

SENATE, No. 2141

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

SYNOPSIS

Revises worker payroll taxes for the unemployment compensation, Workforce Development Partnership, and Supplemental Workforce Basic Skills funds.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain employee payroll taxes and amending
2 P.L.1992, c.44, P.L.2001, c.152, and R.S.43:21-7.

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

6
7 1. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to
8 read as follows:

9 2. Beginning on January 1, 1993 and ending on December 31,
10 2020, each worker shall contribute to the Workforce Development
11 Partnership Fund an amount equal to 0.025% of the worker's wages
12 as determined in accordance with paragraph (3) of subsection (b) of
13 R.S.43:21-7 regarding the worker's employment with an employer.

14 Beginning on January 1, 2021, each worker shall contribute to
15 the Workforce Development Partnership Fund an amount equal to
16 0.0121% of the worker's wages as determined in accordance with
17 paragraph (5) of subsection (b) of R.S.43:21-7 regarding the
18 worker's employment with an employer.

19 Also beginning on January 1, 1993, each employer shall
20 contribute to the Workforce Development Partnership Fund an
21 amount equal to the amount that the employer's contribution to the
22 Unemployment Compensation Fund is decreased pursuant to
23 subparagraph (G) of paragraph (5) of subsection (c) of R.S.43:21-7.
24 (cf: P.L.1995, c.422, s.4)

25
26 2. Section 2 of P.L.2001, c.152 (C.34:15D-22) is amended to
27 read as follows:

28 2. Beginning on January 1, 2002 and ending on December 31,
29 2020, each worker shall contribute to the Supplemental Workforce
30 Fund for Basic Skills an amount equal to 0.0175% of the worker's
31 wages as determined in accordance with paragraph (3) of subsection
32 (b) of R.S.43:21-7 regarding the worker's employment with an
33 employer.

34 Beginning on January 1, 2021, each worker shall contribute to
35 the Supplemental Workforce Fund for Basic Skill an amount equal
36 to 0.0085% of the worker's wages as determined in accordance with
37 paragraph (5) of subsection (b) of R.S.43:21-7 regarding the
38 worker's employment with an employer.

39 Beginning on July 1, 2001, each employer shall contribute to the
40 Supplemental Workforce Fund for Basic Skills an amount equal to
41 the amount that the employer's contribution is decreased pursuant to
42 subparagraph (J) of paragraph (5) of subsection (c) of R.S.43:21-7.
43 (cf: P.L.2001, c.152, s.2)

44
45 3. R.S.43:21-7 is amended to read as follows:

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

12 (a) Payment.

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

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

25 (b) Rate of contributions. Each employer shall pay the following
26 contributions:

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

31 (2) The "wages" of any individual, with respect to any one
32 employer, as the term is used in this subsection (b) and in
33 subsections (c), (d) and (e) of this section 7, shall include the first
34 \$4,800.00 paid during calendar year 1975, for services performed
35 either within or without this State; provided that no contribution
36 shall be required by this State with respect to services performed in
37 another state if such other state imposes contribution liability with
38 respect thereto. If an employer (hereinafter referred to as a
39 successor employer) during any calendar year acquires substantially
40 all the property used in a trade or business of another employer
41 (hereinafter referred to as a predecessor), or used in a separate unit
42 of a trade or business of a predecessor, and immediately after the
43 acquisition employs in his trade or business an individual who
44 immediately prior to the acquisition was employed in the trade or
45 business of such predecessors, then, for the purpose of determining
46 whether the successor employer has paid wages with respect to
47 employment equal to the first \$4,800.00 paid during calendar year
48 1975, any wages paid to such individual by such predecessor during

1 such calendar year and prior to such acquisition shall be considered
2 as having been paid by such successor employer.

3 (3) For calendar years beginning on and after January 1, 1976,
4 the "wages" of any individual, as defined in the preceding
5 paragraph (2) of this subsection (b), shall be established and
6 promulgated by the Commissioner of Labor and Workforce
7 Development on or before September 1 of the preceding year and,
8 except as provided in ~~【paragraph】~~ paragraphs (4) and (5) of this
9 subsection (b), shall be, 28 times the Statewide average weekly
10 remuneration paid to workers by employers, as determined under
11 R.S.43:21-3(c), raised to the next higher multiple of \$100.00 if not
12 already a multiple thereof, provided that if the amount of wages so
13 determined for a calendar year is less than the amount similarly
14 determined for the preceding year, the greater amount will be used;
15 provided, further, that if the amount of such wages so determined
16 does not equal or exceed the amount of wages as defined in
17 subsection (b) of section 3306 of the Internal Revenue Code of
18 1986 (26 U.S.C. s.3306(b)), the wages as determined in this
19 paragraph in any calendar year shall be raised to equal the amount
20 established under the "Federal Unemployment Tax Act," chapter 23
21 of the Internal Revenue Code of 1986 (26 U.S.C. s.3301 et seq.), for
22 that calendar year.

23 (4) For calendar years beginning on and after January 1, 2020,
24 the "wages" of any individual, as defined in the preceding
25 paragraph (2) of this subsection (b) for purposes of contributions of
26 workers to the State disability benefits fund, including the "Family
27 Temporary Disability Leave Account" pursuant to subsection (d) of
28 this section, shall be established and promulgated by the
29 Commissioner of Labor and Workforce Development on or before
30 September 1 of the preceding year and shall be 107 times the
31 Statewide average weekly remuneration paid to workers by
32 employers, as determined under R.S.43:21-3(c), raised to the next
33 higher multiple of \$100.00 if not already a multiple thereof,
34 provided that if the amount of wages so determined for a calendar
35 year is less than the amount similarly determined for the preceding
36 year, the greater amount will be used.

37 (5) For calendar years beginning on and after January 1, 2021,
38 the "wages" of any individual, as defined in the preceding
39 paragraph (2) of this subsection (b) for the purposes of
40 contributions of workers to the State unemployment compensation
41 fund, shall be established and promulgated by the Commissioner of
42 Labor and Workforce Development on or before September 1 of the
43 preceding year shall be 107 times the Statewide average weekly
44 remuneration paid to workers by employers, as determined under
45 R.S.43:21-3(c), raised to the next higher multiple of \$100.00 if not
46 already a multiple thereof, provided that if the amount of wages so
47 determined for a calendar year is less than the amount similarly
48 determined for the preceding year, the greater amount will be used;

1 provided, further, that if the amount of such wages so determined
2 does not equal or exceed the amount of wages as defined in
3 subsection (b) of section 3306 of the Internal Revenue Code of
4 1986 (26 U.S.C. s.3306(b)), the wages as determined in this
5 paragraph in any calendar year shall be raised to equal the amount
6 established under the "Federal Unemployment Tax Act," chapter 23
7 of the Internal Revenue Code of 1986 (26 U.S.C. s.3301 et seq.), for
8 that calendar year.

9 (c) Future rates based on benefit experience.

