

SENATE, No. 733

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senators Pou, A.M.Bucco and Testa

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

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/7/2022)

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.

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

2 43:21-7. Employers other than governmental entities, whose
3 benefit financing provisions are set forth in section 4 of P.L.1971,
4 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
5 payment in lieu of contributions on the basis set forth in section 3 of
6 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
7 unemployment compensation fund, contributions as set forth in
8 subsections (a), (b) and (c) hereof, and the provisions of subsections
9 (d) and (e) shall be applicable to all employers, consistent with the
10 provisions of the "unemployment compensation law" and the
11 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-
12 25 et al.).

13 (a) Payment.

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

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

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

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

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

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

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

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

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

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

1 such calendar year. If, at the beginning of such calendar year, the
2 total of all his contributions, paid on his own behalf, for all past
3 years exceeds the total benefits charged to his account for all such
4 years, his contribution rate shall be:

5 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
6 5%, of his average annual payroll (as defined in paragraph (2),
7 subsection (a) of R.S.43:21-19);

8 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
9 than 6%, of his average annual payroll;

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

12 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
13 than 8%, of his average annual payroll;

14 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
15 than 9%, of his average annual payroll;

16 (6) 1%, if such excess equals or exceeds 9%, but is less than
17 10%, of his average annual payroll;

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

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

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

26 (1) 4%, if such excess is less than 10% of his average annual
27 payroll;

28 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less
29 than 20%, of his average annual payroll;

30 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his
31 average annual payroll.

32 (C) Specially assigned rates.

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

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

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

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

46 (iii) Entities operating under common ownership, management or
47 control, when the operation of the entities is not identifiable,

1 distinguishable and severable, shall be considered a single employer
2 for the purposes of this chapter (R.S.43:21-1 et seq.).

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

7 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
8 31 of any calendar year the balance in the unemployment trust fund
9 equals or exceeds 4% but is less than 7% of the total taxable wages
10 reported to the controller as of that date in respect to employment
11 during the preceding calendar year, the contribution rate, effective
12 July 1 following, of each employer eligible for a contribution rate
13 calculation based upon benefit experience, shall be increased by
14 $\frac{3}{10}$ of 1% over the contribution rate otherwise established under
15 the provisions of paragraph (3) or (4) of this subsection. If on
16 March 31 of any calendar year the balance of the unemployment
17 trust fund exceeds $2\frac{1}{2}\%$ but is less than 4% of the total taxable
18 wages reported to the controller as of that date in respect to
19 employment during the preceding calendar year, the contribution
20 rate, effective July 1 following, of each employer eligible for a
21 contribution rate calculation based upon benefit experience, shall be
22 increased by $\frac{6}{10}$ of 1% over the contribution rate otherwise
23 established under the provisions of paragraph (3) or (4) of this
24 subsection.

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

45 (B) If on March 31 of any calendar year the balance in the
46 unemployment trust fund equals or exceeds 10% but is less than $12\frac{1}{2}\%$
47 of the total taxable wages reported to the controller as of that
48 date in respect to employment during the preceding calendar year,

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

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

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

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

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

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

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

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

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

39 (vii) With respect to experience rating years beginning on or
40 after July 1, 2011, the new employer rate or the unemployment
41 experience rate of an employer under this section shall be the rate
42 which appears in the column headed by the Unemployment Trust
43 Fund Reserve Ratio as of the applicable calculation date and on the
44 line with the Employer Reserve Ratio, as defined in paragraph (4)
45 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following
46 table:

EXPERIENCE RATING TAX TABLE						
Fund Reserve Ratio ¹						
3.50% 3.00% 2.5% 2.0% 1.99%						
Employer	and	to	to	to	and	
Reserve	Over	3.49%	2.99%	2.49%	Under	
Ratio ²	A	B	C	D	E	
Positive Reserve Ratio:						
17% and over	0.3	0.4	0.5	0.6	1.2	
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2	
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2	
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2	
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2	
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2	
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2	
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6	
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9	
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3	
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6	
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0	
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4	
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7	
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9	
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0	
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1	
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3	
Deficit Reserve Ratio:						
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1	
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2	
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3	
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4	
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5	
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6	
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7	
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8	
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9	
-35.00% and under	5.4	5.4	5.8	6.4	7.0	
New Employer Rate	2.8	2.8	2.8	3.1	3.4	

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

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

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

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

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

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

1 computed under subparagraph (E) of this paragraph (5), shall be
2 increased by a factor of 10% computed to the nearest multiple of
3 1/10% if not already a multiple thereof.

