

SENATE, No. 3858

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 3, 2021

Sponsored by:

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

Senator HOLLY T. SCHEPISI

District 39 (Bergen and Passaic)

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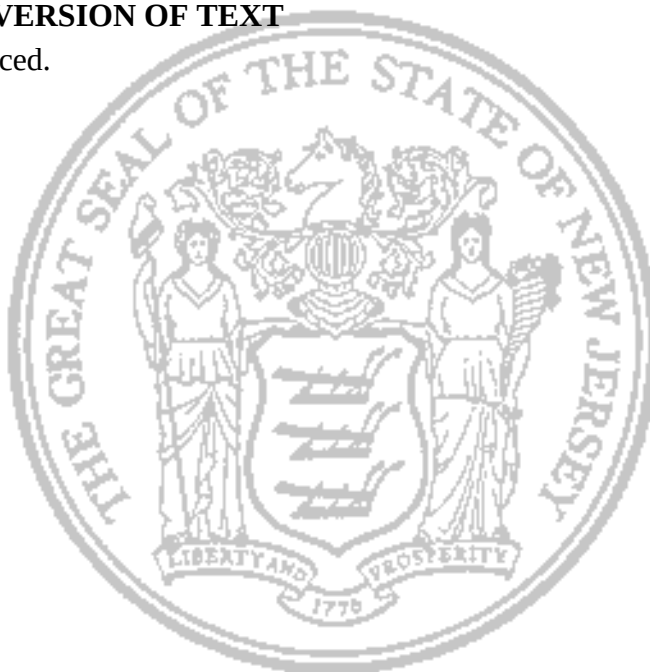
**Senators Corrado, Oroho, Testa, Thompson, O'Scanlon, Doherty and
Gopal**

SYNOPSIS

Allocates \$2.5 billion to unemployment compensation fund from federal government assistance and halts increases in employer unemployment taxes related to benefits paid during coronavirus disease 2019 pandemic state of emergency.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/15/2021)

1 **AN ACT** concerning employer contributions to the unemployment
2 compensation fund, amending R.S.43:21-7, and allocating \$2.5
3 billion from federal government assistance to the unemployment
4 compensation fund.

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

8
9 1. (New section) Out of the amounts of federal government
10 assistance from the "American Rescue Plan Act of 2021,"
11 Pub.L.117-2, provided to this State which may be available for
12 unemployment compensation purposes, \$2.5 billion shall be
13 deposited into the unemployment compensation fund for the
14 following purposes:

15 a. to pay back the balance in federal unemployment insurance
16 loan advances pursuant to Title XII of the Social Security Act, (42
17 U.S.C. s. 1321 et seq.,) prior to the date when the first interest
18 payment is due; and

19 b. notwithstanding any other provision of law concerning the
20 actual fund reserve ratio, as computed under R.S.43:21-7(c)(E)(5),
21 for purposes of employer contribution rate for fiscal years 2022,
22 2023, and 2024, to increase the unemployment compensation fund
23 balance.

24
25 2. R.S.43:21-7 is amended to read as follows:

26 43:21-7. Employers other than governmental entities, whose
27 benefit financing provisions are set forth in section 4 of P.L.1971,
28 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
29 payment in lieu of contributions on the basis set forth in section 3 of
30 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
31 unemployment compensation fund, contributions as set forth in
32 subsections (a), (b) and (c) hereof, and the provisions of subsections
33 (d) and (e) shall be applicable to all employers, consistent with the
34 provisions of the "unemployment compensation law" and the
35 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
36 et al.).

37 (a) Payment.

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

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

4 (b) Rate of contributions. Each employer shall pay the following
5 contributions:

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

10 (2) The "wages" of any individual, with respect to any one
11 employer, as the term is used in this subsection (b) and in
12 subsections (c), (d) and (e) of this section 7, shall include the first
13 \$4,800.00 paid during calendar year 1975, for services performed
14 either within or without this State; provided that no contribution
15 shall be required by this State with respect to services performed in
16 another state if such other state imposes contribution liability with
17 respect thereto. If an employer (hereinafter referred to as a
18 successor employer) during any calendar year acquires substantially
19 all the property used in a trade or business of another employer
20 (hereinafter referred to as a predecessor), or used in a separate unit
21 of a trade or business of a predecessor, and immediately after the
22 acquisition employs in his trade or business an individual who
23 immediately prior to the acquisition was employed in the trade or
24 business of such predecessors, then, for the purpose of determining
25 whether the successor employer has paid wages with respect to
26 employment equal to the first \$4,800.00 paid during calendar year
27 1975, any wages paid to such individual by such predecessor during
28 such calendar year and prior to such acquisition shall be considered
29 as having been paid by such successor employer.