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

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

47 (2) Regulations may be prescribed for the establishment,
48 maintenance, and dissolution of joint accounts by two or more

1 employers, and shall, in accordance with such regulations and upon
2 application by two or more employers to establish such an account,
3 or to merge their several individual accounts in a joint account,
4 maintain such joint account as if it constituted a single employer's
5 account.

6 (3) No employer's rate shall be lower than 5.4% unless
7 assignment of such lower rate is consistent with the conditions
8 applicable to additional credit allowance for such year under section
9 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
10 s.3303(a)(1)), any other provision of this section to the contrary
11 notwithstanding.

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

25 (1) 2 $\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
26 5%, of his average annual payroll (as defined in paragraph (2),
27 subsection (a) of R.S.43:21-19);

28 (2) 2 $\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
29 than 6%, of his average annual payroll;

30 (3) 1 $\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
31 than 7%, of his average annual payroll;

32 (4) 1 $\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
33 than 8%, of his average annual payroll;

34 (5) 1 $\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
35 than 9%, of his average annual payroll;

36 (6) 1%, if such excess equals or exceeds 9%, but is less than
37 10%, of his average annual payroll;

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

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

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

46 (1) 4%, if such excess is less than 10% of his average annual
47 payroll;

1 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
2 than 20%, of his average annual payroll;

3 (3) 4 6/10%, if such excess equals or exceeds 20% of his
4 average annual payroll.

5 (C) Specially assigned rates.

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

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

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

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

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

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

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

45 If on March 31 of any calendar year the balance of the
46 unemployment trust fund is less than 2 1/2% of the total taxable
47 wages reported to the controller as of that date in respect to
48 employment during the preceding calendar year, the contribution

1 rate, effective July 1 following, of each employer: (1) eligible for a
2 contribution rate calculation based upon benefit experience, shall be
3 increased by (i) $\frac{6}{10}$ of 1% over the contribution rate otherwise
4 established under the provisions of paragraph (3), (4)(A) or (4)(B)
5 of this subsection, and (ii) an additional amount equal to 20% of the
6 total rate established herein, provided, however, that the final
7 contribution rate for each employer shall be computed to the nearest
8 multiple of $\frac{1}{10}\%$ if not already a multiple thereof; (2) not eligible
9 for a contribution rate calculation based upon benefit experience,
10 shall be increased by $\frac{6}{10}$ of 1% over the contribution rate
11 otherwise established under the provisions of paragraph (4) of this
12 subsection. For the period commencing July 1, 1984 and ending
13 June 30, 1986, the contribution rate for each employer liable to pay
14 contributions under R.S.43:21-7 shall be increased by a factor of
15 10% computed to the nearest multiple of $\frac{1}{10}\%$ if not already a
16 multiple thereof.

17 (B) If on March 31 of any calendar year the balance in the
18 unemployment trust fund equals or exceeds 10% but is less than 12
19 $\frac{1}{2}\%$ of the total taxable wages reported to the controller as of that
20 date in respect to employment during the preceding calendar year,
21 the contribution rate, effective July 1 following, of each employer
22 eligible for a contribution rate calculation based upon benefit
23 experience, shall be reduced by $\frac{3}{10}$ of 1% under the contribution
24 rate otherwise established under the provisions of paragraphs (3)
25 and (4) of this subsection; provided that in no event shall the
26 contribution rate of any employer be reduced to less than $\frac{4}{10}$ of
27 1%. If on March 31 of any calendar year the balance in the
28 unemployment trust fund equals or exceeds 12 $\frac{1}{2}\%$ of the total
29 taxable wages reported to the controller as of that date in respect to
30 employment during the preceding calendar year, the contribution
31 rate, effective July 1 following, of each employer eligible for a
32 contribution rate calculation based upon benefit experience, shall be
33 reduced by $\frac{6}{10}$ of 1% if his account for all past periods reflects an
34 excess of contributions paid over total benefits charged of 3% or
35 more of his average annual payroll, otherwise by $\frac{3}{10}$ of 1% under
36 the contribution rate otherwise established under the provisions of
37 paragraphs (3) and (4) of this subsection; provided that in no event
38 shall the contribution rate of any employer be reduced to less than
39 $\frac{4}{10}$ of 1%.

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

47 (D) Prior to July 1 of each calendar year the controller shall
48 determine the Unemployment Trust Fund Reserve Ratio, which

1 shall be calculated by dividing the balance of the unemployment
2 trust fund as of the prior March 31 by total taxable wages reported
3 to the controller by all employers as of March 31 with respect to
4 their employment during the last calendar year.
5 (E) (i) (Deleted by amendment, P.L.1997, c.263).
6 (ii) (Deleted by amendment, P.L.2001, c.152).
7 (iii) (Deleted by amendment, P.L.2003, c.107).
8 (iv) (Deleted by amendment, P.L.2004, c.45).
9 (v) (Deleted by amendment, P.L.2008, c.17).
10 (vi) (Deleted by amendment, P.L.2013, c.75).
11 (vii) With respect to experience rating years beginning on or
12 after July 1, 2011, the new employer rate or the unemployment
13 experience rate of an employer under this section shall be the rate
14 which appears in the column headed by the Unemployment Trust
15 Fund Reserve Ratio as of the applicable calculation date and on the
16 line with the Employer Reserve Ratio, as defined in paragraph (4)
17 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
18 table:

EXPERIENCE RATING TAX TABLE					
Fund Reserve Ratio ¹					
3.50% 3.00% 2.5% 2.0% 1.99%					
and to to to and					
Over 3.49% 2.99% 2.49% Under					
Employer	A	B	C	D	E
Reserve					
Ratio ²					
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3