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

11 (G) On or after January 1, 1993, notwithstanding any other
12 provisions of this paragraph (5), the contribution rate for each
13 employer liable to pay contributions, as computed under
14 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
15 except that, during any experience rating year starting before
16 January 1, 1998 in which the fund reserve ratio is equal to or greater
17 than 7.00% or during any experience rating year starting on or after
18 January 1, 1998, in which the fund reserve ratio is equal to or
19 greater than 3.5%, there shall be no decrease pursuant to this
20 subparagraph (G) in the contribution of any employer who has a
21 deficit reserve ratio of negative 35.00% or under.

22 (H) On and after January 1, 1998 until December 31, 2000 and
23 on or after January 1, 2002 until June 30, 2006, the contribution rate
24 for each employer liable to pay contributions, as computed under
25 subparagraph (E) of this paragraph (5), shall be decreased by a
26 factor, as set out below, computed to the nearest multiple of 1/10%,
27 except that, if an employer has a deficit reserve ratio of negative
28 35.0% or under, the employer's rate of contribution shall not be
29 reduced pursuant to this subparagraph (H) to less than 5.4%:

30 From January 1, 1998 until December 31, 1998, a factor of 12%;
31 From January 1, 1999 until December 31, 1999, a factor of 10%;
32 From January 1, 2000 until December 31, 2000, a factor of 7%;
33 From January 1, 2002 until March 31, 2002, a factor of 36%;
34 From April 1, 2002 until June 30, 2002, a factor of 85%;
35 From July 1, 2002 until June 30, 2003, a factor of 15%;
36 From July 1, 2003 until June 30, 2004, a factor of 15%;
37 From July 1, 2004 until June 30, 2005, a factor of 7%;
38 From July 1, 2005 until December 31, 2005, a factor of 16%; and
39 From January 1, 2006 until June 30, 2006, a factor of 34%.

40 The amount of the reduction in the employer contributions
41 stipulated by this subparagraph (H) shall be in addition to the
42 amount of the reduction in the employer contributions stipulated by
43 subparagraph (G) of this paragraph (5), except that the rate of
44 contribution of an employer who has a deficit reserve ratio of
45 negative 35.0% or under shall not be reduced pursuant to this
46 subparagraph (H) to less than 5.4% and the rate of contribution of
47 any other employer shall not be reduced to less than 0.0%.

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

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

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

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

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

35 (L) 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 2011, the rates set by column "C" of the table in that subparagraph.

40 (M) Notwithstanding any other provision of this paragraph (5)
41 and notwithstanding the actual fund reserve ratio, the contribution
42 rate for employers liable to pay contributions, as computed under
43 subparagraph (E) of this paragraph (5), shall be, for fiscal year
44 2012, the rates set by column "D" of the table in that subparagraph.

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

1 subparagraph (E) of this paragraph (5), shall be, for fiscal year
2 2013, the rates set by column "E" of the table in that subparagraph.

3 (O) 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 2022, the rates set by column "C" of the table in that subparagraph.

8 (P) 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 2023, the rates set by column "D" of the table in that subparagraph,
13 unless the application of the provisions of this paragraph (5) using
14 the actual fund reserve ratio would result in the contribution rate for
15 employers being set by a column which has lower tax rates than the
16 rates in column "D", in which case the employers shall be liable to
17 pay contributions at the rates set by the column with the lower tax
18 rates.

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

30 (6) Additional contributions.

