

SENATE, No. 4288

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 16, 2021

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Allocates sufficient funds 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.



1 **AN ACT** concerning employer contributions to the unemployment
2 compensation fund, amending R.S.43:21-7, and allocating
3 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) a. Out of the amounts of federal government
10 assistance from the “American Rescue Plan Act of 2021,” Pub.L.
11 117-2, provided to this State which may be available for
12 unemployment compensation purposes, sufficient funds shall be
13 annually deposited into the unemployment compensation fund to
14 pay back the balance in federal unemployment insurance loan
15 advances, pursuant to Title XII of the Social Security Act
16 (42 U.S.C. s. 1321 et seq.), as of the end of each fiscal year 2022,
17 2023, and 2024.

18 b. Annually after any deposit of federal government assistance
19 into the unemployment compensation fund, pursuant to subsection
20 a. of this section, the Commissioner of Labor and Workforce
21 Development shall submit a report to the Legislature, which shall
22 include information concerning the solvency of the unemployment
23 compensation fund. The report shall include, but need not be
24 limited to:

25 (1) the total amount of federal loan advances that were paid
26 back as of the day of the report;

27 (2) the Department of Labor and Workforce Development’s
28 estimate on the total funds needed to be deposited by the March 31
29 trigger to avoid an increase in the calculation of the contribution
30 rate for employers if the employment market remains unchanged at
31 the end of the calendar year;

32 (3) the department’s estimate on the total funds needed to be
33 deposited by the March 31 trigger to reduce a column in the
34 calculation of the contribution rate for employers if the employment
35 market remains unchanged at the end of the calendar year;

36 (4) the department’s estimate concerning the aggregate cost to
37 employers for a column increase or decrease in the contribution rate
38 calculation; and

39 (5) the department’s estimate concerning the time it would take
40 to reduce each column in the contribution rate calculation based on
41 natural historic employment growth in-between economic
42 downturns without any deposit pursuant to subsection a. of this
43 section.

44
45 2. 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-
11 25 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, $2\frac{7}{10}\%$ 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

1 1975, any wages paid to such individual by such predecessor during
2 such calendar year and prior to such acquisition shall be considered
3 as having been paid by such successor employer.

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

38 (1) A separate account for each employer shall be maintained
39 and this shall be credited with all the contributions which he has
40 paid on his own behalf on or before January 31 of any calendar year
41 with respect to employment occurring in the preceding calendar
42 year; provided, however, that if January 31 of any calendar year
43 falls on a Saturday or Sunday, an employer's account shall be
44 credited as of January 31 of such calendar year with all the
45 contributions which he has paid on or before the next succeeding
46 day which is not a Saturday or Sunday. But nothing in this chapter
47 (R.S.43:21-1 et seq.) shall be construed to grant any employer or

1 individuals in his service prior claims or rights to the amounts paid
2 by him into the fund either on his own behalf or on behalf of such
3 individuals. Benefits paid with respect to benefit years commencing
4 on and after January 1, 1953, to any individual on or before
5 December 31 of any calendar year with respect to unemployment in
6 such calendar year and in preceding calendar years shall be charged
7 against the account or accounts of the employer or employers in
8 whose employment such individual established base weeks
9 constituting the basis of such benefits, except that, with respect to
10 benefit years commencing after January 4, 1998, an employer's
11 account shall not be charged for benefits paid to a claimant if the
12 claimant's employment by that employer was ended in any way
13 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of
14 R.S.43:21-5, would have disqualified the claimant for benefits if the
15 claimant had applied for benefits at the time when that employment
16 ended. Benefits paid under a given benefit determination shall be
17 charged against the account of the employer to whom such
18 determination relates. When each benefit payment is made,
19 notification shall be promptly provided to each employer included
20 in the unemployment insurance monetary calculation of benefits.
21 Such notification shall identify the employer against whose account
22 the amount of such payment is being charged, shall show at least
23 the name and social security account number of the claimant and
24 shall specify the period of unemployment to which said benefit
25 payment applies.

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

28 (2) Regulations may be prescribed for the establishment,
29 maintenance, and dissolution of joint accounts by two or more
30 employers, and shall, in accordance with such regulations and upon
31 application by two or more employers to establish such an account,
32 or to merge their several individual accounts in a joint account,
33 maintain such joint account as if it constituted a single employer's
34 account.

35 (3) No employer's rate shall be lower than 5.4% unless
36 assignment of such lower rate is consistent with the conditions
37 applicable to additional credit allowance for such year under section
38 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
39 s.3303(a)(1)), any other provision of this section to the contrary
40 notwithstanding.

41 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
42 $2 \frac{8}{10}\%$, except as otherwise provided in the following provisions.
43 No employer's rate for the 12 months commencing July 1 of any
44 calendar year shall be other than $2 \frac{8}{10}\%$, unless as of the
45 preceding January 31 such employer shall have paid contributions
46 with respect to wages paid in each of the three calendar years
47 immediately preceding such year, in which case such employer's

1 rate for the 12 months commencing July 1 of any calendar year
2 shall be determined on the basis of his record up to the beginning of
3 such calendar year. If, at the beginning of such calendar year, the
4 total of all his contributions, paid on his own behalf, for all past
5 years exceeds the total benefits charged to his account for all such
6 years, his contribution rate shall be:

7 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
8 5%, of his average annual payroll (as defined in paragraph (2),
9 subsection (a) of R.S.43:21-19);

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

12 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
13 than 7%, of his average annual payroll;

14 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
15 than 8%, of his average annual payroll;

16 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
17 than 9%, of his average annual payroll;

18 (6) 1%, if such excess equals or exceeds 9%, but is less than
19 10%, of his average annual payroll;

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

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

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

28 (1) 4%, if such excess is less than 10% of his average annual
29 payroll;

30 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less
31 than 20%, of his average annual payroll;

32 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his
33 average annual payroll.

