before July 1, 2013, if the fund reserve ratio, based
13 on the fund balance as of the prior March 31, is less than 1.0%, the
14 contribution rate for each employer liable to pay contributions, as
15 computed under subparagraph (E) of this paragraph (5), shall be
16 increased by a factor of 10% computed to the nearest multiple of
17 1/10% if not already a multiple thereof.

18 (v) With respect to experience rating years beginning on or after
19 July 1, 2014, if the fund reserve ratio, based on the fund balance as
20 of the prior March 31, is less than 1.0%, the contribution rate for
21 each employer liable to pay contributions, as computed under
22 subparagraph (E) of this paragraph (5), shall be increased by a
23 factor of 10% computed to the nearest multiple of 1/10% if not
24 already a multiple thereof.

25 (G) On or after January 1, 1993, notwithstanding any other
26 provisions of this paragraph (5), the contribution rate for each
27 employer liable to pay contributions, as computed under
28 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
29 except that, during any experience rating year starting before
30 January 1, 1998 in which the fund reserve ratio is equal to or greater
31 than 7.00% or during any experience rating year starting on or after
32 January 1, 1998, in which the fund reserve ratio is equal to or
33 greater than 3.5%, there shall be no decrease pursuant to this
34 subparagraph (G) in the contribution of any employer who has a
35 deficit reserve ratio of negative 35.00% or under.

36 (H) On and after January 1, 1998 until December 31, 2000 and
37 on or after January 1, 2002 until June 30, 2006, the contribution rate
38 for each employer liable to pay contributions, as computed under
39 subparagraph (E) of this paragraph (5), shall be decreased by a
40 factor, as set out below, computed to the nearest multiple of 1/10%,
41 except that, if an employer has a deficit reserve ratio of negative
42 35.0% or under, the employer's rate of contribution shall not be
43 reduced pursuant to this subparagraph (H) to less than 5.4%:

44 From January 1, 1998 until December 31, 1998, a factor of 12%;

45 From January 1, 1999 until December 31, 1999, a factor of 10%;

46 From January 1, 2000 until December 31, 2000, a factor of 7%;

47 From January 1, 2002 until March 31, 2002, a factor of 36%;

48 From April 1, 2002 until June 30, 2002, a factor of 85%;

1 From July 1, 2002 until June 30, 2003, a factor of 15%;
2 From July 1, 2003 until June 30, 2004, a factor of 15%;
3 From July 1, 2004 until June 30, 2005, a factor of 7%;
4 From July 1, 2005 until December 31, 2005, a factor of 16%; and
5 From January 1, 2006 until June 30, 2006, a factor of 34%.

6 The amount of the reduction in the employer contributions
7 stipulated by this subparagraph (H) shall be in addition to the
8 amount of the reduction in the employer contributions stipulated by
9 subparagraph (G) of this paragraph (5), except that the rate of
10 contribution of an employer who has a deficit reserve ratio of
11 negative 35.0% or under shall not be reduced pursuant to this
12 subparagraph (H) to less than 5.4% and the rate of contribution of
13 any other employer shall not be reduced to less than 0.0%.

14 (I) (Deleted by amendment, P.L.2008, c.17).

15 (J) On or after July 1, 2001, notwithstanding any other
16 provisions of this paragraph (5), the contribution rate for each
17 employer liable to pay contributions, as computed under
18 subparagraph (E) of this paragraph (5), shall be decreased by
19 0.0175%, except that, during any experience rating year starting on
20 or after July 1, 2001, in which the fund reserve ratio is equal to or
21 greater than 3.5%, there shall be no decrease pursuant to this
22 subparagraph (J) in the contribution of any employer who has a
23 deficit reserve ratio of negative 35.00% or under. The amount of the
24 reduction in the employer contributions stipulated by this
25 subparagraph (J) shall be in addition to the amount of the reduction
26 in the employer contributions stipulated by subparagraphs (G) and
27 (H) of this paragraph (5), except that the rate of contribution of an
28 employer who has a deficit reserve ratio of negative 35.0% or under
29 shall not be reduced pursuant to this subparagraph (J) to less than
30 5.4% and the rate of contribution of any other employer shall not be
31 reduced to less than 0.0%.

32 (K) With respect to experience rating years beginning on or after
33 July 1, 2009, if the fund reserve ratio, based on the fund balance as
34 of the prior March 31, is:

35 (i) Equal to or greater than 5.00% but less than 7.5%, the
36 contribution rate for each employer liable to pay contributions, as
37 computed under subparagraph (E) of this paragraph (5), shall be
38 reduced by a factor of 25% computed to the nearest multiple of
39 1/10% if not already a multiple thereof except that there shall be no
40 decrease pursuant to this subparagraph (K) in the contribution of
41 any employer who has a deficit reserve ratio of 35.00% or under;

42 (ii) Equal to or greater than 7.5%, the contribution rate for each
43 employer liable to pay contributions, as computed under
44 subparagraph (E) of this paragraph (5), shall be reduced by a factor
45 of 50% computed to the nearest multiple of 1/10% if not already a
46 multiple thereof except that there shall be no decrease pursuant to
47 this subparagraph (K) in the contribution of any employer who has
48 a deficit reserve ratio of 35.00% or under.

1 (L) Notwithstanding any other provision of this paragraph (5)
2 and notwithstanding the actual fund reserve ratio, the contribution
3 rate for employers liable to pay contributions, as computed under
4 subparagraph (E) of this paragraph (5), shall be, for fiscal year
5 2011, the rates set by column "C" of the table in that subparagraph.