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

1 experience rate for the year in which the payment is made. Any
2 employer receiving any extended period of time within which to
3 make such additional payment and failing to make such payment
4 timely shall be, in addition to the required amount of additional
5 payment, liable for a penalty of 5% thereof or \$5.00, whichever is
6 greater, not to exceed \$50.00. Any adjustment under this subsection
7 shall be made only in the form of credits against accrued or future
8 contributions.

9 (7) Transfers.

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

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

47 (C) A transfer of the employment experience in whole or in part
48 having become final, the predecessor employer thereafter shall not

1 be entitled to consideration for an adjusted rate based upon his or its
2 experience or the part thereof, as the case may be, which has thus
3 been transferred. A successor in interest to whom employment
4 experience or a part thereof is transferred pursuant to this
5 subsection shall, as of the date of the transfer of the organization,
6 trade, assets or business, or part thereof, immediately become an
7 employer if not theretofore an employer subject to this chapter
8 (R.S.43:21-1 et seq.).

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

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

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

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

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

1 Disability Benefits Law" under section 7 of that law, P.L.1948,
2 c.110 (C.43:21-31).

3 (B) Effective January 1, 1978 there shall be no contributions by
4 workers in the employ of any governmental or nongovernmental
5 employer electing or required to make payments in lieu of
6 contributions unless the employer is covered by the State plan under
7 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
8 that case contributions shall be at the rate of 1/2 of 1%, except that
9 commencing July 1, 1986, workers in the employ of any
10 nongovernmental employer electing or required to make payments
11 in lieu of contributions shall be required to make contributions to
12 the fund at the same rate prescribed for workers of other
13 nongovernmental employers.

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

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

41 (D) Notwithstanding any other provisions of this paragraph (1),
42 during the period starting January 1, 1993 and ending June 30,
43 1994, each worker shall contribute to the unemployment
44 compensation fund 0.5% of wages paid with respect to the worker's
45 employment with a governmental employer electing or required to
46 pay contributions or nongovernmental employer, including a
47 nonprofit organization which is an employer as defined under
48 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of

1 whether that nonprofit organization elects or is required to finance
2 its benefit costs with contributions to the fund or by payments in
3 lieu of contributions, after that employer has satisfied the conditions
4 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
5 an employer. No contributions, however, shall be made by the
6 worker while the worker is covered by an approved private plan
7 under the "Temporary Disability Benefits Law," P.L.1948, c.110
8 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
9 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
10 provided that the contributions shall be at the rate of 0.50% of
11 wages paid with respect to employment with the State of New
12 Jersey or any other governmental entity or instrumentality electing
13 or required to make payments in lieu of contributions and which is
14 covered by the State plan under the "Temporary Disability Benefits
15 Law," except that, while the worker is exempt from the provisions
16 of the "Temporary Disability Benefits Law" under section 7 of that
17 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
18 law, or is covered for disability benefits by an approved private plan
19 of the employer, no contributions shall be made to the fund.

20 Each worker shall, starting on January 1, 1996 and ending March
21 31, 1996, contribute to the unemployment compensation fund
22 0.60% of wages paid with respect to the worker's employment with
23 a governmental employer electing or required to pay contributions
24 or nongovernmental employer, including a nonprofit organization
25 which is an employer as defined under paragraph (6) of subsection
26 (h) of R.S.43:21-19, regardless of whether that nonprofit
27 organization elects or is required to finance its benefit costs with
28 contributions to the fund or by payments in lieu of contributions,
29 after that employer has satisfied the conditions set forth in
30 subsection (h) of R.S.43:21-19 with respect to becoming an
31 employer, provided that the contributions shall be at the rate of
32 0.10% of wages paid with respect to employment with the State of
33 New Jersey or any other governmental entity or instrumentality
34 electing or required to make payments in lieu of contributions.