30 (3) For calendar years beginning on and after January 1, 1976,
31 the "wages" of any individual, as defined in the preceding
32 paragraph (2) of this subsection (b), shall be established and
33 promulgated by the Commissioner of Labor and Workforce
34 Development on or before September 1 of the preceding year and,
35 except as provided in paragraph (4) of this subsection (b), shall be,
36 28 times the Statewide average weekly remuneration paid to
37 workers by employers, as determined under R.S.43:21-3(c), raised
38 to the next higher multiple of \$100.00 if not already a multiple
39 thereof, provided that if the amount of wages so determined for a
40 calendar year is less than the amount similarly determined for the
41 preceding year, the greater amount will be used; provided, further,
42 that if the amount of such wages so determined does not equal or
43 exceed the amount of wages as defined in subsection (b) of section
44 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
45 the wages as determined in this paragraph in any calendar year shall
46 be raised to equal the amount established under the "Federal
47 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
48 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

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

15 (c) Future rates based on benefit experience.

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

1 shall specify the period of unemployment to which said benefit
2 payment applies.

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

5 (2) Regulations may be prescribed for the establishment,
6 maintenance, and dissolution of joint accounts by two or more
7 employers, and shall, in accordance with such regulations and upon
8 application by two or more employers to establish such an account,
9 or to merge their several individual accounts in a joint account,
10 maintain such joint account as if it constituted a single employer's
11 account.

12 (3) No employer's rate shall be lower than 5.4% unless
13 assignment of such lower rate is consistent with the conditions
14 applicable to additional credit allowance for such year under section
15 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
16 s.3303(a)(1)), any other provision of this section to the contrary
17 notwithstanding.

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

31 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
32 5%, of his average annual payroll (as defined in paragraph (2),
33 subsection (a) of R.S.43:21-19);

34 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
35 than 6%, of his average annual payroll;

36 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
37 than 7%, of his average annual payroll;

38 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
39 than 8%, of his average annual payroll;

40 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
41 than 9%, of his average annual payroll;

42 (6) 1%, if such excess equals or exceeds 9%, but is less than
43 10%, of his average annual payroll;

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

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

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

5 (1) 4%, if such excess is less than 10% of his average annual
6 payroll;

7 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
8 than 20%, of his average annual payroll;

9 (3) 4 6/10%, if such excess equals or exceeds 20% of his
10 average annual payroll.

11 (C) Specially assigned rates.

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

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

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

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

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

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

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

1 established under the provisions of paragraph (3) or (4) of this
2 subsection.

3 If on March 31 of any calendar year the balance of the
4 unemployment trust fund is less than 2 1/2% of the total taxable
5 wages reported to the controller as of that date in respect to
6 employment during the preceding calendar year, the contribution
7 rate, effective July 1 following, of each employer: (1) eligible for a
8 contribution rate calculation based upon benefit experience, shall be
9 increased by (i) 6/10 of 1% over the contribution rate otherwise
10 established under the provisions of paragraph (3), (4)(A) or (4)(B)
11 of this subsection, and (ii) an additional amount equal to 20% of the
12 total rate established herein, provided, however, that the final
13 contribution rate for each employer shall be computed to the nearest
14 multiple of 1/10% if not already a multiple thereof; (2) not eligible
15 for a contribution rate calculation based upon benefit experience,
16 shall be increased by 6/10 of 1% over the contribution rate
17 otherwise established under the provisions of paragraph (4) of this
18 subsection. For the period commencing July 1, 1984 and ending
19 June 30, 1986, the contribution rate for each employer liable to pay
20 contributions under R.S.43:21-7 shall be increased by a factor of
21 10% computed to the nearest multiple of 1/10% if not already a
22 multiple thereof.

23 (B) If on March 31 of any calendar year the balance in the
24 unemployment trust fund equals or exceeds 10% but is less than 12
25 1/2% of the total taxable wages reported to the controller as of that
26 date in respect to employment during the preceding calendar year,
27 the contribution rate, effective July 1 following, of each employer
28 eligible for a contribution rate calculation based upon benefit
29 experience, shall be reduced by 3/10 of 1% under the contribution
30 rate otherwise established under the provisions of paragraphs (3)
31 and (4) of this subsection; provided that in no event shall the
32 contribution rate of any employer be reduced to less than 4/10 of
33 1%. If on March 31 of any calendar year the balance in the
34 unemployment trust fund equals or exceeds 12 1/2% of the total
35 taxable wages reported to the controller as of that date in respect to
36 employment during the preceding calendar year, the contribution
37 rate, effective July 1 following, of each employer eligible for a
38 contribution rate calculation based upon benefit experience, shall be
39 reduced by 6/10 of 1% if his account for all past periods reflects an
40 excess of contributions paid over total benefits charged of 3% or
41 more of his average annual payroll, otherwise by 3/10 of 1% under
42 the contribution rate otherwise established under the provisions of
43 paragraphs (3) and (4) of this subsection; provided that in no event
44 shall the contribution rate of any employer be reduced to less than
45 4/10 of 1%.