1	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
2	-12.00% to-14.99%	3.6	4.6	5.4	6.0	6.5
3	-15.00% to-19.99%	3.6	4.6	5.5	6.1	6.6
4	-20.00% to-24.99%	3.7	4.7	5.6	6.2	6.7
5	-25.00% to-29.99%	3.7	4.8	5.6	6.3	6.8
6	-30.00% to-34.99%	3.8	4.8	5.7	6.3	6.9
7	-35.00% and under	5.4	5.4	5.8	6.4	7.0
8	New Employer Rate	2.8	2.8	2.8	3.1	3.4
9	¹ Fund balance as of March 31 as a percentage of taxable wages					
10	in the prior calendar year.					
11	² Employer Reserve Ratio (Contributions minus benefits as a					
12	percentage of employer's taxable wages).					
13	(F) (i) (Deleted by amendment, P.L.1997, c.263).					
14	(ii) (Deleted by amendment, P.L.2008, c.17).					
15	(iii) (Deleted by amendment, P.L.2013, c.75).					
16	(iv) With respect to experience rating years beginning on or after					
17	July 1, 2011 and before July 1, 2013, if the fund reserve ratio, based					
18	on the fund balance as of the prior March 31, is less than 1.0%, the					
19	contribution rate for each employer liable to pay contributions, as					
20	computed under subparagraph (E) of this paragraph (5), shall be					
21	increased by a factor of 10% computed to the nearest multiple of					
22	1/10% if not already a multiple thereof.					
23	(v) With respect to experience rating years beginning on or after					
24	July 1, 2014, if the fund reserve ratio, based on the fund balance as					
25	of the prior March 31, is less than 1.0%, the contribution rate for					
26	each employer liable to pay contributions, as computed under					
27	subparagraph (E) of this paragraph (5), shall be increased by a					
28	factor of 10% computed to the nearest multiple of 1/10% if not					
29	already a multiple thereof.					
30	(G) On or after January 1, 1993, notwithstanding any other					
31	provisions of this paragraph (5), the contribution rate for each					
32	employer liable to pay contributions, as computed under					
33	subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,					
34	except that, during any experience rating year starting before					
35	January 1, 1998 in which the fund reserve ratio is equal to or greater					
36	than 7.00% or during any experience rating year starting on or after					
37	January 1, 1998, in which the fund reserve ratio is equal to or					
38	greater than 3.5%, there shall be no decrease pursuant to this					
39	subparagraph (G) in the contribution of any employer who has a					
40	deficit reserve ratio of negative 35.00% or under.					
41	(H) On and after January 1, 1998 until December 31, 2000 and					
42	on or after January 1, 2002 until June 30, 2006, the contribution rate					
43	for each employer liable to pay contributions, as computed under					
44	subparagraph (E) of this paragraph (5), shall be decreased by a					
45	factor, as set out below, computed to the nearest multiple of 1/10%,					
46	except that, if an employer has a deficit reserve ratio of negative					
47	35.0% or under, the employer's rate of contribution shall not be					
48	reduced pursuant to this subparagraph (H) to less than 5.4%:					

1 From January 1, 1998 until December 31, 1998, a factor of 12%;
2 From January 1, 1999 until December 31, 1999, a factor of
3 10%;
4 From January 1, 2000 until December 31, 2000, a factor of
5 7%;
6 From January 1, 2002 until March 31, 2002, a factor of 36%;
7 From April 1, 2002 until June 30, 2002, a factor of 85%;
8 From July 1, 2002 until June 30, 2003, a factor of 15%;
9 From July 1, 2003 until June 30, 2004, a factor of 15%;
10 From July 1, 2004 until June 30, 2005, a factor of 7%;
11 From July 1, 2005 until December 31, 2005, a factor of 16%;
12 and
13 From January 1, 2006 until June 30, 2006, a factor of 34%.

14 The amount of the reduction in the employer contributions
15 stipulated by this subparagraph (H) shall be in addition to the
16 amount of the reduction in the employer contributions stipulated by
17 subparagraph (G) of this paragraph (5), except that the rate of
18 contribution of an employer who has a deficit reserve ratio of
19 negative 35.0% or under shall not be reduced pursuant to this
20 subparagraph (H) to less than 5.4% and the rate of contribution of
21 any other employer shall not be reduced to less than 0.0%.

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

23 (J) On or after July 1, 2001, notwithstanding any other
24 provisions of this paragraph (5), the contribution rate for each
25 employer liable to pay contributions, as computed under
26 subparagraph (E) of this paragraph (5), shall be decreased by
27 0.0175%, except that, during any experience rating year starting on
28 or after July 1, 2001, in which the fund reserve ratio is equal to or
29 greater than 3.5%, there shall be no decrease pursuant to this
30 subparagraph (J) in the contribution of any employer who has a
31 deficit reserve ratio of negative 35.00% or under. The amount of the
32 reduction in the employer contributions stipulated by this
33 subparagraph (J) shall be in addition to the amount of the reduction
34 in the employer contributions stipulated by subparagraphs (G) and
35 (H) of this paragraph (5), except that the rate of contribution of an
36 employer who has a deficit reserve ratio of negative 35.0% or under
37 shall not be reduced pursuant to this subparagraph (J) to less than
38 5.4% and the rate of contribution of any other employer shall not be
39 reduced to less than 0.0%.

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

43 (i) Equal to or greater than 5.00% but less than 7.5%, the
44 contribution rate for each employer liable to pay contributions, as
45 computed under subparagraph (E) of this paragraph (5), shall be
46 reduced by a factor of 25% computed to the nearest multiple of
47 1/10% if not already a multiple thereof except that there shall be no

1 decrease pursuant to this subparagraph (K) in the contribution of
2 any employer who has a deficit reserve ratio of 35.00% or under;

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

10 (L) Notwithstanding any other provision of this paragraph (5)
11 and notwithstanding the actual fund reserve ratio, the contribution
12 rate for employers liable to pay contributions, as computed under
13 subparagraph (E) of this paragraph (5), shall be, for fiscal year
14 2011, the rates set by column "C" of the table in that subparagraph.

15 (M) Notwithstanding any other provision of this paragraph (5)
16 and notwithstanding the actual fund reserve ratio, the contribution
17 rate for employers liable to pay contributions, as computed under
18 subparagraph (E) of this paragraph (5), shall be, for fiscal year
19 2012, the rates set by column "D" of the table in that subparagraph.

20 (N) Notwithstanding any other provision of this paragraph (5)
21 and notwithstanding the actual fund reserve ratio, the contribution
22 rate for employers liable to pay contributions, as computed under
23 subparagraph (E) of this paragraph (5), shall be, for fiscal year
24 2013, the rates set by column "E" of the table in that subparagraph.

25 (6) Additional contributions.

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

1 greater, not to exceed \$50.00. Any adjustment under this subsection
2 shall be made only in the form of credits against accrued or future
3 contributions.

4 (7) Transfers.

5 (A) Upon the transfer of the organization, trade or business, or
6 substantially all the assets of an employer to a successor in interest,
7 whether by merger, consolidation, sale, transfer, descent or
8 otherwise, the controller shall transfer the employment experience
9 of the predecessor employer to the successor in interest, including
10 credit for past years, contributions paid, annual payrolls, benefit
11 charges, et cetera, applicable to such predecessor employer,
12 pursuant to regulation, if it is determined that the employment
13 experience of the predecessor employer with respect to the
14 organization, trade, assets or business which has been transferred
15 may be considered indicative of the future employment experience
16 of the successor in interest. The successor in interest may, within
17 four months of the date of such transfer of the organization, trade,
18 assets or business, or thereafter upon good cause shown, request a
19 reconsideration of the transfer of employment experience of the
20 predecessor employer. The request for reconsideration shall
21 demonstrate, to the satisfaction of the controller, that the
22 employment experience of the predecessor is not indicative of the
23 future employment experience of the successor.

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

42 (C) A transfer of the employment experience in whole or in part
43 having become final, the predecessor employer thereafter shall not
44 be entitled to consideration for an adjusted rate based upon his or its
45 experience or the part thereof, as the case may be, which has thus
46 been transferred. A successor in interest to whom employment
47 experience or a part thereof is transferred pursuant to this
48 subsection shall, as of the date of the transfer of the organization,

1 trade, assets or business, or part thereof, immediately become an
2 employer if not theretofore an employer subject to this chapter
3 (R.S.43:21-1 et seq.).