6 (M) Notwithstanding any other provision of this paragraph (5)
7 and notwithstanding the actual fund reserve ratio, the contribution
8 rate for employers liable to pay contributions, as computed under
9 subparagraph (E) of this paragraph (5), shall be, for fiscal year
10 2012, the rates set by column "D" of the table in that subparagraph.

11 (N) Notwithstanding any other provision of this paragraph (5)
12 and notwithstanding the actual fund reserve ratio, the contribution
13 rate for employers liable to pay contributions, as computed under
14 subparagraph (E) of this paragraph (5), shall be, for fiscal year
15 2013, the rates set by column "E" of the table in that subparagraph.

16 (6) Additional contributions.

17 Notwithstanding any other provision of law, any employer who
18 has been assigned a contribution rate pursuant to subsection (c) of
19 this section for the year commencing July 1, 1948, and for any year
20 commencing July 1 thereafter, may voluntarily make payment of
21 additional contributions, and upon such payment shall receive a
22 recomputation of the experience rate applicable to such employer,
23 including in the calculation the additional contribution so made,
24 except that, following a transfer as described under R.S.43:21-
25 7(c)(7)(D), neither the predecessor nor successor in interest shall be
26 eligible to make a voluntary payment of additional contributions
27 during the year the transfer occurs and the next full calendar year.
28 Any such additional contribution shall be made during the 30-day
29 period following the notification to the employer of his contribution
30 rate as prescribed in this section, unless, for good cause, the time
31 for payment has been extended by the controller for not to exceed
32 an additional 60 days; provided that in no event may such payments
33 which are made later than 120 days after the beginning of the year
34 for which such rates are effective be considered in determining the
35 experience rate for the year in which the payment is made. Any
36 employer receiving any extended period of time within which to
37 make such additional payment and failing to make such payment
38 timely shall be, in addition to the required amount of additional
39 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
40 greater, not to exceed \$50.00. Any adjustment under this subsection
41 shall be made only in the form of credits against accrued or future
42 contributions.

43 (7) Transfers.

44 (A) Upon the transfer of the organization, trade or business, or
45 substantially all the assets of an employer to a successor in interest,
46 whether by merger, consolidation, sale, transfer, descent or
47 otherwise, the controller shall transfer the employment experience
48 of the predecessor employer to the successor in interest, including

1 credit for past years, contributions paid, annual payrolls, benefit
2 charges, et cetera, applicable to such predecessor employer,
3 pursuant to regulation, if it is determined that the employment
4 experience of the predecessor employer with respect to the
5 organization, trade, assets or business which has been transferred
6 may be considered indicative of the future employment experience
7 of the successor in interest. The successor in interest may, within
8 four months of the date of such transfer of the organization, trade,
9 assets or business, or thereafter upon good cause shown, request a
10 reconsideration of the transfer of employment experience of the
11 predecessor employer. The request for reconsideration shall
12 demonstrate, to the satisfaction of the controller, that the
13 employment experience of the predecessor is not indicative of the
14 future employment experience of the successor.

15 (B) An employer who transfers part of his or its organization,
16 trade, assets or business to a successor in interest, whether by
17 merger, consolidation, sale, transfer, descent or otherwise, may
18 jointly make application with such successor in interest for transfer
19 of that portion of the employment experience of the predecessor
20 employer relating to the portion of the organization, trade, assets or
21 business transferred to the successor in interest, including credit for
22 past years, contributions paid, annual payrolls, benefit charges, et
23 cetera, applicable to such predecessor employer. The transfer of
24 employment experience may be allowed pursuant to regulation only
25 if it is found that the employment experience of the predecessor
26 employer with respect to the portion of the organization, trade,
27 assets or business which has been transferred may be considered
28 indicative of the future employment experience of the successor in
29 interest. Credit shall be given to the successor in interest only for
30 the years during which contributions were paid by the predecessor
31 employer with respect to that part of the organization, trade, assets
32 or business transferred.

33 (C) A transfer of the employment experience in whole or in part
34 having become final, the predecessor employer thereafter shall not
35 be entitled to consideration for an adjusted rate based upon his or its
36 experience or the part thereof, as the case may be, which has thus
37 been transferred. A successor in interest to whom employment
38 experience or a part thereof is transferred pursuant to this
39 subsection shall, as of the date of the transfer of the organization,
40 trade, assets or business, or part thereof, immediately become an
41 employer if not theretofore an employer subject to this chapter
42 (R.S.43:21-1 et seq.).

43 (D) If an employer transfers in whole or in part his or its
44 organization, trade, assets or business to a successor in interest,
45 whether by merger, consolidation, sale, transfer, descent or
46 otherwise and both the employer and successor in interest are at the
47 time of the transfer under common ownership, management or
48 control, then the employment experience attributable to the

1 transferred business shall also be transferred to and combined with
2 the employment experience of the successor in interest. The
3 transfer of the employment experience is mandatory and not subject
4 to appeal or protest.

5 (E) The transfer of part of an employer's employment experience
6 to a successor in interest shall become effective as of the first day of
7 the calendar quarter following the acquisition by the successor in
8 interest. As of the effective date, the successor in interest shall
9 have its employer rate recalculated by merging its existing
10 employment experience, if any, with the employment experience
11 acquired. If the successor in interest is not an employer as of the
12 date of acquisition, it shall be assigned the new employer rate until
13 the effective date of the transfer of employment experience.

14 (F) Upon the transfer in whole or in part of the organization,
15 trade, assets or business to a successor in interest, the employment
16 experience shall not be transferred if the successor in interest is not
17 an employer at the time of the acquisition and the controller finds
18 that the successor in interest acquired the business solely or
19 primarily for the purpose of obtaining a lower rate of contributions.