46 (C) The "balance" in the unemployment trust fund, as the term is
47 used in subparagraphs (A) and (B) above, shall not include moneys
48 credited to the State's account under section 903 of the Social

1 Security Act, as amended (42 U.S.C. s.1103), during any period in
2 which such moneys are appropriated for the payment of expenses
3 incurred in the administration of the "unemployment compensation
4 law."
5 (D) Prior to July 1 of each calendar year the controller shall
6 determine the Unemployment Trust Fund Reserve Ratio, which
7 shall be calculated by dividing the balance of the unemployment
8 trust fund as of the prior March 31 by total taxable wages reported
9 to the controller by all employers as of March 31 with respect to
10 their employment during the last calendar year.
11 (E) (i) (Deleted by amendment, P.L.1997, c.263).
12 (ii) (Deleted by amendment, P.L.2001, c.152).
13 (iii) (Deleted by amendment, P.L.2003, c.107).
14 (iv) (Deleted by amendment, P.L.2004, c.45).
15 (v) (Deleted by amendment, P.L.2008, c.17).
16 (vi) (Deleted by amendment, P.L.2013, c.75).
17 (vii) With respect to experience rating years beginning on or
18 after July 1, 2011, the new employer rate or the unemployment
19 experience rate of an employer under this section shall be the rate
20 which appears in the column headed by the Unemployment Trust
21 Fund Reserve Ratio as of the applicable calculation date and on the
22 line with the Employer Reserve Ratio, as defined in paragraph (4)
23 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
24 table:
25

26 EXPERIENCE RATING TAX TABLE						
27 Fund Reserve Ratio ¹						
28 3.50% 3.00% 2.5% 2.0% 1.99%						
29 Employer and to to to and						
30 Reserve Over 3.49% 2.99% 2.49% Under						
31 Ratio ² A B C D E						
32 Positive Reserve Ratio:						
33 17% and over	0.3	0.4	0.5	0.6	1.2	
34 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2	
35 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2	
36 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2	
37 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2	
38 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2	
39 11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2	
40 10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6	
41 9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9	
42 8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3	
43 7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6	
44 6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0	
45 5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4	
46 4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7	
47 3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9	
48 2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0	

1	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
2	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
3	Deficit Reserve Ratio:					
4	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
5	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
6	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
7	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
8	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
9	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
10	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
11	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
12	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
13	-35.00% and under	5.4	5.4	5.8	6.4	7.0
14	New Employer Rate	2.8	2.8	2.8	3.1	3.4

15 1Fund balance as of March 31 as a percentage of taxable wages
16 in the prior calendar year.

17 Employer Reserve Ratio (Contributions minus benefits as a
18 percentage of employer's taxable wages).

19

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

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

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

23 (iv) With respect to experience rating years beginning on or
24 after July 1, 2011 and before July 1, 2013, if the fund reserve ratio,
25 based on the fund balance as of the prior March 31, is less than
26 1.0%, the contribution rate for each employer liable to pay
27 contributions, as

28 computed under subparagraph (E) of this paragraph (5), shall be
29 increased by a factor of 10% computed to the nearest multiple of
30 1/10% if not already a multiple thereof.

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

38 (G) On or after January 1, 1993, notwithstanding any other
39 provisions of this paragraph (5), the contribution rate for each
40 employer liable to pay contributions, as computed under
41 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
42 except that, during any experience rating year starting before
43 January 1, 1998 in which the fund reserve ratio is equal to or greater
44 than 7.00% or during any experience rating year starting on or after
45 January 1, 1998, in which the fund reserve ratio is equal to or
46 greater than 3.5%, there shall be no decrease pursuant to this
47 subparagraph (G) in the contribution of any employer who has a
48 deficit reserve ratio of negative 35.00% or under.

1 (H) On and after January 1, 1998 until December 31, 2000 and
2 on or after January 1, 2002 until June 30, 2006, the contribution rate
3 for each employer liable to pay contributions, as computed under
4 subparagraph (E) of this paragraph (5), shall be decreased by a
5 factor, as set out below, computed to the nearest multiple of 1/10%,
6 except that, if an employer has a deficit reserve ratio of negative
7 35.0% or under, the employer's rate of contribution shall not be
8 reduced pursuant to this subparagraph (H) to less than 5.4%:

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

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

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

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

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

14 From July 1, 2002 until June 30, 2003, a factor of 15%;

15 From July 1, 2003 until June 30, 2004, a factor of 15%;

16 From July 1, 2004 until June 30, 2005, a factor of 7%;

17 From July 1, 2005 until December 31, 2005, a factor of 16%; and

18 From January 1, 2006 until June 30, 2006, a factor of 34%.

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

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

28 (J) On or after July 1, 2001, notwithstanding any other
29 provisions of this paragraph (5), the contribution rate for each
30 employer liable to pay contributions, as computed under
31 subparagraph (E) of this paragraph (5), shall be decreased by
32 0.0175%, except that, during any experience rating year starting on
33 or after July 1, 2001, in which the fund reserve ratio is equal to or
34 greater than 3.5%, there shall be no decrease pursuant to this
35 subparagraph (J) in the contribution of any employer who has a
36 deficit reserve ratio of negative 35.00% or under. The amount of the
37 reduction in the employer contributions stipulated by this
38 subparagraph (J) shall be in addition to the amount of the reduction
39 in the employer contributions stipulated by subparagraphs (G) and
40 (H) of this paragraph (5), except that the rate of contribution of an
41 employer who has a deficit reserve ratio of negative 35.0% or under
42 shall not be reduced pursuant to this subparagraph (J) to less than
43 5.4% and the rate of contribution of any other employer shall not be
44 reduced to less than 0.0%.