34 (C) Specially assigned rates.

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

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

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

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

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

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

9 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
10 31 of any calendar year the balance in the unemployment trust fund
11 equals or exceeds 4% but is less than 7% of the total taxable wages
12 reported to the controller as of that date in respect to employment
13 during the preceding calendar year, the contribution rate, effective
14 July 1 following, of each employer eligible for a contribution rate
15 calculation based upon benefit experience, shall be increased by
16 $\frac{3}{10}$ of 1% over the contribution rate otherwise established under
17 the provisions of paragraph (3) or (4) of this subsection. If on
18 March 31 of any calendar year the balance of the unemployment
19 trust fund exceeds $2\frac{1}{2}\%$ but is less than 4% of the total taxable
20 wages reported to the controller as of that date in respect to
21 employment during the preceding calendar year, the contribution
22 rate, effective July 1 following, of each employer eligible for a
23 contribution rate calculation based upon benefit experience, shall be
24 increased by $\frac{6}{10}$ of 1% over the contribution rate otherwise
25 established under the provisions of paragraph (3) or (4) of this
26 subsection.

27 If on March 31 of any calendar year the balance of the
28 unemployment trust fund is less than $2\frac{1}{2}\%$ of the total taxable
29 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: (1) eligible for a
32 contribution rate calculation based upon benefit experience, shall be
33 increased by (i) $\frac{6}{10}$ of 1% over the contribution rate otherwise
34 established under the provisions of paragraph (3), (4)(A) or (4)(B)
35 of this subsection, and (ii) an additional amount equal to 20% of the
36 total rate established herein, provided, however, that the final
37 contribution rate for each employer shall be computed to the nearest
38 multiple of $\frac{1}{10}\%$ if not already a multiple thereof; (2) not eligible
39 for a contribution rate calculation based upon benefit experience,
40 shall be increased by $\frac{6}{10}$ of 1% over the contribution rate
41 otherwise established under the provisions of paragraph (4) of this
42 subsection. For the period commencing July 1, 1984 and ending
43 June 30, 1986, the contribution rate for each employer liable to pay
44 contributions under R.S.43:21-7 shall be increased by a factor of
45 10% computed to the nearest multiple of $\frac{1}{10}\%$ if not already a
46 multiple thereof.

1 (B) If on March 31 of any calendar year the balance in the
2 unemployment trust fund equals or exceeds 10% but is less than 12
3 1/2% of the total taxable wages reported to the controller as of that
4 date in respect to employment during the preceding calendar year,
5 the contribution rate, effective July 1 following, of each employer
6 eligible for a contribution rate calculation based upon benefit
7 experience, shall be reduced by 3/10 of 1% under the contribution
8 rate otherwise established under the provisions of paragraphs (3)
9 and (4) of this subsection; provided that in no event shall the
10 contribution rate of any employer be reduced to less than 4/10 of
11 1%. If on March 31 of any calendar year the balance in the
12 unemployment trust fund equals or exceeds 12 1/2% of the total
13 taxable wages reported to the controller as of that date in respect to
14 employment during the preceding calendar year, the contribution
15 rate, effective July 1 following, of each employer eligible for a
16 contribution rate calculation based upon benefit experience, shall be
17 reduced by 6/10 of 1% if his account for all past periods reflects an
18 excess of contributions paid over total benefits charged of 3% or
19 more of his average annual payroll, otherwise by 3/10 of 1% under
20 the contribution rate otherwise established under the provisions of
21 paragraphs (3) and (4) of this subsection; provided that in no event
22 shall the contribution rate of any employer be reduced to less than
23 4/10 of 1%.

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

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

37 (E) (i) (Deleted by amendment, P.L.1997, c.263).

38 (ii) (Deleted by amendment, P.L.2001, c.152).

39 (iii) (Deleted by amendment, P.L.2003, c.107).

40 (iv) (Deleted by amendment, P.L.2004, c.45).

41 (v) (Deleted by amendment, P.L.2008, c.17).

42 (vi) (Deleted by amendment, P.L.2013, c.75).