20 (d) Contributions of workers to the unemployment
21 compensation fund and the State disability benefits fund.

22 (1) (A) For periods after January 1, 1975, each worker shall
23 contribute to the fund 1% of his wages with respect to his
24 employment with an employer, which occurs on and after January
25 1, 1975, after such employer has satisfied the condition set forth in
26 subsection (h) of R.S.43:21-19 with respect to becoming an
27 employer; provided, however, that such contributions shall be at the
28 rate of 1/2 of 1% of wages paid with respect to employment while
29 the worker is in the employ of the State of New Jersey, or any
30 governmental entity or instrumentality which is an employer as
31 defined under R.S.43:21-19(h)(5), or is covered by an approved
32 private plan under the "Temporary Disability Benefits Law" or
33 while the worker is exempt from the provisions of the "Temporary
34 Disability Benefits Law" under section 7 of that law, P.L.1948,
35 c.110 (C.43:21-31).

36 (B) Effective January 1, 1978 there shall be no contributions by
37 workers in the employ of any governmental or nongovernmental
38 employer electing or required to make payments in lieu of
39 contributions unless the employer is covered by the State plan under
40 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
41 that case contributions shall be at the rate of 1/2 of 1%, except that
42 commencing July 1, 1986, workers in the employ of any
43 nongovernmental employer electing or required to make payments
44 in lieu of contributions shall be required to make contributions to
45 the fund at the same rate prescribed for workers of other
46 nongovernmental employers.

47 (C) (i) Notwithstanding the above provisions of this paragraph
48 (1), during the period starting July 1, 1986 and ending December

1 31, 1992, each worker shall contribute to the fund 1.125% of wages
2 paid with respect to his employment with a governmental employer
3 electing or required to pay contributions or nongovernmental
4 employer, including a nonprofit organization which is an employer
5 as defined under R.S.43:21-19(h)(6), regardless of whether that
6 nonprofit organization elects or is required to finance its benefit
7 costs with contributions to the fund or by payments in lieu of
8 contributions, after that employer has satisfied the conditions set
9 forth in subsection R.S.43:21-19(h) with respect to becoming an
10 employer. Contributions, however, shall be at the rate of 0.625%
11 while the worker is covered by an approved private plan under the
12 "Temporary Disability Benefits Law" or while the worker is exempt
13 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
14 other provision of that law; provided that such contributions shall
15 be at the rate of 0.625% of wages paid with respect to employment
16 with the State of New Jersey or any other governmental entity or
17 instrumentality electing or required to make payments in lieu of
18 contributions and which is covered by the State plan under the
19 "Temporary Disability Benefits Law," except that, while the worker
20 is exempt from the provisions of the "Temporary Disability Benefits
21 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
22 any other provision of that law, or is covered for disability benefits
23 by an approved private plan of the employer, the contributions to
24 the fund shall be 0.125%.

25 (ii) (Deleted by amendment, P.L.1995, c.422.)

26 (D) Notwithstanding any other provisions of this paragraph (1),
27 during the period starting January 1, 1993 and ending June 30,
28 1994, each worker shall contribute to the unemployment
29 compensation fund 0.5% of wages paid with respect to the worker's
30 employment with a governmental employer electing or required to
31 pay contributions or nongovernmental employer, including a
32 nonprofit organization which is an employer as defined under
33 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
34 whether that nonprofit organization elects or is required to finance
35 its benefit costs with contributions to the fund or by payments in
36 lieu of contributions, after that employer has satisfied the conditions
37 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
38 an employer. No contributions, however, shall be made by the
39 worker while the worker is covered by an approved private plan
40 under the "Temporary Disability Benefits Law," P.L.1948, c.110
41 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
42 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
43 provided that the contributions shall be at the rate of 0.50% of
44 wages paid with respect to employment with the State of New
45 Jersey or any other governmental entity or instrumentality electing
46 or required to make payments in lieu of contributions and which is
47 covered by the State plan under the "Temporary Disability Benefits
48 Law," except that, while the worker is exempt from the provisions

1 of the "Temporary Disability Benefits Law" under section 7 of that
2 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
3 law, or is covered for disability benefits by an approved private plan
4 of the employer, no contributions shall be made to the fund.

5 Each worker shall, starting on January 1, 1996 and ending March
6 31, 1996, contribute to the unemployment compensation fund
7 0.60% of wages paid with respect to the worker's employment with
8 a governmental employer electing or required to pay contributions
9 or nongovernmental employer, including a nonprofit organization
10 which is an employer as defined under paragraph (6) of subsection
11 (h) of R.S.43:21-19, regardless of whether that nonprofit
12 organization elects or is required to finance its benefit costs with
13 contributions to the fund or by payments in lieu of contributions,
14 after that employer has satisfied the conditions set forth in
15 subsection (h) of R.S.43:21-19 with respect to becoming an
16 employer, provided that the contributions shall be at the rate of
17 0.10% of wages paid with respect to employment with the State of
18 New Jersey or any other governmental entity or instrumentality
19 electing or required to make payments in lieu of contributions.

20 Each worker shall, starting on January 1, 1998 and ending
21 December 31, 1998, contribute to the unemployment compensation
22 fund 0.10% of wages paid with respect to the worker's employment
23 with a governmental employer electing or required to pay
24 contributions or nongovernmental employer, including a nonprofit
25 organization which is an employer as defined under paragraph (6)
26 of subsection (h) of R.S.43:21-19, regardless of whether that
27 nonprofit organization elects or is required to finance its benefit
28 costs with contributions to the fund or by payments in lieu of
29 contributions, after that employer has satisfied the conditions set
30 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
31 employer, provided that the contributions shall be at the rate of
32 0.10% of wages paid with respect to employment with the State of
33 New Jersey or any other governmental entity or instrumentality
34 electing or required to make payments in lieu of contributions.