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

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

8 (ii) Equal to or greater than 7.5%, the contribution rate for each
9 employer liable to pay contributions, as computed under
10 subparagraph (E) of this paragraph (5), shall be reduced by a factor
11 multiple thereof except that there shall be no decrease pursuant to
12 this subparagraph (K) in the contribution of any employer who has
13 a deficit reserve ratio of 35.00% or under.

14 (L) Notwithstanding any other provision of this paragraph (5)
15 and notwithstanding the actual fund reserve ratio, the contribution
16 rate for employers liable to pay contributions, as computed under
17 subparagraph (E) of this paragraph (5), shall be, for fiscal year
18 2011, the rates set by column "C" of the table in that subparagraph.

19 (M) Notwithstanding any other provision of this paragraph (5)
20 and notwithstanding the actual fund reserve ratio, the contribution
21 rate for employers liable to pay contributions, as computed under
22 subparagraph (E) of this paragraph (5), shall be, for fiscal year
23 2012, the rates set by column "D" of the table in that subparagraph.

24 (N) Notwithstanding any other provision of this paragraph (5)
25 and notwithstanding the actual fund reserve ratio, the contribution
26 rate for employers liable to pay contributions, as computed under
27 subparagraph (E) of this paragraph (5), shall be, for fiscal year
28 2013, the rates set by column "E" of the table in that subparagraph.

29 (O) Notwithstanding any other provision of this paragraph (5)
30 and notwithstanding the actual fund reserve ratio, the contribution
31 rate for employers liable to pay contributions, as computed under
32 subparagraph (E) of this paragraph (5), shall be, for fiscal year
33 2022, the rates set by column **["C"]** "B" of the table in that
34 subparagraph.

35 (P) Notwithstanding any other provision of this paragraph (5)
36 and notwithstanding the actual fund reserve ratio, the contribution
37 rate for employers liable to pay contributions, as computed under
38 subparagraph (E) of this paragraph (5), shall be, for fiscal year
39 2023, the rates set by column **["D"]** "B" of the table in that
40 subparagraph, unless the application of the provisions of this
41 paragraph (5) using the actual fund reserve ratio would result in the
42 contribution rate for employers being set by a column which has
43 lower tax rates than the rates in column **["D"]** "B", in which case
44 the employers shall be liable to pay contributions at the rates set by
45 the column with the lower tax rates.

46 (Q) Notwithstanding any other provision of this paragraph (5)
47 and notwithstanding the actual fund reserve ratio, the contribution
48 rate for employers liable to pay contributions, as computed under

1 subparagraph (E) of this paragraph (5), shall be, for fiscal year
2 2024, the rates set by column **["E"]** "B" of the table in that
3 subparagraph, unless the application of the provisions of this
4 paragraph (5) using the actual fund reserve ratio would result in the
5 contribution rate for employers being set by a column which has
6 lower tax rates than the rates in column **["E"]** "B", in which case
7 the employers shall be liable to pay contributions at the rates set by
8 the column with the lower tax rates.

9 (6) Additional contributions.

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

36 (7) Transfers.

37 (A) Upon the transfer of the organization, trade or business, or
38 substantially all the assets of an employer to a successor in interest,
39 whether by merger, consolidation, sale, transfer, descent or
40 otherwise, the controller shall transfer the employment experience
41 of the predecessor employer to the successor in interest, including
42 credit for past years, contributions paid, annual payrolls, benefit
43 charges, et cetera, applicable to such predecessor employer,
44 pursuant to regulation, if it is determined that the employment
45 experience of the predecessor employer with respect to the
46 organization, trade, assets or business which has been transferred
47 may be considered indicative of the future employment experience
48 of the successor in interest. The successor in interest may, within

1 four months of the date of such transfer of the organization, trade,
2 assets or business, or thereafter upon good cause shown, request a
3 reconsideration of the transfer of employment experience of the
4 predecessor employer. The request for reconsideration shall
5 demonstrate, to the satisfaction of the controller, that the
6 employment experience of the predecessor is not indicative of the
7 future employment experience of the successor.

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

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

36 (D) If an employer transfers in whole or in part his or its
37 organization, trade, assets or business to a successor in interest,
38 whether by merger, consolidation, sale, transfer, descent or
39 otherwise and both the employer and successor in interest are at the
40 time of the transfer under common ownership, management or
41 control, then the employment experience attributable to the
42 transferred business shall also be transferred to and combined with
43 the employment experience of the successor in interest. The
44 transfer of the employment experience is mandatory and not subject
45 to appeal or protest.