43 (vii) With respect to experience rating years beginning on or
44 after July 1, 2011, the new employer rate or the unemployment
45 experience rate of an employer under this section shall be the rate
46 which appears in the column headed by the Unemployment Trust
47 Fund Reserve Ratio as of the applicable calculation date and on the

1 line with the Employer Reserve Ratio, as defined in paragraph (4)
2 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
3 table:

4	EXPERIENCE RATING TAX TABLE					
5	Fund Reserve Ratio ¹					
6		3.50%	3.00%	2.5%	2.0%	1.99%
7						
8	Employer	and	to	to	to	and
9	Reserve	Over	3.49%	2.99%	2.49%	Under
10	Ratio ²		A	B	C	D
11	Positive Reserve Ratio:					
12	17% and over		0.3	0.4	0.5	0.6
13	16.00% to 16.99%		0.4	0.5	0.6	0.6
14	15.00% to 15.99%		0.4	0.6	0.7	0.7
15	14.00% to 14.99%		0.5	0.6	0.7	0.8
16	13.00% to 13.99%		0.6	0.7	0.8	0.9
17	12.00% to 12.99%		0.6	0.8	0.9	1.0
18	11.00% to 11.99%		0.7	0.8	1.0	1.1
19	10.00% to 10.99%		0.9	1.1	1.3	1.5
20	9.00% to 9.99%		1.0	1.3	1.6	1.7
21	8.00% to 8.99%		1.3	1.6	1.9	2.1
22	7.00% to 7.99%		1.4	1.8	2.2	2.4
23	6.00% to 6.99%		1.7	2.1	2.5	2.8
24	5.00% to 5.99%		1.9	2.4	2.8	3.1
25	4.00% to 4.99%		2.0	2.6	3.1	3.4
26	3.00% to 3.99%		2.1	2.7	3.2	3.6
27	2.00% to 2.99%		2.2	2.8	3.3	3.7
28	1.00% to 1.99%		2.3	2.9	3.4	3.8
29	0.00% to 0.99%		2.4	3.0	3.6	4.0
30	Deficit Reserve Ratio:					
31	-0.00% to -2.99%		3.4	4.3	5.1	5.6
32	-3.00% to -5.99%		3.4	4.3	5.1	5.7
33	-6.00% to -8.99%		3.5	4.4	5.2	5.8
34	-9.00% to -11.99%		3.5	4.5	5.3	5.9
35	-12.00% to -14.99%		3.6	4.6	5.4	6.0
36	-15.00% to -19.99%		3.6	4.6	5.5	6.1
37	-20.00% to -24.99%		3.7	4.7	5.6	6.2
38	-25.00% to -29.99%		3.7	4.8	5.6	6.3
39	-30.00% to -34.99%		3.8	4.8	5.7	6.3
40	-35.00% and under		5.4	5.4	5.8	6.4
41	New Employer Rate		2.8	2.8	2.8	3.1
42	¹ Fund balance as of March 31 as a percentage of taxable wages					
43	in the prior calendar year.					
44	Employer Reserve Ratio (Contributions minus benefits as a					
45	percentage of employer's taxable wages).					

- 1 (F) (i) (Deleted by amendment, P.L.1997, c.263).
2 (ii) (Deleted by amendment, P.L.2008, c.17).
3 (iii) (Deleted by amendment, P.L.2013, c.75).
4 (iv) With respect to experience rating years beginning on or after
5 July 1, 2011 and before July 1, 2013, if the fund reserve ratio, based
6 on the fund balance as of the prior March 31, is less than 1.0%, the
7 contribution rate for each employer liable to pay contributions, as
8 computed under subparagraph (E) of this paragraph (5), shall be
9 increased by a factor of 10% computed to the nearest multiple of
10 1/10% if not already a multiple thereof.
- 11 (v) With respect to experience rating years beginning on or after
12 July 1, 2014, if the fund reserve ratio, based on the fund balance as
13 of the prior March 31, is less than 1.0%, the contribution rate for
14 each employer liable to pay contributions, as computed under
15 subparagraph (E) of this paragraph (5), shall be increased by a
16 factor of 10% computed to the nearest multiple of 1/10% if not
17 already a multiple thereof.
- 18 (G) On or after January 1, 1993, notwithstanding any other
19 provisions of this paragraph (5), the contribution rate for each
20 employer liable to pay contributions, as computed under
21 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
22 except that, during any experience rating year starting before
23 January 1, 1998 in which the fund reserve ratio is equal to or greater
24 than 7.00% or during any experience rating year starting on or after
25 January 1, 1998, in which the fund reserve ratio is equal to or
26 greater than 3.5%, there shall be no decrease pursuant to this
27 subparagraph (G) in the contribution of any employer who has a
28 deficit reserve ratio of negative 35.00% or under.
- 29 (H) On and after January 1, 1998 until December 31, 2000 and
30 on or after January 1, 2002 until June 30, 2006, the contribution rate
31 for each employer liable to pay contributions, as computed under
32 subparagraph (E) of this paragraph (5), shall be decreased by a
33 factor, as set out below, computed to the nearest multiple of 1/10%,
34 except that, if an employer has a deficit reserve ratio of negative
35 35.0% or under, the employer's rate of contribution shall not be
36 reduced pursuant to this subparagraph (H) to less than 5.4%:
- 37 From January 1, 1998 until December 31, 1998, a factor of 12%;
38 From January 1, 1999 until December 31, 1999, a factor of 10%;
39 From January 1, 2000 until December 31, 2000, a factor of 7%;
40 From January 1, 2002 until March 31, 2002, a factor of 36%;
41 From April 1, 2002 until June 30, 2002, a factor of 85%;
42 From July 1, 2002 until June 30, 2003, a factor of 15%;
43 From July 1, 2003 until June 30, 2004, a factor of 15%;
44 From July 1, 2004 until June 30, 2005, a factor of 7%;
45 From July 1, 2005 until December 31, 2005, a factor of 16%; and
46 From January 1, 2006 until June 30, 2006, a factor of 34%.