35 Each worker shall, starting on January 1, 1999 until December
36 31, 1999, contribute to the unemployment compensation fund
37 0.15% of wages paid with respect to the worker's employment with
38 a governmental employer electing or required to pay contributions
39 or nongovernmental employer, including a nonprofit organization
40 which is an employer as defined under paragraph (6) of subsection
41 (h) of R.S.43:21-19, regardless of whether that nonprofit
42 organization elects or is required to finance its benefit costs with
43 contributions to the fund or by payments in lieu of contributions,
44 after that employer has satisfied the conditions set forth in
45 subsection (h) of R.S.43:21-19 with respect to becoming an
46 employer, provided that the contributions shall be at the rate of
47 0.10% of wages paid with respect to employment with the State of

1 New Jersey or any other governmental entity or instrumentality
2 electing or required to make payments in lieu of contributions.

3 Each worker shall, starting on January 1, 2000 until December
4 31, 2001, contribute to the unemployment compensation fund
5 0.20% of wages paid with respect to the worker's employment with
6 a governmental employer electing or required to pay contributions
7 or nongovernmental employer, including a nonprofit organization
8 which is an employer as defined under paragraph (6) of subsection
9 (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions,
12 after that employer has satisfied the conditions set forth in
13 subsection (h) of R.S.43:21-19 with respect to becoming an
14 employer, provided that the contributions shall be at the rate of
15 0.10% of wages paid with respect to employment with the State of
16 New Jersey or any other governmental entity or instrumentality
17 electing or required to make payments in lieu of contributions.

18 Each worker shall, starting on January 1, 2002 until June 30,
19 2004, contribute to the unemployment compensation fund 0.1825%
20 of wages paid with respect to the worker's employment with a
21 governmental employer electing or required to pay contributions or
22 a nongovernmental employer, including a nonprofit organization
23 which is an employer as defined under paragraph (6) of subsection
24 (h) of R.S.43:21-19, regardless of whether that nonprofit
25 organization elects or is required to finance its benefit costs with
26 contributions to the fund or by payments in lieu of contributions,
27 after that employer has satisfied the conditions set forth in
28 subsection (h) of R.S.43:21-19 with respect to becoming an
29 employer, provided that the contributions shall be at the rate of
30 0.0825% of wages paid with respect to employment with the State
31 of New Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.

33 Each worker shall, starting on and after July 1, 2004, contribute
34 to the unemployment compensation fund 0.3825% of wages paid
35 with respect to the worker's employment with a governmental
36 employer electing or required to pay contributions or
37 nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.0825% of wages paid with respect to employment with the State
46 of New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

1 (E) Each employer shall, notwithstanding any provision of law
2 in this State to the contrary, withhold in trust the amount of his
3 workers' contributions from their wages at the time such wages are
4 paid, shall show such deduction on his payroll records, shall furnish
5 such evidence thereof to his workers as the division or controller
6 may prescribe, and shall transmit all such contributions, in addition
7 to his own contributions, to the office of the controller in such
8 manner and at such times as may be prescribed. If any employer
9 fails to deduct the contributions of any of his workers at the time
10 their wages are paid, or fails to make a deduction therefor at the
11 time wages are paid for the next succeeding payroll period, he alone
12 shall thereafter be liable for such contributions, and for the purpose
13 of R.S.43:21-14, such contributions shall be treated as employer's
14 contributions required from him.

15 (F) As used in this chapter (R.S.43:21-1 et seq.), except when
16 the context clearly requires otherwise, the term "contributions" shall
17 include the contributions of workers pursuant to this section.

18 (G) (i) Each worker, with respect to the worker's employment
19 with a government employer electing or required to pay
20 contributions to the State disability benefits fund or
21 nongovernmental employer, including a nonprofit organization
22 which is an employer as defined under paragraph (6) of subsection
23 (h) of R.S.43:21-19, unless the employer is covered by an approved
24 private disability plan or is exempt from the provisions of the
25 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-
26 25 et al.) under section 7 of that law (C.43:21-31) or any other
27 provision of that law, shall, for calendar year 2012 and each
28 subsequent calendar year, make contributions to the State disability
29 benefits fund at the annual rate of contribution necessary to obtain a
30 total amount of contributions, which, when added to employer
31 contributions made to the State disability benefits fund pursuant to
32 subsection (e) of this section, is, for calendar years prior to calendar
33 year 2018, equal to 120% of the benefits paid for periods of
34 disability, excluding periods of family temporary disability, during
35 the immediately preceding calendar year plus an amount equal to
36 100% of the cost of administration of the payment of those benefits
37 during the immediately preceding calendar year, less the amount of
38 net assets remaining in the State disability benefits fund, excluding
39 net assets remaining in the "Family Temporary Disability Leave
40 Account" of that fund, as of December 31 of the immediately
41 preceding year, and is, for calendar year 2018 and year 2019, equal
42 to 120% of the benefits paid for periods of disability, excluding
43 periods of family temporary disability, during the last preceding full
44 fiscal year plus an amount equal to 100% of the cost of
45 administration of the payment of those benefits during the last
46 preceding full fiscal year, less the amount of net assets anticipated
47 to be remaining in the "Family Temporary Disability Leave
48 Account" of that fund, as of December 31 of the immediately