46 (E) The transfer of part of an employer's employment experience
47 to a successor in interest shall become effective as of the first day of
48 the calendar quarter following the acquisition by the successor in

1 interest. As of the effective date, the successor in interest shall
2 have its employer rate recalculated by merging its existing
3 employment experience, if any, with the employment experience
4 acquired. If the successor in interest is not an employer as of the
5 date of acquisition, it shall be assigned the new employer rate until
6 the effective date of the transfer of employment experience.

7 (F) Upon the transfer in whole or in part of the organization,
8 trade, assets or business to a successor in interest, the employment
9 experience shall not be transferred if the successor in interest is not
10 an employer at the time of the acquisition and the controller finds
11 that the successor in interest acquired the business solely or
12 primarily for the purpose of obtaining a lower rate of contributions.

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

15 (1) (A) For periods after January 1, 1975, each worker shall
16 contribute to the fund 1% of his wages with respect to his
17 employment with an employer, which occurs on and after January
18 1, 1975, after such employer has satisfied the condition set forth in
19 subsection (h) of R.S.43:21-19 with respect to becoming an
20 employer; provided, however, that such contributions shall be at the
21 rate of 1/2 of 1% of wages paid with respect to employment while
22 the worker is in the employ of the State of New Jersey, or any
23 governmental entity or instrumentality which is an employer as
24 defined under R.S.43:21-19(h)(5), or is covered by an approved
25 private plan under the "Temporary Disability Benefits Law" or
26 while the worker is exempt from the provisions of the "Temporary
27 Disability Benefits Law" under section 7 of that law, P.L.1948,
28 c.110 (C.43:21-31).

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

40 (C) (i) Notwithstanding the above provisions of this paragraph
41 (1), during the period starting July 1, 1986 and ending December
42 31, 1992, each worker shall contribute to the fund 1.125% of wages
43 paid with respect to his employment with a governmental employer
44 electing or required to pay contributions or nongovernmental
45 employer, including a nonprofit organization which is an employer
46 as defined under R.S.43:21-19(h)(6), regardless of whether that
47 nonprofit organization elects or is required to finance its benefit
48 costs with contributions to the fund or by payments in lieu of

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

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

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

46 Each worker shall, starting on January 1, 1996 and ending March
47 31, 1996, contribute to the unemployment compensation fund
48 0.60% of wages paid with respect to the worker's employment with

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

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

28 Each worker shall, starting on January 1, 1999 until December
29 31, 1999, contribute to the unemployment compensation fund
30 0.15% of wages paid with respect to the worker's employment with
31 a governmental employer electing or required to pay contributions
32 or nongovernmental employer, including a nonprofit organization
33 which is an employer as defined under paragraph (6) of subsection
34 (h) of R.S.43:21-19, regardless of whether that nonprofit
35 organization elects or is required to finance its benefit costs with
36 contributions to the fund or by payments in lieu of contributions,
37 after that employer has satisfied the conditions set forth in
38 subsection (h) of R.S.43:21-19 with respect to becoming an
39 employer, provided that the contributions shall be at the rate of
40 0.10% of wages paid with respect to employment with the State of
41 New Jersey or any other governmental entity or instrumentality
42 electing or required to make payments in lieu of contributions.

43 Each worker shall, starting on January 1, 2000 until December
44 31, 2001, contribute to the unemployment compensation fund
45 0.20% of wages paid with respect to the worker's employment with
46 a governmental employer electing or required to pay contributions
47 or nongovernmental employer, including a nonprofit organization
48 which is an employer as defined under paragraph (6) of subsection

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

10 Each worker shall, starting on January 1, 2002 until June 30,
11 2004, contribute to the unemployment compensation fund 0.1825%
12 of wages paid with respect to the worker's employment with a
13 governmental employer electing or required to pay contributions or
14 a nongovernmental employer, including a nonprofit organization
15 which is an employer as defined under paragraph (6) of subsection
16 (h) of R.S.43:21-19, regardless of whether that nonprofit
17 organization elects or is required to finance its benefit costs with
18 contributions to the fund or by payments in lieu of contributions,
19 after that employer has satisfied the conditions set forth in
20 subsection (h) of R.S.43:21-19 with respect to becoming an
21 employer, provided that the contributions shall be at the rate of
22 0.0825% of wages paid with respect to employment with the State
23 of New Jersey or any other governmental entity or instrumentality
24 electing or required to make payments in lieu of contributions.

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

40 (E) Each employer shall, notwithstanding any provision of law
41 in this State to the contrary, withhold in trust the amount of his
42 workers' contributions from their wages at the time such wages are
43 paid, shall show such deduction on his payroll records, shall furnish
44 such evidence thereof to his workers as the division or controller
45 may prescribe, and shall transmit all such contributions, in addition
46 to his own contributions, to the office of the controller in such
47 manner and at such times as may be prescribed. If any employer
48 fails to deduct the contributions of any of his workers at the time

1 their wages are paid, or fails to make a deduction therefor at the
2 time wages are paid for the next succeeding payroll period, he alone
3 shall thereafter be liable for such contributions, and for the purpose
4 of R.S.43:21-14, such contributions shall be treated as employer's
5 contributions required from him.