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

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

10 (J) On or after July 1, 2001, notwithstanding any other
11 provisions of this paragraph (5), the contribution rate for each
12 employer liable to pay contributions, as computed under
13 subparagraph (E) of this paragraph (5), shall be decreased by
14 0.0175%, except that, during any experience rating year starting on
15 or after July 1, 2001, in which the fund reserve ratio is equal to or
16 greater than 3.5%, there shall be no decrease pursuant to this
17 subparagraph (J) in the contribution of any employer who has a
18 deficit reserve ratio of negative 35.00% or under. The amount of the
19 reduction in the employer contributions stipulated by this
20 subparagraph (J) shall be in addition to the amount of the reduction
21 in the employer contributions stipulated by subparagraphs (G) and
22 (H) of this paragraph (5), except that the rate of contribution of an
23 employer who has a deficit reserve ratio of negative 35.0% or under
24 shall not be reduced pursuant to this subparagraph (J) to less than
25 5.4% and the rate of contribution of any other employer shall not be
26 reduced to less than 0.0%.

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

30 (i) Equal to or greater than 5.00% but less than 7.5%, the
31 contribution rate for each employer liable to pay contributions, as
32 computed under subparagraph (E) of this paragraph (5), shall be
33 reduced by a factor of 25% computed to the nearest multiple of
34 1/10% if not already a multiple thereof except that there shall be no
35 decrease pursuant to this subparagraph (K) in the contribution of
36 any employer who has a deficit reserve ratio of 35.00% or under;

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

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

1 subparagraph (E) of this paragraph (5), shall be, for fiscal year
2 2011, the rates set by column "C" of the table in that subparagraph.

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

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

13 (O) Notwithstanding any other provision of this paragraph (5)
14 and notwithstanding the actual fund reserve ratio, the contribution
15 rate for employers liable to pay contributions, as computed under
16 subparagraph (E) of this paragraph (5), shall be, for fiscal year
17 2022, the rates set by column "C" of the table in that subparagraph.

18 (P) Notwithstanding any other provision of this paragraph (5)
19 and notwithstanding the actual fund reserve ratio, the contribution
20 rate for employers liable to pay contributions, as computed under
21 subparagraph (E) of this paragraph (5), shall be, for fiscal year
22 2023, the rates set by column "D" of the table in that subparagraph,
23 unless the application of the provisions of this paragraph (5) using
24 the actual fund reserve ratio would result in the contribution rate for
25 employers being set by a column which has lower tax rates than the
26 rates in column "D", in which case the employers shall be liable to
27 pay contributions at the rates set by the column with the lower tax
28 rates.

29 (Q) 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 2024, the rates set by column **["E"]** "D" of the table in that
34 subparagraph, unless the application of the provisions of this
35 paragraph (5) using the actual fund reserve ratio would result in the
36 contribution rate for employers being set by a column which has
37 lower tax rates than the rates in column **["E"]** "D", in which case
38 the employers shall be liable to pay contributions at the rates set by
39 the column with the lower tax rates.

40 (6) Additional contributions.

41 Notwithstanding any other provision of law, any employer who
42 has been assigned a contribution rate pursuant to subsection (c) of
43 this section for the year commencing July 1, 1948, and for any year
44 commencing July 1 thereafter, may voluntarily make payment of
45 additional contributions, and upon such payment shall receive a
46 recomputation of the experience rate applicable to such employer,
47 including in the calculation the additional contribution so made,

1 except that, following a transfer as described under R.S.43:21-
2 7(c)(7)(D), neither the predecessor nor successor in interest shall be
3 eligible to make a voluntary payment of additional contributions
4 during the year the transfer occurs and the next full calendar year.
5 Any such additional contribution shall be made during the 30-day
6 period following the notification to the employer of his contribution
7 rate as prescribed in this section, unless, for good cause, the time
8 for payment has been extended by the controller for not to exceed
9 an additional 60 days; provided that in no event may such payments
10 which are made later than 120 days after the beginning of the year
11 for which such rates are effective be considered in determining the
12 experience rate for the year in which the payment is made. Any
13 employer receiving any extended period of time within which to
14 make such additional payment and failing to make such payment
15 timely shall be, in addition to the required amount of additional
16 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
17 greater, not to exceed \$50.00. Any adjustment under this subsection
18 shall be made only in the form of credits against accrued or future
19 contributions.

20 (7) Transfers.

21 (A) Upon the transfer of the organization, trade or business, or
22 substantially all the assets of an employer to a successor in interest,
23 whether by merger, consolidation, sale, transfer, descent or
24 otherwise, the controller shall transfer the employment experience
25 of the predecessor employer to the successor in interest, including
26 credit for past years, contributions paid, annual payrolls, benefit
27 charges, et cetera, applicable to such predecessor employer,
28 pursuant to regulation, if it is determined that the employment
29 experience of the predecessor employer with respect to the
30 organization, trade, assets or business which has been transferred
31 may be considered indicative of the future employment experience
32 of the successor in interest. The successor in interest may, within
33 four months of the date of such transfer of the organization, trade,
34 assets or business, or thereafter upon good cause shown, request a
35 reconsideration of the transfer of employment experience of the
36 predecessor employer. The request for reconsideration shall
37 demonstrate, to the satisfaction of the controller, that the
38 employment experience of the predecessor is not indicative of the
39 future employment experience of the successor.