4 (D) If an employer transfers in whole or in part his or its
5 organization, trade, assets or business to a successor in interest,
6 whether by merger, consolidation, sale, transfer, descent or
7 otherwise and both the employer and successor in interest are at the
8 time of the transfer under common ownership, management or
9 control, then the employment experience attributable to the
10 transferred business shall also be transferred to and combined with
11 the employment experience of the successor in interest. The
12 transfer of the employment experience is mandatory and not subject
13 to appeal or protest.

14 (E) The transfer of part of an employer's employment experience
15 to a successor in interest shall become effective as of the first day of
16 the calendar quarter following the acquisition by the successor in
17 interest. As of the effective date, the successor in interest shall
18 have its employer rate recalculated by merging its existing
19 employment experience, if any, with the employment experience
20 acquired. If the successor in interest is not an employer as of the
21 date of acquisition, it shall be assigned the new employer rate until
22 the effective date of the transfer of employment experience.

23 (F) Upon the transfer in whole or in part of the organization,
24 trade, assets or business to a successor in interest, the employment
25 experience shall not be transferred if the successor in interest is not
26 an employer at the time of the acquisition and the controller finds
27 that the successor in interest acquired the business solely or
28 primarily for the purpose of obtaining a lower rate of contributions.

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

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

45 (B) Effective January 1, 1978 there shall be no contributions by
46 workers in the employ of any governmental or nongovernmental
47 employer electing or required to make payments in lieu of
48 contributions unless the employer is covered by the State plan under

1 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
2 that case contributions shall be at the rate of 1/2 of 1%, except that
3 commencing July 1, 1986, workers in the employ of any
4 nongovernmental employer electing or required to make payments
5 in lieu of contributions shall be required to make contributions to
6 the fund at the same rate prescribed for workers of other
7 nongovernmental employers.

8 (C) (i) Notwithstanding the above provisions of this paragraph
9 (1), during the period starting July 1, 1986 and ending December
10 31, 1992, each worker shall contribute to the fund 1.125% of wages
11 paid with respect to his employment with a governmental employer
12 electing or required to pay contributions or nongovernmental
13 employer, including a nonprofit organization which is an employer
14 as defined under R.S.43:21-19(h)(6), regardless of whether that
15 nonprofit organization elects or is required to finance its benefit
16 costs with contributions to the fund or by payments in lieu of
17 contributions, after that employer has satisfied the conditions set
18 forth in subsection R.S.43:21-19(h) with respect to becoming an
19 employer. Contributions, however, shall be at the rate of 0.625%
20 while the worker is covered by an approved private plan under the
21 "Temporary Disability Benefits Law" or while the worker is exempt
22 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
23 other provision of that law; provided that such contributions shall
24 be at the rate of 0.625% of wages paid with respect to employment
25 with the State of New Jersey or any other governmental entity or
26 instrumentality electing or required to make payments in lieu of
27 contributions and which is covered by the State plan under the
28 "Temporary Disability Benefits Law," except that, while the worker
29 is exempt from the provisions of the "Temporary Disability Benefits
30 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
31 any other provision of that law, or is covered for disability benefits
32 by an approved private plan of the employer, the contributions to
33 the fund shall be 0.125%.

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

35 (D) Notwithstanding any other provisions of this paragraph (1),
36 during the period starting January 1, 1993 and ending June 30,
37 1994, each worker shall contribute to the unemployment
38 compensation fund 0.5% of wages paid with respect to the worker's
39 employment with a governmental employer electing or required to
40 pay contributions or nongovernmental employer, including a
41 nonprofit organization which is an employer as defined under
42 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
43 whether that nonprofit organization elects or is required to finance
44 its benefit costs with contributions to the fund or by payments in
45 lieu of contributions, after that employer has satisfied the conditions
46 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
47 an employer. No contributions, however, shall be made by the
48 worker while the worker is covered by an approved private plan

1 under the "Temporary Disability Benefits Law," P.L.1948, c.110
2 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
3 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
4 provided that the contributions shall be at the rate of 0.50% of
5 wages paid with respect to employment with the State of New
6 Jersey or any other governmental entity or instrumentality electing
7 or required to make payments in lieu of contributions and which is
8 covered by the State plan under the "Temporary Disability Benefits
9 Law," except that, while the worker is exempt from the provisions
10 of the "Temporary Disability Benefits Law" under section 7 of that
11 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
12 law, or is covered for disability benefits by an approved private plan
13 of the employer, no contributions shall be made to the fund.

14 Each worker shall, starting on January 1, 1996 and ending March
15 31, 1996, contribute to the unemployment compensation fund
16 0.60% of wages paid with respect to the worker's employment with
17 a governmental employer electing or required to pay contributions
18 or nongovernmental employer, including a nonprofit organization
19 which is an employer as defined under paragraph (6) of subsection
20 (h) of R.S.43:21-19, regardless of whether that nonprofit
21 organization elects or is required to finance its benefit costs with
22 contributions to the fund or by payments in lieu of contributions,
23 after that employer has satisfied the conditions set forth in
24 subsection (h) of R.S.43:21-19 with respect to becoming an
25 employer, provided that the contributions shall be at the rate of
26 0.10% of wages paid with respect to employment with the State of
27 New Jersey or any other governmental entity or instrumentality
28 electing or required to make payments in lieu of contributions.

29 Each worker shall, starting on January 1, 1998 and ending
30 December 31, 1998, contribute to the unemployment compensation
31 fund 0.10% of wages paid with respect to the worker's employment
32 with a governmental employer electing or required to pay
33 contributions or nongovernmental employer, including a nonprofit
34 organization which is an employer as defined under paragraph (6)
35 of subsection (h) of R.S.43:21-19, regardless of whether that
36 nonprofit organization elects or is required to finance its benefit
37 costs with contributions to the fund or by payments in lieu of
38 contributions, after that employer has satisfied the conditions set
39 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
40 employer, provided that the contributions shall be at the rate of
41 0.10% of wages paid with respect to employment with the State of
42 New Jersey or any other governmental entity or instrumentality
43 electing or required to make payments in lieu of contributions.

44 Each worker shall, starting on January 1, 1999 until December
45 31, 1999, contribute to the unemployment compensation fund
46 0.15% of wages paid with respect to the worker's employment with
47 a governmental employer electing or required to pay contributions
48 or nongovernmental employer, including a nonprofit organization

1 which is an employer as defined under paragraph (6) of subsection
2 (h) of R.S.43:21-19, regardless of whether that nonprofit
3 organization elects or is required to finance its benefit costs with
4 contributions to the fund or by payments in lieu of contributions,
5 after that employer has satisfied the conditions set forth in
6 subsection (h) of R.S.43:21-19 with respect to becoming an
7 employer, provided that the contributions shall be at the rate of
8 0.10% of wages paid with respect to employment with the State of
9 New Jersey or any other governmental entity or instrumentality
10 electing or required to make payments in lieu of contributions.