35 Each worker shall, starting on January 1, 1998 and ending
36 December 31, 1998, contribute to the unemployment compensation
37 fund 0.10% of wages paid with respect to the worker's employment
38 with a governmental employer electing or required to pay
39 contributions or nongovernmental employer, including a nonprofit
40 organization which is an employer as defined under paragraph (6)
41 of subsection (h) of R.S.43:21-19, regardless of whether that
42 nonprofit organization elects or is required to finance its benefit
43 costs with contributions to the fund or by payments in lieu of
44 contributions, after that employer has satisfied the conditions set
45 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
46 employer, provided that the contributions shall be at the rate of
47 0.10% of wages paid with respect to employment with the State of

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

3 Each worker shall, starting on January 1, 1999 until December
4 31, 1999, contribute to the unemployment compensation fund
5 0.15% of wages paid with respect to the worker's employment with
6 a governmental employer electing or required to pay contributions
7 or nongovernmental employer, including a nonprofit organization
8 which is an employer as defined under paragraph (6) of subsection
9 (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions,
12 after that employer has satisfied the conditions set forth in
13 subsection (h) of R.S.43:21-19 with respect to becoming an
14 employer, provided that the contributions shall be at the rate of
15 0.10% of wages paid with respect to employment with the State of
16 New Jersey or any other governmental entity or instrumentality
17 electing or required to make payments in lieu of contributions.

18 Each worker shall, starting on January 1, 2000 until December
19 31, 2001, contribute to the unemployment compensation fund
20 0.20% of wages paid with respect to the worker's employment with
21 a governmental employer electing or required to pay contributions
22 or nongovernmental employer, including a nonprofit organization
23 which is an employer as defined under paragraph (6) of subsection
24 (h) of R.S.43:21-19, regardless of whether that nonprofit
25 organization elects or is required to finance its benefit costs with
26 contributions to the fund or by payments in lieu of contributions,
27 after that employer has satisfied the conditions set forth in
28 subsection (h) of R.S.43:21-19 with respect to becoming an
29 employer, provided that the contributions shall be at the rate of
30 0.10% of wages paid with respect to employment with the State of
31 New Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.

33 Each worker shall, starting on January 1, 2002 until June 30,
34 2004, contribute to the unemployment compensation fund 0.1825%
35 of wages paid with respect to the worker's employment with a
36 governmental employer electing or required to pay contributions or
37 a nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.0825% of wages paid with respect to employment with the State
46 of New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

1 Each worker shall, starting on and after July 1, 2004, contribute
2 to the unemployment compensation fund 0.3825% of wages paid
3 with respect to the worker's employment with a governmental
4 employer electing or required to pay contributions or
5 nongovernmental employer, including a nonprofit organization
6 which is an employer as defined under paragraph (6) of subsection
7 (h) of R.S.43:21-19, regardless of whether that nonprofit
8 organization elects or is required to finance its benefit costs with
9 contributions to the fund or by payments in lieu of contributions,
10 after that employer has satisfied the conditions set forth in
11 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 0.0825% of wages paid with respect to employment with the State
14 of New Jersey or any other governmental entity or instrumentality
15 electing or required to make payments in lieu of contributions.

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

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

33 (G) (i) Each worker, with respect to the worker's employment
34 with a government employer electing or required to pay
35 contributions to the State disability benefits fund or
36 nongovernmental employer, including a nonprofit organization
37 which is an employer as defined under paragraph (6) of subsection
38 (h) of R.S.43:21-19, unless the employer is covered by an approved
39 private disability plan or is exempt from the provisions of the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-
41 25 et al.) under section 7 of that law (C.43:21-31) or any other
42 provision of that law, shall, for calendar year 2012 and each
43 subsequent calendar year, make contributions to the State disability
44 benefits fund at the annual rate of contribution necessary to obtain a
45 total amount of contributions, which, when added to employer
46 contributions made to the State disability benefits fund pursuant to
47 subsection (e) of this section, is, for calendar years prior to calendar
48 year 2018, equal to 120% of the benefits paid for periods of