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

9 (G) (i) Each worker, with respect to the worker's employment
10 with a government employer electing or required to pay
11 contributions to the State disability benefits fund 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, unless the employer is covered by an approved
15 private disability plan or is exempt from the provisions of the
16 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
17 et al.) under section 7 of that law (C.43:21-31) or any other
18 provision of that law, shall, for calendar year 2012 and each
19 subsequent calendar year, make contributions to the State disability
20 benefits fund at the annual rate of contribution necessary to obtain a
21 total amount of contributions, which, when added to employer
22 contributions made to the State disability benefits fund pursuant to
23 subsection (e) of this section, is, for calendar years prior to calendar
24 year 2018, equal to 120% of the benefits paid for periods of
25 disability, excluding periods of family temporary disability, during
26 the immediately preceding calendar year plus an amount equal to
27 100% of the cost of administration of the payment of those benefits
28 during the immediately preceding calendar year, less the amount of
29 net assets remaining in the State disability benefits fund, excluding
30 net assets remaining in the "Family Temporary Disability Leave
31 Account" of that fund, as of December 31 of the immediately
32 preceding year, and is, for calendar year 2018 and year 2019, equal
33 to 120% of the benefits paid for periods of disability, excluding
34 periods of family temporary disability, during the last preceding full
35 fiscal year plus an amount equal to 100% of the cost of
36 administration of the payment of those benefits during the last
37 preceding full fiscal year, less the amount of net assets anticipated
38 to be remaining in the "Family Temporary Disability Leave
39 Account" of that fund, as of December 31 of the immediately
40 preceding calendar year, and is, for each of calendar years 2020 and
41 2021, equal to 120% of the benefits which the department
42 anticipates will be paid for periods of disability, excluding periods
43 of family temporary disability, during the respective calendar year
44 plus an amount equal to 100% of the cost of administration of the
45 payment of those benefits which the department anticipates during
46 the respective calendar year, less the amount of net assets
47 anticipated to be remaining in the State disability benefits fund,
48 excluding net assets remaining in the "Family Temporary Disability

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

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

1 obtain a total amount of contributions equal to 125% of the benefits
2 paid for periods of family temporary disability leave during the
3 immediately preceding calendar year plus an amount equal to 100%
4 of the cost of administration of the payment of those benefits during
5 the immediately preceding calendar year, less the amount of net
6 assets remaining in the account as of December 31 of the
7 immediately preceding year, and shall be, for calendar year 2018
8 and calendar year 2019, the rate necessary to obtain a total amount
9 of contributions equal to 125% of the benefits paid for periods of
10 family temporary disability leave during the last preceding full
11 fiscal year plus an amount equal to 100% of the cost of
12 administration of the payment of those benefits during the last
13 preceding full fiscal year, less the amount of net assets anticipated
14 to be remaining in the account as of December 31 of the
15 immediately preceding calendar year. For each of calendar years
16 2020 and 2021, the annual rate of contribution to be paid by
17 workers pursuant to this subparagraph (ii) shall be the rate
18 necessary to obtain a total amount of contributions equal to 125% of
19 the benefits which the department anticipates will be paid for
20 periods of family temporary disability leave during the respective
21 calendar year plus an amount equal to 100% of the cost of
22 administration of the payment of those benefits which the
23 department anticipates during the respective calendar year, less the
24 amount of net assets remaining in the account as of December 31 of
25 the immediately preceding calendar year. For 2022 and any
26 subsequent calendar year, the annual rate of contribution to be paid
27 by workers pursuant to this subparagraph (ii) shall be the rate
28 necessary to obtain a total amount of contributions equal to 125% of
29 the benefits which were paid for periods of family temporary
30 disability leave during the last preceding full fiscal year plus an
31 amount equal to 100% of the cost of administration of the payment
32 of those benefits during the last preceding full fiscal year, less the
33 amount of net assets remaining in the account as of December 31 of
34 the immediately preceding calendar year. All increases in the cost
35 of benefits for periods of family temporary disability leave caused
36 by the increases in the weekly benefit rate commencing July 1, 2020
37 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
38 increases in the maximum duration of benefits commencing July 1,
39 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38
40 and 43:21-39) shall be funded by contributions made by workers
41 pursuant to this paragraph (ii) and none of those increases shall be
42 funded by employer contributions. The estimated rates for the next
43 calendar year shall be made available on the department's website
44 no later than 60 days after the end of the last preceding full fiscal
45 year. Necessary administrative costs shall include the cost of an
46 outreach program to inform employees of the availability of the
47 benefits and the cost of issuing the reports required or permitted
48 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No