11 Each worker shall, starting on January 1, 2000 until December
12 31, 2001, contribute to the unemployment compensation fund
13 0.20% of wages paid with respect to the worker's employment with
14 a governmental employer electing or required to pay contributions
15 or nongovernmental employer, including a nonprofit organization
16 which is an employer as defined under paragraph (6) of subsection
17 (h) of R.S.43:21-19, regardless of whether that nonprofit
18 organization elects or is required to finance its benefit costs with
19 contributions to the fund or by payments in lieu of contributions,
20 after that employer has satisfied the conditions set forth in
21 subsection (h) of R.S.43:21-19 with respect to becoming an
22 employer, provided that the contributions shall be at the rate of
23 0.10% of wages paid with respect to employment with the State of
24 New Jersey or any other governmental entity or instrumentality
25 electing or required to make payments in lieu of contributions.

26 Each worker shall, starting on January 1, 2002 until June 30,
27 2004, contribute to the unemployment compensation fund 0.1825%
28 of wages paid with respect to the worker's employment with a
29 governmental employer electing or required to pay contributions or
30 a nongovernmental employer, including a nonprofit organization
31 which is an employer as defined under paragraph (6) of subsection
32 (h) of R.S.43:21-19, regardless of whether that nonprofit
33 organization elects or is required to finance its benefit costs with
34 contributions to the fund or by payments in lieu of contributions,
35 after that employer has satisfied the conditions set forth in
36 subsection (h) of R.S.43:21-19 with respect to becoming an
37 employer, provided that the contributions shall be at the rate of
38 0.0825% of wages paid with respect to employment with the State
39 of New Jersey or any other governmental entity or instrumentality
40 electing or required to make payments in lieu of contributions.

41 Each worker shall, starting on and after July 1, 2004 until
42 December 31, 2020, contribute to the unemployment compensation
43 fund 0.3825% of wages paid with respect to the worker's
44 employment with a governmental employer electing or required to
45 pay contributions or nongovernmental employer, including a
46 nonprofit organization which is an employer as defined under
47 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
48 whether that nonprofit organization elects or is required to finance

1 its benefit costs with contributions to the fund or by payments in
2 lieu of contributions, after that employer has satisfied the conditions
3 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
4 an employer, provided that the contributions shall be at the rate of
5 0.0825% of wages paid with respect to employment with the State
6 of New Jersey or any other governmental entity or instrumentality
7 electing or required to make payments in lieu of contributions.

8 Each worker shall, starting on and after January 1, 2021,
9 contribute to the unemployment compensation fund 0.1855% of
10 wages paid with respect to the worker's employment with a
11 governmental employer electing or required to pay contributions or
12 nongovernmental employer, including a nonprofit organization
13 which is an employer as defined under paragraph (6) of subsection
14 (h) of R.S.43:21-19, regardless of whether that nonprofit
15 organization elects or is required to finance its benefit costs with
16 contributions to the fund or by payments in lieu of contributions,
17 after that employer has satisfied the conditions set forth in
18 subsection (h) of R.S.43:21-19 with respect to becoming an
19 employer, provided that the contributions shall be at the rate of
20 0.040% of wages paid with respect to employment with the State of
21 New Jersey or any other governmental entity or instrumentality
22 electing or required to make payments in lieu of contributions.

23 (E) Each employer shall, notwithstanding any provision of law
24 in this State to the contrary, withhold in trust the amount of his
25 workers' contributions from their wages at the time such wages are
26 paid, shall show such deduction on his payroll records, shall furnish
27 such evidence thereof to his workers as the division or controller
28 may prescribe, and shall transmit all such contributions, in addition
29 to his own contributions, to the office of the controller in such
30 manner and at such times as may be prescribed. If any employer
31 fails to deduct the contributions of any of his workers at the time
32 their wages are paid, or fails to make a deduction therefor at the
33 time wages are paid for the next succeeding payroll period, he alone
34 shall thereafter be liable for such contributions, and for the purpose
35 of R.S.43:21-14, such contributions shall be treated as employer's
36 contributions required from him.

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

40 (G) (i) Each worker, with respect to the worker's employment
41 with a government employer electing or required to pay
42 contributions to the State disability benefits fund or
43 nongovernmental employer, including a nonprofit organization
44 which is an employer as defined under paragraph (6) of subsection
45 (h) of R.S.43:21-19, unless the employer is covered by an approved
46 private disability plan or is exempt from the provisions of the
47 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
48 et al.) under section 7 of that law (C.43:21-31) or any other

1 provision of that law, shall, for calendar year 2012 and each
2 subsequent calendar year, make contributions to the State disability
3 benefits fund at the annual rate of contribution necessary to obtain a
4 total amount of contributions, which, when added to employer
5 contributions made to the State disability benefits fund pursuant to
6 subsection (e) of this section, is, for calendar years prior to calendar
7 year 2018, equal to 120% of the benefits paid for periods of
8 disability, excluding periods of family temporary disability, during
9 the immediately preceding calendar year plus an amount equal to
10 100% of the cost of administration of the payment of those benefits
11 during the immediately preceding calendar year, less the amount of
12 net assets remaining in the State disability benefits fund, excluding
13 net assets remaining in the "Family Temporary Disability Leave
14 Account" of that fund, as of December 31 of the immediately
15 preceding year, and is, for calendar year 2018 and year 2019, equal
16 to 120% of the benefits paid for periods of disability, excluding
17 periods of family temporary disability, during the last preceding full
18 fiscal year plus an amount equal to 100% of the cost of
19 administration of the payment of those benefits during the last
20 preceding full fiscal year, less the amount of net assets anticipated
21 to be remaining in the "Family Temporary Disability Leave
22 Account" of that fund, as of December 31 of the immediately
23 preceding calendar year, and is, for each of calendar years 2020 and
24 2021, equal to 120% of the benefits which the department
25 anticipates will be paid for periods of disability, excluding periods
26 of family temporary disability, during the respective calendar year
27 plus an amount equal to 100% of the cost of administration of the
28 payment of those benefits which the department anticipates during
29 the respective calendar year, less the amount of net assets
30 anticipated to be remaining in the State disability benefits fund,
31 excluding net assets remaining in the "Family Temporary Disability
32 Leave Account" of that fund, as of December 31 of the immediately
33 preceding calendar year, and is, for calendar year 2022 and any
34 subsequent calendar year, equal to 120% of the benefits paid for
35 periods of disability, excluding periods of family temporary
36 disability, during the last preceding full fiscal year plus an amount
37 equal to 100% of the cost of administration of the payment of those
38 benefits during the last preceding full fiscal year, less the amount of
39 net assets anticipated to be remaining in the State disability benefits
40 fund, excluding net assets remaining in the "Family Temporary
41 Disability Leave Account" of that fund, as of December 31 of the
42 immediately preceding calendar year. All increases in the cost of
43 benefits for periods of disability caused by the increases in the
44 weekly benefit rate commencing July 1, 2020, pursuant to section
45 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
46 contributions made by workers pursuant to this paragraph (i) and
47 none of those increases shall be funded by employer contributions.
48 The estimated rates for the next calendar year shall be made

1 available on the department's website no later than 60 days after the
2 end of the last preceding full fiscal year. The rates of employer
3 contributions determined pursuant to subsection (e) of this section
4 for any year shall be determined prior to the determination of the
5 rate of employee contributions pursuant to this subparagraph (i) and
6 any consideration of employee contributions in determining
7 employer rates for any year shall be based on amounts of employee
8 contributions made prior to the year to which the rate of employee
9 contributions applies and shall not be based on any projection or
10 estimate of the amount of employee contributions for the year to
11 which that rate applies.