1 disability, excluding periods of family temporary disability, during
2 the immediately preceding calendar year plus an amount equal to
3 100% of the cost of administration of the payment of those benefits
4 during the immediately preceding calendar year, less the amount of
5 net assets remaining in the State disability benefits fund, excluding
6 net assets remaining in the "Family Temporary Disability Leave
7 Account" of that fund, as of December 31 of the immediately
8 preceding year, and is, for calendar year 2018 and year 2019, equal
9 to 120% of the benefits paid for periods of disability, excluding
10 periods of family temporary disability, 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 "Family Temporary Disability Leave
15 Account" of that fund, as of December 31 of the immediately
16 preceding calendar year, and is, for each of calendar years 2020 and
17 2021, equal to 120% of the benefits which the department
18 anticipates will be paid for periods of disability, excluding periods
19 of family temporary disability, during the respective calendar year
20 plus an amount equal to 100% of the cost of administration of the
21 payment of those benefits which the department anticipates during
22 the respective calendar year, less the amount of net assets
23 anticipated to be remaining in the State disability benefits fund,
24 excluding net assets remaining in the "Family Temporary Disability
25 Leave Account" of that fund, as of December 31 of the immediately
26 preceding calendar year, and is, for calendar year 2022 and any
27 subsequent calendar year, equal to 120% of the benefits paid for
28 periods of disability, excluding periods of family temporary
29 disability, during the last preceding full fiscal year plus an amount
30 equal to 100% of the cost of administration of the payment of those
31 benefits during the last preceding full fiscal year, less the amount of
32 net assets anticipated to be remaining in the State disability benefits
33 fund, excluding net assets remaining in the "Family Temporary
34 Disability Leave Account" of that fund, as of December 31 of the
35 immediately preceding calendar year. All increases in the cost of
36 benefits for periods of disability caused by the increases in the
37 weekly benefit rate commencing July 1, 2020, pursuant to section
38 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
39 contributions made by workers pursuant to this paragraph (i) and
40 none of those increases shall be funded by employer contributions.
41 The estimated rates for the next calendar year shall be made
42 available on the department's website no later than 60 days after the
43 end of the last preceding full fiscal year. The rates of employer
44 contributions determined pursuant to subsection (e) of this section
45 for any year shall be determined prior to the determination of the
46 rate of employee contributions pursuant to this subparagraph (i) and
47 any consideration of employee contributions in determining
48 employer rates for any year shall be based on amounts of employee

1 contributions made prior to the year to which the rate of employee
2 contributions applies and shall not be based on any projection or
3 estimate of the amount of employee contributions for the year to
4 which that rate applies.

5 (ii) Each worker shall contribute to the State disability benefits
6 fund, in addition to any amount contributed pursuant to
7 subparagraph (i) of this paragraph (1)(G), an amount equal to,
8 during calendar year 2009, 0.09%, and during calendar year 2010
9 0.12%, of wages paid with respect to the worker's employment with
10 any covered employer, including a governmental employer which is
11 an employer as defined under R.S.43:21-19(h)(5), unless the
12 employer is covered by an approved private disability plan for
13 benefits during periods of family temporary disability leave. The
14 contributions made pursuant to this subparagraph (ii) to the State
15 disability benefits fund shall be deposited into an account of that
16 fund reserved for the payment of benefits during periods of family
17 temporary disability leave as defined in section 3 of the "Temporary
18 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
19 administration of those payments and shall not be used for any other
20 purpose. This account shall be known as the "Family Temporary
21 Disability Leave Account." For calendar year 2011 and each
22 subsequent calendar year until 2018, the annual rate of contribution
23 to be paid by workers pursuant to this subparagraph (ii) shall be, for
24 calendar years prior to calendar year 2018, the rate necessary to
25 obtain a total amount of contributions equal to 125% of the benefits
26 paid for periods of family temporary disability leave during the
27 immediately preceding calendar year plus an amount equal to 100%
28 of the cost of administration of the payment of those benefits during
29 the immediately preceding calendar year, less the amount of net
30 assets remaining in the account as of December 31 of the
31 immediately preceding year, and shall be, for calendar year 2018
32 and calendar year 2019, the rate necessary to obtain a total amount
33 of contributions equal to 125% of the benefits paid for periods of
34 family temporary disability leave 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 account as of December 31 of the
39 immediately preceding calendar year. For each of calendar years
40 2020 and 2021, the annual rate of contribution to be paid by
41 workers pursuant to this subparagraph (ii) shall be the rate
42 necessary to obtain a total amount of contributions equal to 125% of
43 the benefits which the department anticipates will be paid for
44 periods of family temporary disability leave during the respective
45 calendar year plus an amount equal to 100% of the cost of
46 administration of the payment of those benefits which the
47 department anticipates during the respective calendar year, less the
48 amount of net assets remaining in the account as of December 31 of