1 monies, other than the funds in the "Family Temporary Disability
2 Leave Account," shall be used for the payment of benefits during
3 periods of family temporary disability leave or for the
4 administration of those payments, with the sole exception that,
5 during calendar years 2008 and 2009, a total amount not exceeding
6 \$25 million may be transferred to that account from the revenues
7 received in the State disability benefits fund pursuant to
8 subparagraph (i) of this paragraph (1)(G) and be expended for those
9 payments and their administration, including the administration of
10 the collection of contributions made pursuant to this subparagraph
11 (ii) and any other necessary administrative costs. Any amount
12 transferred to the account pursuant to this subparagraph (ii) shall be
13 repaid during a period beginning not later than January 1, 2011 and
14 ending not later than December 31, 2015. No monies, other than
15 the funds in the "Family Temporary Disability Leave Account,"
16 shall be used under any circumstances after December 31, 2009, for
17 the payment of benefits during periods of family temporary
18 disability leave or for the administration of those payments,
19 including for the administration of the collection of contributions
20 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

28 (3) (A) If an employee receives wages from more than one
29 employer during any calendar year, and either the sum of his
30 contributions deposited in and credited to the State disability
31 benefits fund plus the amount of his contributions, if any, required
32 towards the costs of benefits under one or more approved private
33 plans under the provisions of section 9 of the "Temporary Disability
34 Benefits Law" (C.43:21-33) and deducted from his wages, or the
35 sum of such latter contributions, if the employee is covered during
36 such calendar year only by two or more private plans, exceeds an
37 amount equal to 1/2 of 1% of the "wages" determined in accordance
38 with the provisions of R.S.43:21-7(b)(3) during the calendar years
39 beginning on or after January 1, 1976 or, during calendar year 2012
40 or any subsequent calendar year, the total amount of his
41 contributions for the year exceeds the amount set by the annual rate
42 of contribution determined by the Commissioner of Labor and
43 Workforce Development pursuant to subparagraph (i) of paragraph
44 (1)(G) of this subsection (d), the employee shall be entitled to a
45 refund of the excess if he makes a claim to the controller within two
46 years after the end of the calendar year in which the wages are
47 received with respect to which the refund is claimed and establishes
48 his right to such refund. Such refund shall be made by the controller

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

23 (B) If an employee receives wages from more than one employer
24 during any calendar year, and the sum of his contributions deposited
25 in the "Family Temporary Disability Leave Account" of the State
26 disability benefits fund plus the amount of his contributions, if any,
27 required towards the costs of family temporary disability leave
28 benefits under one or more approved private plans under the
29 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
30 et al.) and deducted from his wages, exceeds an amount equal to,
31 during calendar year 2009, 0.09% of the "wages" determined in
32 accordance with the provisions of R.S.43:21-7(b)(3), or during
33 calendar year 2010, 0.12% of those wages, or, during calendar year
34 2011 or any subsequent calendar year, the percentage of those
35 wages set by the annual rate of contribution determined by the
36 Commissioner of Labor and Workforce Development pursuant to
37 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the
38 employee shall be entitled to a refund of the excess if he makes a
39 claim to the controller within two years after the end of the calendar
40 year in which the wages are received with respect to which the
41 refund is claimed and establishes his right to the refund. The refund
42 shall be made by the controller from the "Family Temporary
43 Disability Leave Account" of the State disability benefits fund. No
44 interest shall be allowed or paid with respect to any such refund.
45 The controller shall, in accordance with prescribed regulations,
46 determine the portion of the aggregate amount of the refunds made
47 during any calendar year which is applicable to private plans for
48 which deductions were made under section 9 of the "Temporary

1 Disability Benefits Law" (C.43:21-33), with that determination
2 based upon the ratio of the amount of such wages exempt from
3 contributions to the fund, as provided in paragraph (1)(B) of this
4 subsection (d) with respect to coverage under private plans, to the
5 total wages so exempt plus the amount of such wages subject to
6 contributions to the "Family Temporary Disability Leave Account"
7 of the State disability benefits fund, as provided in subparagraph (ii)
8 of paragraph (1)(G) of this subsection (d). The controller shall, in
9 accordance with prescribed regulations, prorate the amount so
10 determined among the applicable private plans in the proportion
11 that the wages covered by each plan bear to the total private plan
12 wages involved in such refunds, and shall assess against and
13 recover from the employer, or the insurer if the insurer has
14 indemnified the employer with respect thereto, the prorated amount.
15 The provisions of R.S.43:21-14 with respect to collection of
16 employer contributions shall apply to such assessments. The
17 amount so recovered by the controller shall be paid into the "Family
18 Temporary Disability Leave Account" of the State disability
19 benefits fund.

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

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

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

45 (e) Contributions by employers to the State disability benefits
46 fund.