12 (ii) Each worker shall contribute to the State disability benefits
13 fund, in addition to any amount contributed pursuant to
14 subparagraph (i) of this paragraph (1)(G), an amount equal to,
15 during calendar year 2009, 0.09%, and during calendar year 2010
16 0.12%, of wages paid with respect to the worker's employment with
17 any covered employer, including a governmental employer which is
18 an employer as defined under R.S.43:21-19(h)(5), unless the
19 employer is covered by an approved private disability plan for
20 benefits during periods of family temporary disability leave. The
21 contributions made pursuant to this subparagraph (ii) to the State
22 disability benefits fund shall be deposited into an account of that
23 fund reserved for the payment of benefits during periods of family
24 temporary disability leave as defined in section 3 of the "Temporary
25 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
26 administration of those payments and shall not be used for any other
27 purpose. This account shall be known as the "Family Temporary
28 Disability Leave Account." For calendar year 2011 and each
29 subsequent calendar year until 2018, the annual rate of contribution
30 to be paid by workers pursuant to this subparagraph (ii) shall be, for
31 calendar years prior to calendar year 2018, the rate necessary to
32 obtain a total amount of contributions equal to 125% of the benefits
33 paid for periods of family temporary disability leave during the
34 immediately preceding calendar year plus an amount equal to 100%
35 of the cost of administration of the payment of those benefits during
36 the immediately preceding calendar year, less the amount of net
37 assets remaining in the account as of December 31 of the
38 immediately preceding year, and shall be, for calendar year 2018
39 and calendar year 2019, the rate necessary to obtain a total amount
40 of contributions equal to 125% of the benefits paid for periods of
41 family temporary disability leave during the last preceding full
42 fiscal year plus an amount equal to 100% of the cost of
43 administration of the payment of those benefits during the last
44 preceding full fiscal year, less the amount of net assets anticipated
45 to be remaining in the account as of December 31 of the
46 immediately preceding calendar year. For each of calendar years
47 2020 and 2021, the annual rate of contribution to be paid by
48 workers pursuant to this subparagraph (ii) shall be the rate

1 necessary to obtain a total amount of contributions equal to 125% of
2 the benefits which the department anticipates will be paid for
3 periods of family temporary disability leave during the respective
4 calendar year plus an amount equal to 100% of the cost of
5 administration of the payment of those benefits which the
6 department anticipates during the respective calendar year, less the
7 amount of net assets remaining in the account as of December 31 of
8 the immediately preceding calendar year. For 2022 and any
9 subsequent calendar year, the annual rate of contribution to be paid
10 by workers pursuant to this subparagraph (ii) shall be the rate
11 necessary to obtain a total amount of contributions equal to 125% of
12 the benefits which were paid for periods of family temporary
13 disability leave during the last preceding full fiscal year plus an
14 amount equal to 100% of the cost of administration of the payment
15 of those benefits during the last preceding full fiscal year, less the
16 amount of net assets remaining in the account as of December 31 of
17 the immediately preceding calendar year. All increases in the cost
18 of benefits for periods of family temporary disability leave caused
19 by the increases in the weekly benefit rate commencing July 1, 2020
20 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
21 increases in the maximum duration of benefits commencing July 1,
22 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38
23 and 43:21-39) shall be funded by contributions made by workers
24 pursuant to this paragraph (ii) and none of those increases shall be
25 funded by employer contributions. The estimated rates for the next
26 calendar year shall be made available on the department's website
27 no later than 60 days after the end of the last preceding full fiscal
28 year. Necessary administrative costs shall include the cost of an
29 outreach program to inform employees of the availability of the
30 benefits and the cost of issuing the reports required or permitted
31 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
32 monies, other than the funds in the "Family Temporary Disability
33 Leave Account," shall be used for the payment of benefits during
34 periods of family temporary disability leave or for the
35 administration of those payments, with the sole exception that,
36 during calendar years 2008 and 2009, a total amount not exceeding
37 \$25 million may be transferred to that account from the revenues
38 received in the State disability benefits fund pursuant to
39 subparagraph (i) of this paragraph (1)(G) and be expended for those
40 payments and their administration, including the administration of
41 the collection of contributions made pursuant to this subparagraph
42 (ii) and any other necessary administrative costs. Any amount
43 transferred to the account pursuant to this subparagraph (ii) shall be
44 repaid during a period beginning not later than January 1, 2011 and
45 ending not later than December 31, 2015. No monies, other than
46 the funds in the "Family Temporary Disability Leave Account,"
47 shall be used under any circumstances after December 31, 2009, for
48 the payment of benefits during periods of family temporary

1 disability leave or for the administration of those payments,
2 including for the administration of the collection of contributions
3 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

11 (3) (A) If an employee receives wages from more than one
12 employer during any calendar year, and either the sum of his
13 contributions deposited in and credited to the State disability
14 benefits fund plus the amount of his contributions, if any, required
15 towards the costs of benefits under one or more approved private
16 plans under the provisions of section 9 of the "Temporary Disability
17 Benefits Law" (C.43:21-33) and deducted from his wages, or the
18 sum of such latter contributions, if the employee is covered during
19 such calendar year only by two or more private plans, exceeds an
20 amount equal to 1/2 of 1% of the "wages" determined in accordance
21 with the provisions of R.S.43:21-7(b)(3) during the calendar years
22 beginning on or after January 1, 1976 or, during calendar year 2012
23 or any subsequent calendar year, the total amount of his
24 contributions for the year exceeds the amount set by the annual rate
25 of contribution determined by the Commissioner of Labor and
26 Workforce Development pursuant to subparagraph (i) of paragraph
27 (1)(G) of this subsection (d), the employee shall be entitled to a
28 refund of the excess if he makes a claim to the controller within two
29 years after the end of the calendar year in which the wages are
30 received with respect to which the refund is claimed and establishes
31 his right to such refund. Such refund shall be made by the controller
32 from the State disability benefits fund. No interest shall be allowed
33 or paid with respect to any such refund. The controller shall, in
34 accordance with prescribed regulations, determine the portion of the
35 aggregate amount of such refunds made during any calendar year
36 which is applicable to private plans for which deductions were
37 made under section 9 of the "Temporary Disability Benefits Law"
38 (C.43:21-33) such determination to be based upon the ratio of the
39 amount of such wages exempt from contributions to such fund, as
40 provided in subparagraph (B) of paragraph (1) of this subsection
41 with respect to coverage under private plans, to the total wages so
42 exempt plus the amount of such wages subject to contributions to
43 the disability benefits fund, as provided in subparagraph (G) of
44 paragraph (1) of this subsection. The controller shall, in accordance
45 with prescribed regulations, prorate the amount so determined
46 among the applicable private plans in the proportion that the wages
47 covered by each plan bear to the total private plan wages involved
48 in such refunds, and shall assess against and recover from the

1 employer, or the insurer if the insurer has indemnified the employer
2 with respect thereto, the amount so prorated. The provisions of
3 R.S.43:21-14 with respect to collection of employer contributions
4 shall apply to such assessments. The amount so recovered by the
5 controller shall be paid into the State disability benefits fund.