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

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

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

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

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

1 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
2 (ii) (Deleted by amendment, P.L.1996, c.28.)
3 (iii) (Deleted by amendment, P.L.1994, c.112.)
4 (3) (A) If an employee receives wages from more than one
5 employer during any calendar year, and either the sum of his
6 contributions deposited in and credited to the State disability
7 benefits fund plus the amount of his contributions, if any, required
8 towards the costs of benefits under one or more approved private
9 plans under the provisions of section 9 of the "Temporary Disability
10 Benefits Law" (C.43:21-33) and deducted from his wages, or the
11 sum of such latter contributions, if the employee is covered during
12 such calendar year only by two or more private plans, exceeds an
13 amount equal to 1/2 of 1% of the "wages" determined in accordance
14 with the provisions of R.S.43:21-7(b)(3) during the calendar years
15 beginning on or after January 1, 1976 or, during calendar year 2012
16 or any subsequent calendar year, the total amount of his
17 contributions for the year exceeds the amount set by the annual rate
18 of contribution determined by the Commissioner of Labor and
19 Workforce Development pursuant to subparagraph (i) of paragraph
20 (1)(G) of this subsection (d), the employee shall be entitled to a
21 refund of the excess if he makes a claim to the controller within two
22 years after the end of the calendar year in which the wages are
23 received with respect to which the refund is claimed and establishes
24 his right to such refund. Such refund shall be made by the controller
25 from the State disability benefits fund. No interest shall be allowed
26 or paid with respect to any such refund. The controller shall, in
27 accordance with prescribed regulations, determine the portion of the
28 aggregate amount of such refunds made during any calendar year
29 which is applicable to private plans for which deductions were
30 made under section 9 of the "Temporary Disability Benefits Law"
31 (C.43:21-33) such determination to be based upon the ratio of the
32 amount of such wages exempt from contributions to such fund, as
33 provided in subparagraph (B) of paragraph (1) of this subsection
34 with respect to coverage under private plans, to the total wages so
35 exempt plus the amount of such wages subject to contributions to
36 the disability benefits fund, as provided in subparagraph (G) of
37 paragraph (1) of this subsection. The controller shall, in accordance
38 with prescribed regulations, prorate the amount so determined
39 among the applicable private plans in the proportion that the wages
40 covered by each plan bear to the total private plan wages involved
41 in such refunds, and shall assess against and recover from the
42 employer, or the insurer if the insurer has indemnified the employer
43 with respect thereto, the amount so prorated. The provisions of
44 R.S.43:21-14 with respect to collection of employer contributions
45 shall apply to such assessments. The amount so recovered by the
46 controller shall be paid into the State disability benefits fund.
47 (B) If an employee receives wages from more than one employer
48 during any calendar year, and the sum of his contributions deposited

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

44 (4) If an individual does not receive any wages from the
45 employing unit which for the purposes of this chapter (R.S.43:21-1
46 et seq.) is treated as his employer, or receives his wages from some
47 other employing unit, such employer shall nevertheless be liable for
48 such individual's contributions in the first instance; and after

1 payment thereof such employer may deduct the amount of such
2 contributions from any sums payable by him to such employing
3 unit, or may recover the amount of such contributions from such
4 employing unit, or, in the absence of such an employing unit, from
5 such individual, in a civil action; provided proceedings therefor are
6 instituted within three months after the date on which such
7 contributions are payable. General rules shall be prescribed
8 whereby such an employing unit may recover the amount of such
9 contributions from such individuals in the same manner as if it were
10 the employer.