40 (B) An employer who transfers part of his or its organization,
41 trade, assets or business to a successor in interest, whether by
42 merger, consolidation, sale, transfer, descent or otherwise, may
43 jointly make application with such successor in interest for transfer
44 of that portion of the employment experience of the predecessor
45 employer relating to the portion of the organization, trade, assets or
46 business transferred to the successor in interest, including credit for
47 past years, contributions paid, annual payrolls, benefit charges,

1 et cetera, applicable to such predecessor employer. The transfer of
2 employment experience may be allowed pursuant to regulation only
3 if it is found that the employment experience of the predecessor
4 employer with respect to the portion of the organization, trade,
5 assets or business which has been transferred may be considered
6 indicative of the future employment experience of the successor in
7 interest. Credit shall be given to the successor in interest only for
8 the years during which contributions were paid by the predecessor
9 employer with respect to that part of the organization, trade, assets
10 or business transferred.

11 (C) A transfer of the employment experience in whole or in part
12 having become final, the predecessor employer thereafter shall not
13 be entitled to consideration for an adjusted rate based upon his or its
14 experience or the part thereof, as the case may be, which has thus
15 been transferred. A successor in interest to whom employment
16 experience or a part thereof is transferred pursuant to this
17 subsection shall, as of the date of the transfer of the organization,
18 trade, assets or business, or part thereof, immediately become an
19 employer if not theretofore an employer subject to this chapter
20 (R.S.43:21-1 et seq.).

21 (D) If an employer transfers in whole or in part his or its
22 organization, trade, assets or business to a successor in interest,
23 whether by merger, consolidation, sale, transfer, descent or
24 otherwise and both the employer and successor in interest are at the
25 time of the transfer under common ownership, management or
26 control, then the employment experience attributable to the
27 transferred business shall also be transferred to and combined with
28 the employment experience of the successor in interest. The
29 transfer of the employment experience is mandatory and not subject
30 to appeal or protest.

31 (E) The transfer of part of an employer's employment experience
32 to a successor in interest shall become effective as of the first day of
33 the calendar quarter following the acquisition by the successor in
34 interest. As of the effective date, the successor in interest shall
35 have its employer rate recalculated by merging its existing
36 employment experience, if any, with the employment experience
37 acquired. If the successor in interest is not an employer as of the
38 date of acquisition, it shall be assigned the new employer rate until
39 the effective date of the transfer of employment experience.

40 (F) Upon the transfer in whole or in part of the organization,
41 trade, assets or business to a successor in interest, the employment
42 experience shall not be transferred if the successor in interest is not
43 an employer at the time of the acquisition and the controller finds
44 that the successor in interest acquired the business solely or
45 primarily for the purpose of obtaining a lower rate of contributions.

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

1 (1) (A) For periods after January 1, 1975, each worker shall
2 contribute to the fund 1% of his wages with respect to his
3 employment with an employer, which occurs on and after January
4 1, 1975, after such employer has satisfied the condition set forth in
5 subsection (h) of R.S.43:21-19 with respect to becoming an
6 employer; provided, however, that such contributions shall be at the
7 rate of 1/2 of 1% of wages paid with respect to employment while
8 the worker is in the employ of the State of New Jersey, or any
9 governmental entity or instrumentality which is an employer as
10 defined under R.S.43:21-19(h)(5), or is covered by an approved
11 private plan under the "Temporary Disability Benefits Law" or
12 while the worker is exempt from the provisions of the "Temporary
13 Disability Benefits Law" under section 7 of that law, P.L.1948,
14 c.110 (C.43:21-31).

15 (B) Effective January 1, 1978 there shall be no contributions by
16 workers in the employ of any governmental or nongovernmental
17 employer electing or required to make payments in lieu of
18 contributions unless the employer is covered by the State plan under
19 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
20 that case contributions shall be at the rate of 1/2 of 1%, except that
21 commencing July 1, 1986, workers in the employ of any
22 nongovernmental employer electing or required to make payments
23 in lieu of contributions shall be required to make contributions to
24 the fund at the same rate prescribed for workers of other
25 nongovernmental employers.

26 (C) (i) Notwithstanding the above provisions of this paragraph
27 (1), during the period starting July 1, 1986 and ending December
28 31, 1992, each worker shall contribute to the fund 1.125% of wages
29 paid with respect to his employment with a governmental employer
30 electing or required to pay contributions or nongovernmental
31 employer, including a nonprofit organization which is an employer
32 as defined under R.S.43:21-19(h)(6), regardless of whether that
33 nonprofit organization elects or is required to finance its benefit
34 costs with contributions to the fund or by payments in lieu of
35 contributions, after that employer has satisfied the conditions set
36 forth in subsection R.S.43:21-19(h) with respect to becoming an
37 employer. Contributions, however, shall be at the rate of 0.625%
38 while the worker is covered by an approved private plan under the
39 "Temporary Disability Benefits Law" or while the worker is exempt
40 under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
41 other provision of that law; provided that such contributions shall
42 be at the rate of 0.625% of wages paid with respect to employment
43 with the State of New Jersey or any other governmental entity or
44 instrumentality electing or required to make payments in lieu of
45 contributions and which is covered by the State plan under the
46 "Temporary Disability Benefits Law," except that, while the worker
47 is exempt from the provisions of the "Temporary Disability Benefits

1 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or
2 any other provision of that law, or is covered for disability benefits
3 by an approved private plan of the employer, the contributions to
4 the fund shall be 0.125%.