1 preceding calendar year, and is, for each of calendar years 2020 and
2 2021, equal to 120% of the benefits which the department
3 anticipates will be paid for periods of disability, excluding periods
4 of family temporary disability, during the respective calendar year
5 plus an amount equal to 100% of the cost of administration of the
6 payment of those benefits which the department anticipates during
7 the respective calendar year, less the amount of net assets
8 anticipated to be remaining in the State disability benefits fund,
9 excluding net assets remaining in the "Family Temporary Disability
10 Leave Account" of that fund, as of December 31 of the immediately
11 preceding calendar year, and is, for calendar year 2022 and any
12 subsequent calendar year, equal to 120% of the benefits paid for
13 periods of disability, excluding periods of family temporary
14 disability, during the last preceding full fiscal year plus an amount
15 equal to 100% of the cost of administration of the payment of those
16 benefits during the last preceding full fiscal year, less the amount of
17 net assets anticipated to be remaining in the State disability benefits
18 fund, excluding net assets remaining in the "Family Temporary
19 Disability Leave Account" of that fund, as of December 31 of the
20 immediately preceding calendar year. All increases in the cost of
21 benefits for periods of disability caused by the increases in the
22 weekly benefit rate commencing July 1, 2020, pursuant to section
23 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
24 contributions made by workers pursuant to this paragraph (i) and
25 none of those increases shall be funded by employer contributions.
26 The estimated rates for the next calendar year shall be made
27 available on the department's website no later than 60 days after the
28 end of the last preceding full fiscal year. The rates of employer
29 contributions determined pursuant to subsection (e) of this section
30 for any year shall be determined prior to the determination of the
31 rate of employee contributions pursuant to this subparagraph (i) and
32 any consideration of employee contributions in determining
33 employer rates for any year shall be based on amounts of employee
34 contributions made prior to the year to which the rate of employee
35 contributions applies and shall not be based on any projection or
36 estimate of the amount of employee contributions for the year to
37 which that rate applies.

38 (ii) Each worker shall contribute to the State disability benefits
39 fund, in addition to any amount contributed pursuant to
40 subparagraph (i) of this paragraph (1)(G), an amount equal to,
41 during calendar year 2009, 0.09%, and during calendar year 2010
42 0.12%, of wages paid with respect to the worker's employment with
43 any covered employer, including a governmental employer which is
44 an employer as defined under R.S.43:21-19(h)(5), unless the
45 employer is covered by an approved private disability plan for
46 benefits during periods of family temporary disability leave. The
47 contributions made pursuant to this subparagraph (ii) to the State
48 disability benefits fund shall be deposited into an account of that

1 fund reserved for the payment of benefits during periods of family
2 temporary disability leave as defined in section 3 of the "Temporary
3 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
4 administration of those payments and shall not be used for any other
5 purpose. This account shall be known as the "Family Temporary
6 Disability Leave Account." For calendar year 2011 and each
7 subsequent calendar year until 2018, the annual rate of contribution
8 to be paid by workers pursuant to this subparagraph (ii) shall be, for
9 calendar years prior to calendar year 2018, the rate necessary to
10 obtain a total amount of contributions equal to 125% of the benefits
11 paid for periods of family temporary disability leave during the
12 immediately preceding calendar year plus an amount equal to 100%
13 of the cost of administration of the payment of those benefits during
14 the immediately preceding calendar year, less the amount of net
15 assets remaining in the account as of December 31 of the
16 immediately preceding year, and shall be, for calendar year 2018
17 and calendar year 2019, the rate necessary to obtain a total amount
18 of contributions equal to 125% of the benefits paid for periods of
19 family temporary disability leave during the last preceding full
20 fiscal year plus an amount equal to 100% of the cost of
21 administration of the payment of those benefits during the last
22 preceding full fiscal year, less the amount of net assets anticipated
23 to be remaining in the account as of December 31 of the
24 immediately preceding calendar year. For each of calendar years
25 2020 and 2021, the annual rate of contribution to be paid by
26 workers pursuant to this subparagraph (ii) shall be the rate
27 necessary to obtain a total amount of contributions equal to 125% of
28 the benefits which the department anticipates will be paid for
29 periods of family temporary disability leave during the respective
30 calendar year plus an amount equal to 100% of the cost of
31 administration of the payment of those benefits which the
32 department anticipates during the respective calendar year, less the
33 amount of net assets remaining in the account as of December 31 of
34 the immediately preceding calendar year. For 2022 and any
35 subsequent calendar year, the annual rate of contribution to be paid
36 by workers pursuant to this subparagraph (ii) shall be the rate
37 necessary to obtain a total amount of contributions equal to 125% of
38 the benefits which were paid for periods of family temporary
39 disability leave during the last preceding full fiscal year plus an
40 amount equal to 100% of the cost of administration of the payment
41 of those benefits during the last preceding full fiscal year, less the
42 amount of net assets remaining in the account as of December 31 of
43 the immediately preceding calendar year. All increases in the cost
44 of benefits for periods of family temporary disability leave caused
45 by the increases in the weekly benefit rate commencing July 1, 2020
46 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
47 increases in the maximum duration of benefits commencing July 1,
48 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38

1 and 43:21-39) shall be funded by contributions made by workers
2 pursuant to this paragraph (ii) and none of those increases shall be
3 funded by employer contributions. The estimated rates for the next
4 calendar year shall be made available on the department's website
5 no later than 60 days after the end of the last preceding full fiscal
6 year. Necessary administrative costs shall include the cost of an
7 outreach program to inform employees of the availability of the
8 benefits and the cost of issuing the reports required or permitted
9 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
10 monies, other than the funds in the "Family Temporary Disability
11 Leave Account," shall be used for the payment of benefits during
12 periods of family temporary disability leave or for the
13 administration of those payments, with the sole exception that,
14 during calendar years 2008 and 2009, a total amount not exceeding
15 \$25 million may be transferred to that account from the revenues
16 received in the State disability benefits fund pursuant to
17 subparagraph (i) of this paragraph (1)(G) and be expended for those
18 payments and their administration, including the administration of
19 the collection of contributions made pursuant to this subparagraph
20 (ii) and any other necessary administrative costs. Any amount
21 transferred to the account pursuant to this subparagraph (ii) shall be
22 repaid during a period beginning not later than January 1, 2011 and
23 ending not later than December 31, 2015. No monies, other than
24 the funds in the "Family Temporary Disability Leave Account,"
25 shall be used under any circumstances after December 31, 2009, for
26 the payment of benefits during periods of family temporary
27 disability leave or for the administration of those payments,
28 including for the administration of the collection of contributions
29 made pursuant to this subparagraph (ii).