6 (B) If an employee receives wages from more than one employer
7 during any calendar year, and the sum of his contributions deposited
8 in the "Family Temporary Disability Leave Account" of the State
9 disability benefits fund plus the amount of his contributions, if any,
10 required towards the costs of family temporary disability leave
11 benefits under one or more approved private plans under the
12 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
13 et al.) and deducted from his wages, exceeds an amount equal to,
14 during calendar year 2009, 0.09% of the "wages" determined in
15 accordance with the provisions of R.S.43:21-7(b)(3), or during
16 calendar year 2010, 0.12% of those wages, or, during calendar year
17 2011 or any subsequent calendar year, the percentage of those
18 wages set by the annual rate of contribution determined by the
19 Commissioner of Labor and Workforce Development pursuant to
20 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the
21 employee shall be entitled to a refund of the excess if he makes a
22 claim to the controller within two years after the end of the calendar
23 year in which the wages are received with respect to which the
24 refund is claimed and establishes his right to the refund. The refund
25 shall be made by the controller from the "Family Temporary
26 Disability Leave Account" of the State disability benefits fund. No
27 interest shall be allowed or paid with respect to any such refund.
28 The controller shall, in accordance with prescribed regulations,
29 determine the portion of the aggregate amount of the refunds made
30 during any calendar year which is applicable to private plans for
31 which deductions were made under section 9 of the "Temporary
32 Disability Benefits Law" (C.43:21-33), with that determination
33 based upon the ratio of the amount of such wages exempt from
34 contributions to the fund, as provided in paragraph (1)(B) of this
35 subsection (d) with respect to coverage under private plans, to the
36 total wages so exempt plus the amount of such wages subject to
37 contributions to the "Family Temporary Disability Leave Account"
38 of the State disability benefits fund, as provided in subparagraph (ii)
39 of paragraph (1)(G) of this subsection (d). The controller shall, in
40 accordance with prescribed regulations, prorate the amount so
41 determined among the applicable private plans in the proportion
42 that the wages covered by each plan bear to the total private plan
43 wages involved in such refunds, and shall assess against and
44 recover from the employer, or the insurer if the insurer has
45 indemnified the employer with respect thereto, the prorated amount.
46 The provisions of R.S.43:21-14 with respect to collection of
47 employer contributions shall apply to such assessments. The
48 amount so recovered by the controller shall be paid into the "Family

1 Temporary Disability Leave Account" of the State disability
2 benefits fund.

3 (4) If an individual does not receive any wages from the
4 employing unit which for the purposes of this chapter (R.S.43:21-1
5 et seq.) is treated as his employer, or receives his wages from some
6 other employing unit, such employer shall nevertheless be liable for
7 such individual's contributions in the first instance; and after
8 payment thereof such employer may deduct the amount of such
9 contributions from any sums payable by him to such employing
10 unit, or may recover the amount of such contributions from such
11 employing unit, or, in the absence of such an employing unit, from
12 such individual, in a civil action; provided proceedings therefor are
13 instituted within three months after the date on which such
14 contributions are payable. General rules shall be prescribed
15 whereby such an employing unit may recover the amount of such
16 contributions from such individuals in the same manner as if it were
17 the employer.

18 (5) Every employer who has elected to become an employer
19 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
20 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to
21 the provisions of R.S.43:21-8, shall post and maintain printed
22 notices of such election on his premises, of such design, in such
23 numbers, and at such places as the director may determine to be
24 necessary to give notice thereof to persons in his service.

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

28 (e) Contributions by employers to the State disability benefits
29 fund.

30 (1) Except as hereinafter provided, each employer shall, in
31 addition to the contributions required by subsections (a), (b), and
32 (c) of this section, contribute 1/2 of 1% of the wages paid by such
33 employer to workers with respect to employment unless he is not a
34 covered employer as defined in subsection (a) of section 3 of the
35 "Temporary Disability Benefits Law" (C.43:21-27 (a)), except that
36 the rate for the State of New Jersey shall be 1/10 of 1% for the
37 calendar year 1980 and for the first six months of 1981. Prior to
38 July 1, 1981 and prior to July 1 each year thereafter, the controller
39 shall review the experience accumulated in the account of the State
40 of New Jersey and establish a rate for the next following fiscal year
41 which, in combination with worker contributions, will produce
42 sufficient revenue to keep the account in balance; except that the
43 rate so established shall not be less than 1/10 of 1%. Such
44 contributions shall become due and be paid by the employer to the
45 controller for the State disability benefits fund as established by
46 law, in accordance with such regulations as may be prescribed, and
47 shall not be deducted, in whole or in part, from the remuneration of
48 individuals in his employ. In the payment of any contributions, a

1 fractional part of a cent shall be disregarded unless it amounts to
2 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

11 (B) A separate disability benefits account shall be maintained for
12 each employer required to contribute to the State disability benefits
13 fund and such account shall be credited with contributions
14 deposited in and credited to such fund with respect to employment
15 occurring on and after January 1, 1949. Each employer's account
16 shall be credited with all contributions paid on or before January 31
17 of any calendar year on his own behalf and on behalf of individuals
18 in his service with respect to employment occurring in preceding
19 calendar years; provided, however, that if January 31 of any
20 calendar year falls on a Saturday or Sunday an employer's account
21 shall be credited as of January 31 of such calendar year with all the
22 contributions which he has paid on or before the next succeeding
23 day which is not a Saturday or Sunday. But nothing in this act shall
24 be construed to grant any employer or individuals in his service
25 prior claims or rights to the amounts paid by him to the fund either
26 on his own behalf or on behalf of such individuals. Benefits paid to
27 any covered individual in accordance with Article III of the
28 "Temporary Disability Benefits Law" on or before December 31 of
29 any calendar year with respect to disability in such calendar year
30 and in preceding calendar years shall be charged against the account
31 of the employer by whom such individual was employed at the
32 commencement of such disability or by whom he was last
33 employed, if out of employment.

34 (C) The controller may prescribe regulations for the
35 establishment, maintenance, and dissolution of joint accounts by
36 two or more employers, and shall, in accordance with such
37 regulations and upon application by two or more employers to
38 establish such an account, or to merge their several individual
39 accounts in a joint account, maintain such joint account as if it
40 constituted a single employer's account.