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

6 (D) Notwithstanding any other provisions of this paragraph (1),
7 during the period starting January 1, 1993 and ending June 30,
8 1994, each worker shall contribute to the unemployment
9 compensation fund 0.5% of wages paid with respect to the worker's
10 employment with a governmental employer electing or required to
11 pay contributions or nongovernmental employer, including a
12 nonprofit organization which is an employer as defined under
13 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of
14 whether that nonprofit organization elects or is required to finance
15 its benefit costs with contributions to the fund or by payments in
16 lieu of contributions, after that employer has satisfied the conditions
17 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
18 an employer. No contributions, however, shall be made by the
19 worker while the worker is covered by an approved private plan
20 under the "Temporary Disability Benefits Law," P.L.1948, c.110
21 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
22 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
23 provided that the contributions shall be at the rate of 0.50% of
24 wages paid with respect to employment with the State of New
25 Jersey or any other governmental entity or instrumentality electing
26 or required to make payments in lieu of contributions and which is
27 covered by the State plan under the "Temporary Disability Benefits
28 Law," except that, while the worker is exempt from the provisions
29 of the "Temporary Disability Benefits Law" under section 7 of that
30 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
31 law, or is covered for disability benefits by an approved private plan
32 of the employer, no contributions shall be made to the fund.

33 Each worker shall, starting on January 1, 1996 and ending March
34 31, 1996, contribute to the unemployment compensation fund
35 0.60% of wages paid with respect to the worker's employment with
36 a governmental employer electing or required to pay contributions
37 or nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.10% of wages paid with respect to employment with the State of
46 New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

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

16 Each worker shall, starting on January 1, 1999 until December
17 31, 1999, contribute to the unemployment compensation fund
18 0.15% of wages paid with respect to the worker's employment with
19 a governmental employer electing or required to pay contributions
20 or nongovernmental employer, including a nonprofit organization
21 which is an employer as defined under paragraph (6) of subsection
22 (h) of R.S.43:21-19, regardless of whether that nonprofit
23 organization elects or is required to finance its benefit costs with
24 contributions to the fund or by payments in lieu of contributions,
25 after that employer has satisfied the conditions set forth in
26 subsection (h) of R.S.43:21-19 with respect to becoming an
27 employer, provided that the contributions shall be at the rate of
28 0.10% of wages paid with respect to employment with the State of
29 New Jersey or any other governmental entity or instrumentality
30 electing or required to make payments in lieu of contributions.

31 Each worker shall, starting on January 1, 2000 until December
32 31, 2001, contribute to the unemployment compensation fund
33 0.20% of wages paid with respect to the worker's employment with
34 a governmental employer electing or required to pay contributions
35 or nongovernmental employer, including a nonprofit organization
36 which is an employer as defined under paragraph (6) of subsection
37 (h) of R.S.43:21-19, regardless of whether that nonprofit
38 organization elects or is required to finance its benefit costs with
39 contributions to the fund or by payments in lieu of contributions,
40 after that employer has satisfied the conditions set forth in
41 subsection (h) of R.S.43:21-19 with respect to becoming an
42 employer, provided that the contributions shall be at the rate of
43 0.10% of wages paid with respect to employment with the State of
44 New Jersey or any other governmental entity or instrumentality
45 electing or required to make payments in lieu of contributions.

46 Each worker shall, starting on January 1, 2002 until June 30,
47 2004, contribute to the unemployment compensation fund 0.1825%

1 of wages paid with respect to the worker's employment with a
2 governmental employer electing or required to pay contributions or
3 a nongovernmental employer, including a nonprofit organization
4 which is an employer as defined under paragraph (6) of subsection
5 (h) of R.S.43:21-19, regardless of whether that nonprofit
6 organization elects or is required to finance its benefit costs with
7 contributions to the fund or by payments in lieu of contributions,
8 after that employer has satisfied the conditions set forth in
9 subsection (h) of R.S.43:21-19 with respect to becoming an
10 employer, provided that the contributions shall be at the rate of
11 0.0825% of wages paid with respect to employment with the State
12 of New Jersey or any other governmental entity or instrumentality
13 electing or required to make payments in lieu of contributions.

14 Each worker shall, starting on and after July 1, 2004, contribute
15 to the unemployment compensation fund 0.3825% of wages paid
16 with respect to the worker's employment with a governmental
17 employer electing or required to pay contributions or
18 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 0.0825% of wages paid with respect to employment with the State
27 of New Jersey or any other governmental entity or instrumentality
28 electing or required to make payments in lieu of contributions.