30 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

31 (B) (Deleted by amendment, P.L.1984, c.24.)

32 (C) (Deleted by amendment, P.L.1994, c.112.)

33 (D) (Deleted by amendment, P.L.1994, c.112.)

34 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

35 (ii) (Deleted by amendment, P.L.1996, c.28.)

36 (iii) (Deleted by amendment, P.L.1994, c.112.)

37 (3) (A) If an employee receives wages from more than one
38 employer during any calendar year, and either the sum of his
39 contributions deposited in and credited to the State disability
40 benefits fund plus the amount of his contributions, if any, required
41 towards the costs of benefits under one or more approved private
42 plans under the provisions of section 9 of the "Temporary Disability
43 Benefits Law" (C.43:21-33) and deducted from his wages, or the
44 sum of such latter contributions, if the employee is covered during
45 such calendar year only by two or more private plans, exceeds an
46 amount equal to 1/2 of 1% of the "wages" determined in accordance
47 with the provisions of R.S.43:21-7(b)(3) during the calendar years
48 beginning on or after January 1, 1976 or, during calendar year 2012

1 or any subsequent calendar year, the total amount of his
2 contributions for the year exceeds the amount set by the annual rate
3 of contribution determined by the Commissioner of Labor and
4 Workforce Development pursuant to subparagraph (i) of paragraph
5 (1)(G) of this subsection (d), the employee shall be entitled to a
6 refund of the excess if he makes a claim to the controller within two
7 years after the end of the calendar year in which the wages are
8 received with respect to which the refund is claimed and establishes
9 his right to such refund. Such refund shall be made by the controller
10 from the State disability benefits fund. No interest shall be allowed
11 or paid with respect to any such refund. The controller shall, in
12 accordance with prescribed regulations, determine the portion of the
13 aggregate amount of such refunds made during any calendar year
14 which is applicable to private plans for which deductions were
15 made under section 9 of the "Temporary Disability Benefits Law"
16 (C.43:21-33) such determination to be based upon the ratio of the
17 amount of such wages exempt from contributions to such fund, as
18 provided in subparagraph (B) of paragraph (1) of this subsection
19 with respect to coverage under private plans, to the total wages so
20 exempt plus the amount of such wages subject to contributions to
21 the disability benefits fund, as provided in subparagraph (G) of
22 paragraph (1) of this subsection. The controller shall, in accordance
23 with prescribed regulations, prorate the amount so determined
24 among the applicable private plans in the proportion that the wages
25 covered by each plan bear to the total private plan wages involved
26 in such refunds, and shall assess against and recover from the
27 employer, or the insurer if the insurer has indemnified the employer
28 with respect thereto, the amount so prorated. The provisions of
29 R.S.43:21-14 with respect to collection of employer contributions
30 shall apply to such assessments. The amount so recovered by the
31 controller shall be paid into the State disability benefits fund.

32 (B) If an employee receives wages from more than one employer
33 during any calendar year, and the sum of his contributions deposited
34 in the "Family Temporary Disability Leave Account" of the State
35 disability benefits fund plus the amount of his contributions, if any,
36 required towards the costs of family temporary disability leave
37 benefits under one or more approved private plans under the
38 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
39 et al.) and deducted from his wages, exceeds an amount equal to,
40 during calendar year 2009, 0.09% of the "wages" determined in
41 accordance with the provisions of R.S.43:21-7(b)(3), or during
42 calendar year 2010, 0.12% of those wages, or, during calendar year
43 2011 or any subsequent calendar year, the percentage of those
44 wages set by the annual rate of contribution determined by the
45 Commissioner of Labor and Workforce Development pursuant to
46 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the
47 employee shall be entitled to a refund of the excess if he makes a
48 claim to the controller within two years after the end of the calendar

1 year in which the wages are received with respect to which the
2 refund is claimed and establishes his right to the refund. The refund
3 shall be made by the controller from the "Family Temporary
4 Disability Leave Account" of the State disability benefits fund. No
5 interest shall be allowed or paid with respect to any such refund.
6 The controller shall, in accordance with prescribed regulations,
7 determine the portion of the aggregate amount of the refunds made
8 during any calendar year which is applicable to private plans for
9 which deductions were made under section 9 of the "Temporary
10 Disability Benefits Law" (C.43:21-33), with that determination
11 based upon the ratio of the amount of such wages exempt from
12 contributions to the fund, as provided in paragraph (1)(B) of this
13 subsection (d) with respect to coverage under private plans, to the
14 total wages so exempt plus the amount of such wages subject to
15 contributions to the "Family Temporary Disability Leave Account"
16 of the State disability benefits fund, as provided in subparagraph (ii)
17 of paragraph (1)(G) of this subsection (d). The controller shall, in
18 accordance with prescribed regulations, prorate the amount so
19 determined among the applicable private plans in the proportion
20 that the wages covered by each plan bear to the total private plan
21 wages involved in such refunds, and shall assess against and
22 recover from the employer, or the insurer if the insurer has
23 indemnified the employer with respect thereto, the prorated amount.
24 The provisions of R.S.43:21-14 with respect to collection of
25 employer contributions shall apply to such assessments. The
26 amount so recovered by the controller shall be paid into the "Family
27 Temporary Disability Leave Account" of the State disability
28 benefits fund.