41 (D) Prior to July 1 of each calendar year, the controller shall
42 make a preliminary determination of the rate of contribution for the
43 12 months commencing on such July 1 for each employer subject to
44 the contribution requirements of this subsection (e).

45 (1) Such preliminary rate shall be 1/2 of 1% unless on the
46 preceding January 31 of such year such employer shall have been a
47 covered employer who has paid contributions to the State disability

1 benefits fund with respect to employment in the three calendar
2 years immediately preceding such year.

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

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

10 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds
11 1 1/4% but is less than 1 1/2% of his average annual payroll;

12 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1
13 1/2% of his average annual payroll.

14 (3) If the minimum requirements in subparagraph (D) (1) above
15 have been fulfilled and the contributions credited exceed the
16 benefits charged but by not more than \$500.00 plus 1% of his
17 average annual payroll, or if the benefits charged exceed the
18 contributions credited but by not more than \$500.00, the
19 preliminary rate shall be 1/4 of 1%.

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

24 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
25 1% of his average annual payroll;

26 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
27 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

28 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
29 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

30 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
31 3/4 of 1% but is less than 1% of his average annual payroll;

32 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
33 1% of his average annual payroll.

34 (5) Determination of the preliminary rate as specified in
35 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
36 to the condition that it shall in no event be decreased by more than
37 1/10 of 1% of wages or increased by more than 2/10 of 1% of
38 wages from the preliminary rate determined for the preceding year
39 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
40 shall have been applicable.

41 (E) (1) Prior to July 1 of each calendar year the controller shall
42 determine the amount of the State disability benefits fund as of
43 December 31 of the preceding calendar year, increased by the
44 contributions paid thereto during January of the current calendar
45 year with respect to employment occurring in the preceding
46 calendar year. If such amount exceeds the net amount withdrawn
47 from the unemployment trust fund pursuant to section 23 of the
48 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)

1 plus the amount at the end of such preceding calendar year of the
2 unemployment disability account as defined in section 22 of said
3 law (C.43:21-46), such excess shall be expressed as a percentage of
4 the wages on which contributions were paid to the State disability
5 benefits fund on or before January 31 with respect to employment
6 in the preceding calendar year.

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

11 (i) If the percentage determined in accordance with
12 subparagraph (E)(1) of this paragraph equals or exceeds $1\frac{1}{4}\%$, the
13 final employer rates shall be the preliminary rates determined as
14 provided in subparagraph (D) hereof, except that if the employer's
15 preliminary rate is determined as provided in subparagraph (D)(2)
16 or subparagraph (D)(3) hereof, the final employer rate shall be the
17 preliminary employer rate decreased by such percentage of excess
18 taken to the nearest $\frac{5}{100}$ of 1%, but in no case shall such final rate
19 be less than $\frac{1}{10}$ of 1%.

20 (ii) If the percentage determined in accordance with
21 subparagraph (E)(1) of this paragraph equals or exceeds $\frac{3}{4}$ of 1%
22 and is less than $1\frac{1}{4}$ of 1%, the final employer rates shall be the
23 preliminary employer rates.

24 (iii) If the percentage determined in accordance with
25 subparagraph (E)(1) of this paragraph is less than $\frac{3}{4}$ of 1%, but in
26 excess of $\frac{1}{4}$ of 1%, the final employer rates shall be the
27 preliminary employer rates determined as provided in subparagraph
28 (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and such
29 percentage taken to the nearest $\frac{5}{100}$ of 1%; provided, however,
30 that no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an
31 employer whose preliminary rate is determined as provided in
32 subparagraph (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
33 employer whose preliminary rate is determined as provided in
34 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
35 $\frac{3}{4}$ of 1% in the case of an employer whose preliminary rate is
36 determined as provided in subparagraph (D)(4) hereof.

37 (iv) If the amount of the State disability benefits fund determined
38 as provided in subparagraph (E)(1) of this paragraph is equal to or
39 less than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case
40 of an employer whose preliminary rate is determined as provided in
41 subparagraph (D)(2) hereof, $\frac{7}{10}$ of 1% in the case of an employer
42 whose preliminary rate is determined as provided in subparagraph
43 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
44 employer whose preliminary rate is determined as provided in
45 subparagraph (D)(4) hereof. Notwithstanding any other provision of
46 law or any determination made by the controller with respect to any
47 12-month period commencing on July 1, 1970, the final rates for all

1 employers for the period beginning January 1, 1971, shall be as set
2 forth herein.

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

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

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

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

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

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

22

23 4. This act shall take effect on the first day of the third month
24 next following the date of enactment.

25

26

27

STATEMENT

28

29 This bill, beginning on January 1, 2021, modifies the taxable
30 wage base used to calculate worker taxes paid to the unemployment
31 compensation fund, the Workforce Development Partnership Fund,
32 and the Supplemental Workforce Fund for Basic Skills, and reduces
33 the tax rate imposed on wages within that taxable wage base.

34 Under current law, the taxable wage base for these purposes is 28
35 times the statewide average weekly wage (SAWW) paid to workers
36 subject to the unemployment compensation law. In 2020, this
37 resulted in the indicated taxes being applied only to the first
38 \$35,300 of a worker's annual earnings, which makes the rate of
39 taxes for low-income workers much higher than the rate for high-
40 income workers. For example, a worker earning \$35,300 pays taxes
41 at a rate twice as high as the rate paid by a worker earning \$70,600,
42 and three times as high as a worker earning \$105,900.

43 The bill helps to reduce this disproportionate impact of these
44 payroll taxes on low-wage workers by increasing the taxable wage
45 base to 107 times the SAWW, or \$134,900 in 2020, while
46 simultaneously reducing the rates of the worker payroll taxes
47 imposed on wages within that tax base as follows:

- 1 1. The worker payroll tax for the unemployment compensation
2 fund is reduced from 0.3875% to 0.1855%;
- 3 2. The worker payroll tax for the Workforce Development
4 Partnership Fund is reduced from 0.025% to 0.0121%; and
- 5 3. The worker payroll tax for the Supplemental Workforce
6 Fund for Basic Skills is reduced from 0.0175% to 0.0085%;
- 7 Taken together, these provisions of the bill promote a more
8 equitable distribution among workers of the burden of those payroll
9 taxes. An analysis of data provided by the Department of Labor
10 and Workforce Development shows that, under the bill, almost
11 three fourths of all workers would have their taxes reduced, with the
12 lowest paid one quarter of workers having their taxes reduced by
13 more than 50%. At the same time, the tax increase imposed on the
14 highest paid workers (the less than 10% of all workers who earn
15 \$134,900 or more annually) would in no case exceed \$2.50 per
16 week.
- 17 The department has specified that the total amount of worker
18 taxes collected would not be changed by the combination of
19 increases in the tax base and reductions of the tax rates provided by
20 the bill.
- 21 The bill makes no changes in either the tax base or the rate of
22 taxation on employers, and maintains the current amount of total
23 worker tax revenues, thus preventing any change in the amount of
24 taxes paid by employers.