47 (1) Except as hereinafter provided, each employer shall, in
48 addition to the contributions required by subsections (a), (b), and

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

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

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

28 (B) A separate disability benefits account shall be maintained for
29 each employer required to contribute to the State disability benefits
30 fund and such account shall be credited with contributions
31 deposited in and credited to such fund with respect to employment
32 occurring on and after January 1, 1949. Each employer's account
33 shall be credited with all contributions paid on or before January 31
34 of any calendar year on his own behalf and on behalf of individuals
35 in his service with respect to employment occurring in preceding
36 calendar years; provided, however, that if January 31 of any
37 calendar year falls on a Saturday or Sunday an employer's account
38 shall be credited as of January 31 of such calendar year with all the
39 contributions which he has paid on or before the next succeeding
40 day which is not a Saturday or Sunday. But nothing in this act shall
41 be construed to grant any employer or individuals in his service
42 prior claims or rights to the amounts paid by him to the fund either
43 on his own behalf or on behalf of such individuals. Benefits paid to
44 any covered individual in accordance with Article III of the
45 "Temporary Disability Benefits Law" on or before December 31 of
46 any calendar year with respect to disability in such calendar year
47 and in preceding calendar years shall be charged against the account
48 of the employer by whom such individual was employed at the

1 commencement of such disability or by whom he was last
2 employed, if out of employment.

3 (C) The controller may prescribe regulations for the
4 establishment, maintenance, and dissolution of joint accounts by
5 two or more employers, and shall, in accordance with such
6 regulations and upon application by two or more employers to
7 establish such an account, or to merge their several individual
8 accounts in a joint account, maintain such joint account as if it
9 constituted a single employer's account.

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

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

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

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

26 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
27 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

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

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

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

40 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of
41 1% of his average annual payroll;

42 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
43 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

44 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
45 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

46 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
47 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

1 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
2 1% of his average annual payroll.

3 (5) Determination of the preliminary rate as specified in
4 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
5 to the condition that it shall in no event be decreased by more than
6 1/10 of 1% of wages or increased by more than 2/10 of 1% of
7 wages from the preliminary rate determined for the preceding year
8 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
9 shall have been applicable.

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

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

28 (i) If the percentage determined in accordance with
29 subparagraph (E)(1) of this paragraph equals or exceeds 1 1/4%, the
30 final employer rates shall be the preliminary rates determined as
31 provided in subparagraph (D) hereof, except that if the employer's
32 preliminary rate is determined as provided in subparagraph (D)(2)
33 or subparagraph (D)(3) hereof, the final employer rate shall be the
34 preliminary employer rate decreased by such percentage of excess
35 taken to the nearest 5/100 of 1%, but in no case shall such final rate
36 be less than 1/10 of 1%.

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

41 (iii) If the percentage determined in accordance with
42 subparagraph (E)(1) of this paragraph is less than 3/4 of 1%, but in
43 excess of 1/4 of 1%, the final employer rates shall be the
44 preliminary employer rates determined as provided in subparagraph
45 (D) hereof increased by the difference between 3/4 of 1% and such
46 percentage taken to the nearest 5/100 of 1%; provided, however,
47 that no such final rate shall be more than 1/4 of 1% in the case of an
48 employer whose preliminary rate is determined as provided in

1 subparagraph (D)(2) hereof, more than 1/2 of 1% in the case of an
2 employer whose preliminary rate is determined as provided in
3 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
4 3/4 of 1% in the case of an employer whose preliminary rate is
5 determined as provided in subparagraph (D)(4) hereof.

6 (iv) If the amount of the State disability benefits fund determined
7 as provided in subparagraph (E)(1) of this paragraph is equal to or
8 less than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case
9 of an employer whose preliminary rate is determined as provided in
10 subparagraph (D)(2) hereof, 7/10 of 1% in the case of an employer
11 whose preliminary rate is determined as provided in subparagraph
12 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
13 employer whose preliminary rate is determined as provided in
14 subparagraph (D)(4) hereof. Notwithstanding any other provision of
15 law or any determination made by the controller with respect to any
16 12-month period commencing on July 1, 1970, the final rates for all
17 employers for the period beginning January 1, 1971, shall be as set
18 forth herein.

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

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

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

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

33 (iv) The total amount of benefits paid for periods of disability
34 were not subject to the increases in the weekly benefit rate for those
35 benefits commencing July 1, 2020 pursuant to section 16 of
36 P.L.1948, c.110 (C.43:21-40).
37 (c.f: P.L.2020, c.150, s.2)

38
39 3. This act shall take effect immediately.
40
41

42 STATEMENT

43
44 This bill allocates \$2.5 billion in available federal assistance to
45 the unemployment compensation fund (fund). The money shall be
46 deposited into the fund in order to pay back the balance in federal
47 unemployment insurance loan advances pursuant to Title XII of the
48 Social Security Act, prior to the date when the first interest payment

1 is due, and notwithstanding any other provision of law concerning
2 the actual fund reserve ratio for purposes of employer contribution
3 rate for fiscal years 2022, 2023, and 2024, to increase the
4 unemployment compensation fund balance.

5 Current law requires that unemployment contribution rates for
6 employers, for fiscal year 2022, will be the rates set by column “C”
7 of the of the experience rating table, for FY 2023 the rates in
8 column “D”, and for FY 2024 the rates in column “E”. The bill
9 modifies that provision of law to specify that notwithstanding any
10 other provision of law concerning the actual fund reserve ratio, the
11 contribution rate for employers liable to pay contributions for fiscal
12 years 2022, 2023, and 2024, would be the rates set by column “B”
13 of the table.