29 (4) If an individual does not receive any wages from the
30 employing unit which for the purposes of this chapter (R.S.43:21-1
31 et seq.) is treated as his employer, or receives his wages from some
32 other employing unit, such employer shall nevertheless be liable for
33 such individual's contributions in the first instance; and after
34 payment thereof such employer may deduct the amount of such
35 contributions from any sums payable by him to such employing
36 unit, or may recover the amount of such contributions from such
37 employing unit, or, in the absence of such an employing unit, from
38 such individual, in a civil action; provided proceedings therefor are
39 instituted within three months after the date on which such
40 contributions are payable. General rules shall be prescribed
41 whereby such an employing unit may recover the amount of such
42 contributions from such individuals in the same manner as if it were
43 the employer.

44 (5) Every employer who has elected to become an employer
45 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
46 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to
47 the provisions of R.S.43:21-8, shall post and maintain printed
48 notices of such election on his premises, of such design, in such

1 numbers, and at such places as the director may determine to be
2 necessary to give notice thereof to persons in his service.

3 (6) Contributions by workers, payable to the controller as herein
4 provided, shall be exempt from garnishment, attachment, execution,
5 or any other remedy for the collection of debts.

6 (e) Contributions by employers to the State disability benefits
7 fund.

8 (1) Except as hereinafter provided, each employer shall, in
9 addition to the contributions required by subsections (a), (b), and
10 (c) of this section, contribute $\frac{1}{2}$ of 1% of the wages paid by such
11 employer to workers with respect to employment unless he is not a
12 covered employer as defined in subsection (a) of section 3 of the
13 "Temporary Disability Benefits Law" (C.43:21-27 (a)), except that
14 the rate for the State of New Jersey shall be $\frac{1}{10}$ of 1% for the
15 calendar year 1980 and for the first six months of 1981. Prior to
16 July 1, 1981 and prior to July 1 each year thereafter, the controller
17 shall review the experience accumulated in the account of the State
18 of New Jersey and establish a rate for the next following fiscal year
19 which, in combination with worker contributions, will produce
20 sufficient revenue to keep the account in balance; except that the
21 rate so established shall not be less than $\frac{1}{10}$ of 1%. Such
22 contributions shall become due and be paid by the employer to the
23 controller for the State disability benefits fund as established by
24 law, in accordance with such regulations as may be prescribed, and
25 shall not be deducted, in whole or in part, from the remuneration of
26 individuals in his employ. In the payment of any contributions, a
27 fractional part of a cent shall be disregarded unless it amounts to
28 \$0.005 or more, in which case it shall be increased to \$0.01.

29 (2) During the continuance of coverage of a worker by an
30 approved private plan of disability benefits under the "Temporary
31 Disability Benefits Law," the employer shall be exempt from the
32 contributions required by paragraph (1) above with respect to wages
33 paid to such worker.

34 (3) (A) The rates of contribution as specified in paragraph (1)
35 above shall be subject to modification as provided herein with
36 respect to employer contributions due on and after July 1, 1951.

37 (B) A separate disability benefits account shall be maintained for
38 each employer required to contribute to the State disability benefits
39 fund and such account shall be credited with contributions
40 deposited in and credited to such fund with respect to employment
41 occurring on and after January 1, 1949. Each employer's account
42 shall be credited with all contributions paid on or before January 31
43 of any calendar year on his own behalf and on behalf of individuals
44 in his service with respect to employment occurring in preceding
45 calendar years; provided, however, that if January 31 of any
46 calendar year falls on a Saturday or Sunday an employer's account
47 shall be credited as of January 31 of such calendar year with all the
48 contributions which he has paid on or before the next succeeding

1 day which is not a Saturday or Sunday. But nothing in this act shall
2 be construed to grant any employer or individuals in his service
3 prior claims or rights to the amounts paid by him to the fund either
4 on his own behalf or on behalf of such individuals. Benefits paid to
5 any covered individual in accordance with Article III of the
6 "Temporary Disability Benefits Law" on or before December 31 of
7 any calendar year with respect to disability in such calendar year
8 and in preceding calendar years shall be charged against the account
9 of the employer by whom such individual was employed at the
10 commencement of such disability or by whom he was last
11 employed, if out of employment.

12 (C) The controller may prescribe regulations for the
13 establishment, maintenance, and dissolution of joint accounts by
14 two or more employers, and shall, in accordance with such
15 regulations and upon application by two or more employers to
16 establish such an account, or to merge their several individual
17 accounts in a joint account, maintain such joint account as if it
18 constituted a single employer's account.

19 (D) Prior to July 1 of each calendar year, the controller shall
20 make a preliminary determination of the rate of contribution for the
21 12 months commencing on such July 1 for each employer subject to
22 the contribution requirements of this subsection (e).

23 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the
24 preceding January 31 of such year such employer shall have been a
25 covered employer who has paid contributions to the State disability
26 benefits fund with respect to employment in the three calendar
27 years immediately preceding such year.