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

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

46 (G) (i) Each worker, with respect to the worker's employment
47 with a government employer electing or required to pay

1 contributions to the State disability benefits fund or
2 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, unless the employer is covered by an approved
5 private disability plan or is exempt from the provisions of the
6 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-
7 25 et al.) under section 7 of that law (C.43:21-31) or any other
8 provision of that law, shall, for calendar year 2012 and each
9 subsequent calendar year, make contributions to the State disability
10 benefits fund at the annual rate of contribution necessary to obtain a
11 total amount of contributions, which, when added to employer
12 contributions made to the State disability benefits fund pursuant to
13 subsection (e) of this section, is, for calendar years prior to calendar
14 year 2018, equal to 120% of the benefits paid for periods of
15 disability, excluding periods of family temporary disability, during
16 the immediately preceding calendar year plus an amount equal to
17 100% of the cost of administration of the payment of those benefits
18 during the immediately preceding calendar year, less the amount of
19 net assets remaining in the State disability benefits fund, excluding
20 net assets remaining in the "Family Temporary Disability Leave
21 Account" of that fund, as of December 31 of the immediately
22 preceding year, and is, for calendar year 2018 and year 2019, equal
23 to 120% of the benefits paid for periods of disability, excluding
24 periods of family temporary disability, during the last preceding full
25 fiscal year plus an amount equal to 100% of the cost of
26 administration of the payment of those benefits during the last
27 preceding full fiscal year, less the amount of net assets anticipated
28 to be remaining in the "Family Temporary Disability Leave
29 Account" of that fund, as of December 31 of the immediately
30 preceding calendar year, and is, for each of calendar years 2020 and
31 2021, equal to 120% of the benefits which the department
32 anticipates will be paid for periods of disability, excluding periods
33 of family temporary disability, during the respective calendar year
34 plus an amount equal to 100% of the cost of administration of the
35 payment of those benefits which the department anticipates during
36 the respective calendar year, less the amount of net assets
37 anticipated to be remaining in the State disability benefits fund,
38 excluding net assets remaining in the "Family Temporary Disability
39 Leave Account" of that fund, as of December 31 of the immediately
40 preceding calendar year, and is, for calendar year 2022 and any
41 subsequent calendar year, equal to 120% of the benefits paid for
42 periods of disability, excluding periods of family temporary
43 disability, during the last preceding full fiscal year plus an amount
44 equal to 100% of the cost of administration of the payment of those
45 benefits during the last preceding full fiscal year, less the amount of
46 net assets anticipated to be remaining in the State disability benefits
47 fund, excluding net assets remaining in the "Family Temporary

1 Disability Leave Account" of that fund, as of December 31 of the
2 immediately preceding calendar year. All increases in the cost of
3 benefits for periods of disability caused by the increases in the
4 weekly benefit rate commencing July 1, 2020, pursuant to section
5 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
6 contributions made by workers pursuant to this paragraph (i) and
7 none of those increases shall be funded by employer contributions.
8 The estimated rates for the next calendar year shall be made
9 available on the department's website no later than 60 days after the
10 end of the last preceding full fiscal year. The rates of employer
11 contributions determined pursuant to subsection (e) of this section
12 for any year shall be determined prior to the determination of the
13 rate of employee contributions pursuant to this subparagraph (i) and
14 any consideration of employee contributions in determining
15 employer rates for any year shall be based on amounts of employee
16 contributions made prior to the year to which the rate of employee
17 contributions applies and shall not be based on any projection or
18 estimate of the amount of employee contributions for the year to
19 which that rate applies.

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

1 of contributions equal to 125% of the benefits paid for periods of
2 family temporary disability leave during the last preceding full
3 fiscal year plus an amount equal to 100% of the cost of
4 administration of the payment of those benefits during the last
5 preceding full fiscal year, less the amount of net assets anticipated
6 to be remaining in the account as of December 31 of the
7 immediately preceding calendar year. For each of calendar years
8 2020 and 2021, the annual rate of contribution to be paid by
9 workers pursuant to this subparagraph (ii) shall be the rate
10 necessary to obtain a total amount of contributions equal to 125% of
11 the benefits which the department anticipates will be paid for
12 periods of family temporary disability leave during the respective
13 calendar year plus an amount equal to 100% of the cost of
14 administration of the payment of those benefits which the
15 department anticipates during the respective calendar year, less the
16 amount of net assets remaining in the account as of December 31 of
17 the immediately preceding calendar year. For 2022 and any
18 subsequent calendar year, the annual rate of contribution to be paid
19 by workers pursuant to this subparagraph (ii) shall be the rate
20 necessary to obtain a total amount of contributions equal to 125% of
21 the benefits which were paid for periods of family temporary
22 disability leave during the last preceding full fiscal year plus an
23 amount equal to 100% of the cost of administration of the payment
24 of those benefits during the last preceding full fiscal year, less the
25 amount of net assets remaining in the account as of December 31 of
26 the immediately preceding calendar year. All increases in the cost
27 of benefits for periods of family temporary disability leave caused
28 by the increases in the weekly benefit rate commencing July 1, 2020
29 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and
30 increases in the maximum duration of benefits commencing July 1,
31 2020 pursuant to sections 14 and 15 of P.L.1948, c.110 (C.43:21-38
32 and 43:21-39) shall be funded by contributions made by workers
33 pursuant to this paragraph (ii) and none of those increases shall be
34 funded by employer contributions. The estimated rates for the next
35 calendar year shall be made available on the department's website
36 no later than 60 days after the end of the last preceding full fiscal
37 year. Necessary administrative costs shall include the cost of an
38 outreach program to inform employees of the availability of the
39 benefits and the cost of issuing the reports required or permitted
40 pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4). No
41 monies, other than the funds in the "Family Temporary Disability
42 Leave Account," shall be used for the payment of benefits during
43 periods of family temporary disability leave or for the
44 administration of those payments, with the sole exception that,
45 during calendar years 2008 and 2009, a total amount not exceeding
46 \$25 million may be transferred to that account from the revenues
47 received in the State disability benefits fund pursuant to

1 subparagraph (i) of this paragraph (1)(G) and be expended for those
2 payments and their administration, including the administration of
3 the collection of contributions made pursuant to this subparagraph
4 (ii) and any other necessary administrative costs. Any amount
5 transferred to the account pursuant to this subparagraph (ii) shall be
6 repaid during a period beginning not later than January 1, 2011 and
7 ending not later than December 31, 2015. No monies, other than
8 the funds in the "Family Temporary Disability Leave Account,"
9 shall be used under any circumstances after December 31, 2009, for
10 the payment of benefits during periods of family temporary
11 disability leave or for the administration of those payments,
12 including for the administration of the collection of contributions
13 made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (e) Contributions by employers to the State disability benefits
41 fund.

42 (1) Except as hereinafter provided, each employer shall, in
43 addition to the contributions required by subsections (a), (b), and
44 (c) of this section, contribute 1/2 of 1% of the wages paid by such
45 employer to workers with respect to employment unless he is not a
46 covered employer as defined in subsection (a) of section 3 of the
47 "Temporary Disability Benefits Law" (C.43:21-27 (a)), except that

1 the rate for the State of New Jersey shall be 1/10 of 1% for the
2 calendar year 1980 and for the first six months of 1981. Prior to
3 July 1, 1981 and prior to July 1 each year thereafter, the controller
4 shall review the experience accumulated in the account of the State
5 of New Jersey and establish a rate for the next following fiscal year
6 which, in combination with worker contributions, will produce
7 sufficient revenue to keep the account in balance; except that the
8 rate so established shall not be less than 1/10 of 1%. Such
9 contributions shall become due and be paid by the employer to the
10 controller for the State disability benefits fund as established by
11 law, in accordance with such regulations as may be prescribed, and
12 shall not be deducted, in whole or in part, from the remuneration of
13 individuals in his employ. In the payment of any contributions, a
14 fractional part of a cent shall be disregarded unless it amounts to
15 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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

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

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

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

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

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

24 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
25 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

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

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

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

38 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of
39 1% of his average annual payroll;

40 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
41 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

42 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
43 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

44 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
45 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

46 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
47 1% of his average annual payroll.

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

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

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

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

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

39 (iii) If the percentage determined in accordance with
40 subparagraph (E)(1) of this paragraph is less than 3/4 of 1%, but in
41 excess of 1/4 of 1%, the final employer rates shall be the
42 preliminary employer rates determined as provided in subparagraph
43 (D) hereof increased by the difference between 3/4 of 1% and such
44 percentage taken to the nearest 5/100 of 1%; provided, however,
45 that no such final rate shall be more than 1/4 of 1% in the case of an
46 employer whose preliminary rate is determined as provided in
47 subparagraph (D)(2) hereof, more than 1/2 of 1% in the case of an

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

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

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

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

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

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

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

36 (cf: P.L.2020, c.150, s.2)

37
38 3. This act shall take effect immediately.
39
40

41 STATEMENT

42
43 This bill allocates available moneys from federal assistance to
44 the unemployment compensation fund (fund). The money will be
45 deposited into the fund in order to pay back any balance in federal
46 unemployment insurance loan advances, pursuant to Title XII of the

1 Social Security Act (42 U.S.C. s. 1321 et seq.), as of the end of each
2 fiscal year 2022, 2023, and 2024.

3 The bill requires that, annually after any deposit of federal
4 government assistance into the unemployment compensation fund,
5 pursuant to subsection a. of this section, the Commissioner of Labor
6 and Workforce Development is to submit a report to the
7 Legislature, which would include information concerning the
8 solvency of the unemployment compensation fund. The report is to
9 include, but need not be limited to:

10 (1) the total amount of federal loan advances that were paid
11 back as of the day of the report;

12 (2) the Department of Labor and Workforce Development's
13 estimate on the total funds needed to be deposited by the March 31
14 trigger to avoid an increase in the calculation of the contribution
15 rate for employers if the employment market remains unchanged at
16 the end of the calendar year;

17 (3) the department's estimate on the total funds needed to be
18 deposited by the March 31 trigger to reduce a column in the
19 calculation of the contribution rate for employers if the employment
20 market remains unchanged at the end of the calendar year;

21 (4) the department's estimate concerning the aggregate cost to
22 employers for a column increase or decrease in the contribution rate
23 calculation; and

24 (5) the department's estimate concerning the time it would take
25 to reduce each column in the contribution rate calculation based on
26 natural historic employment growth in-between economic
27 downturns without any deposit pursuant to subsection a. of this
28 section.

29 Current law requires that unemployment contribution rates for
30 employers, for fiscal year 2022, will be the rates set by column "C"
31 of the of the experience rating table, for FY 2023 the rates in
32 column "D", and for FY 2024 the rates in column "E". The bill
33 modifies this provision of law to specify that notwithstanding any
34 other provision of law concerning the actual fund reserve ratio, the
35 contribution rate for employers liable to pay contributions for fiscal
36 year 2024, would be the rates set by column "D" of the table.