28 (2) If the minimum requirements in subparagraph (D) (1) above
29 have been fulfilled and the credited contributions exceed the
30 benefits charged by more than \$500.00, such preliminary rate shall
31 be as follows:

32 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is
33 less than $1\frac{1}{4}\%$ of his average annual payroll as defined in this
34 chapter (R.S.43:21-1 et seq.);

35 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
36 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

37 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds $1\frac{1}{2}\%$ of his average annual payroll.

38 (3) If the minimum requirements in subparagraph (D) (1) above
39 have been fulfilled and the contributions credited exceed the
40 benefits charged but by not more than \$500.00 plus 1% of his
41 average annual payroll, or if the benefits charged exceed the
42 contributions credited but by not more than \$500.00, the
43 preliminary rate shall be $\frac{1}{4}$ of 1%.

44 (4) If the minimum requirements in subparagraph (D) (1) above
45 have been fulfilled and the benefits charged exceed the
46 contributions credited by more than \$500.00, such preliminary rate
47 shall be as follows:
48

1 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
2 1% of his average annual payroll;

3 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
4 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

5 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
6 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

7 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
8 3/4 of 1% but is less than 1% of his average annual payroll;

9 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
10 1% of his average annual payroll.

11 (5) Determination of the preliminary rate as specified in
12 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
13 to the condition that it shall in no event be decreased by more than
14 1/10 of 1% of wages or increased by more than 2/10 of 1% of
15 wages from the preliminary rate determined for the preceding year
16 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
17 shall have been applicable.

18 (E) (1) Prior to July 1 of each calendar year the controller shall
19 determine the amount of the State disability benefits fund as of
20 December 31 of the preceding calendar year, increased by the
21 contributions paid thereto during January of the current calendar
22 year with respect to employment occurring in the preceding
23 calendar year. If such amount exceeds the net amount withdrawn
24 from the unemployment trust fund pursuant to section 23 of the
25 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)
26 plus the amount at the end of such preceding calendar year of the
27 unemployment disability account as defined in section 22 of said
28 law (C.43:21-46), such excess shall be expressed as a percentage of
29 the wages on which contributions were paid to the State disability
30 benefits fund on or before January 31 with respect to employment
31 in the preceding calendar year.

32 (2) The controller shall then make a final determination of the
33 rates of contribution for the 12 months commencing July 1 of such
34 year for employers whose preliminary rates are determined as
35 provided in subparagraph (D) hereof, as follows:

36 (i) If the percentage determined in accordance with
37 subparagraph (E)(1) of this paragraph equals or exceeds 1 1/4%, the
38 final employer rates shall be the preliminary rates determined as
39 provided in subparagraph (D) hereof, except that if the employer's
40 preliminary rate is determined as provided in subparagraph (D)(2)
41 or subparagraph (D)(3) hereof, the final employer rate shall be the
42 preliminary employer rate decreased by such percentage of excess
43 taken to the nearest 5/100 of 1%, but in no case shall such final rate
44 be less than 1/10 of 1%.

45 (ii) If the percentage determined in accordance with
46 subparagraph (E)(1) of this paragraph equals or exceeds 3/4 of 1%
47 and is less than 1 1/4 of 1%, the final employer rates shall be the
48 preliminary employer rates.

(iii) If the percentage determined in accordance with subparagraph (E)(1) of this paragraph is less than $\frac{3}{4}$ of 1%, but in excess of $\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer rates determined as provided in subparagraph (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and such percentage taken to the nearest $\frac{5}{100}$ of 1%; provided, however, that no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than $\frac{3}{4}$ of 1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(4) hereof.

(iv) If the amount of the State disability benefits fund determined as provided in subparagraph (E)(1) of this paragraph is equal to or less than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(2) hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an employer whose preliminary rate is determined as provided in subparagraph (D)(4) hereof. Notwithstanding any other provision of law or any determination made by the controller with respect to any 12-month period commencing on July 1, 1970, the final rates for all employers for the period beginning January 1, 1971, shall be as set forth herein.

(F) Notwithstanding any other provisions of this subsection (e), the rate of contribution paid to the State disability benefits fund by each covered employer as defined in paragraph (1) of subsection (a) of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as if:

(i) No disability benefits have been paid with respect to periods of family temporary disability leave;

(ii) No worker paid any contributions to the State disability benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;

(iii) No amounts were transferred from the State disability benefits fund to the "Family Temporary Disability Leave Account" pursuant to paragraph (1)(G)(ii) of subsection (d) of this section; and

(iv) The total amount of benefits paid for periods of disability were not subject to the increases in the weekly benefit rate for those benefits commencing July 1, 2020 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40).

(cf: P.L.2019, c.37, s.6)

2. This act shall take effect immediately.

STATEMENT

1
2
3 This bill reduces the taxable wage base applied to certain payroll
4 tax contributions made by employers and employees. Current law
5 establishes the level of wages subject to tax contributions required
6 under the unemployment insurance, temporary disability insurance,
7 and family leave insurance programs, as well as under the
8 Workforce Development Partnership Fund and the Supplemental
9 Workforce Fund for Basic Skills. For calendar year 2020, the
10 taxable wage base for these programs is \$35,500. Under current
11 law, the taxable wage amount is determined annually by the
12 Commissioner of Labor and Workforce Development by
13 multiplying the Statewide average weekly wage by 28.
14 This bill reduces the taxable wage base applied to these payroll
15 tax contributions by requiring the commissioner to determine the
16 taxable wage amount by multiplying the Statewide average weekly
17 wage by 14, rather than 28. The bill provides that if the taxable
18 wage amount determined by the commissioner in any given year is
19 less than the taxable wage amount determined for the preceding
20 year, the greater amount will be used. In effect, the bill reduces the
21 taxable wage amount applied to tax contributions paid by employers
22 and employees by approximately half beginning on January 1, 2021.