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

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

21 (e) Contributions by employers to the State disability benefits
22 fund.

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

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

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

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

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

34 (D) Prior to July 1 of each calendar year, the controller shall
35 make a preliminary determination of the rate of contribution for the
36 12 months commencing on such July 1 for each employer subject to
37 the contribution requirements of this subsection (e).

38 (1) Such preliminary rate shall be 1/2 of 1% unless on the
39 preceding January 31 of such year such employer shall have been a
40 covered employer who has paid contributions to the State disability
41 benefits fund with respect to employment in the three calendar
42 years immediately preceding such year.

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

- 1 (i) 2/10 of 1% if such excess over \$500.00 exceeds 1% but is
2 less than 1 1/4% of his average annual payroll as defined in this
3 chapter (R.S.43:21-1 et seq.);
- 4 (ii) 15/100 of 1% if such excess over \$500.00 equals or exceeds
5 1 1/4% but is less than 1 1/2% of his average annual payroll;
- 6 (iii) 1/10 of 1% if such excess over \$500.00 equals or exceeds 1
7 1/2% of his average annual payroll.
- 8 (3) If the minimum requirements in subparagraph (D) (1) above
9 have been fulfilled and the contributions credited exceed the
10 benefits charged but by not more than \$500.00 plus 1% of his
11 average annual payroll, or if the benefits charged exceed the
12 contributions credited but by not more than \$500.00, the
13 preliminary rate shall be 1/4 of 1%.
- 14 (4) If the minimum requirements in subparagraph (D) (1) above
15 have been fulfilled and the benefits charged exceed the
16 contributions credited by more than \$500.00, such preliminary rate
17 shall be as follows:
- 18 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
19 1% of his average annual payroll;
- 20 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
21 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;
- 22 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
23 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;
- 24 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
25 3/4 of 1% but is less than 1% of his average annual payroll;
- 26 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
27 1% of his average annual payroll.
- 28 (5) Determination of the preliminary rate as specified in
29 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
30 to the condition that it shall in no event be decreased by more than
31 1/10 of 1% of wages or increased by more than 2/10 of 1% of
32 wages from the preliminary rate determined for the preceding year
33 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
34 shall have been applicable.
- 35 (E) (1) Prior to July 1 of each calendar year the controller shall
36 determine the amount of the State disability benefits fund as of
37 December 31 of the preceding calendar year, increased by the
38 contributions paid thereto during January of the current calendar
39 year with respect to employment occurring in the preceding
40 calendar year. If such amount exceeds the net amount withdrawn
41 from the unemployment trust fund pursuant to section 23 of the
42 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)
43 plus the amount at the end of such preceding calendar year of the
44 unemployment disability account as defined in section 22 of said
45 law (C.43:21-46), such excess shall be expressed as a percentage of
46 the wages on which contributions were paid to the State disability
47 benefits fund on or before January 31 with respect to employment
48 in the preceding calendar year.

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

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

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

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

31 (iv) If the amount of the State disability benefits fund determined
32 as provided in subparagraph (E)(1) of this paragraph is equal to or
33 less than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case
34 of an employer whose preliminary rate is determined as provided in
35 subparagraph (D)(2) hereof, $\frac{7}{10}$ of 1% in the case of an employer
36 whose preliminary rate is determined as provided in subparagraph
37 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an
38 employer whose preliminary rate is determined as provided in
39 subparagraph (D)(4) hereof. Notwithstanding any other provision of
40 law or any determination made by the controller with respect to any
41 12-month period commencing on July 1, 1970, the final rates for all
42 employers for the period beginning January 1, 1971, shall be as set
43 forth herein.

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

- 1 (i) No disability benefits have been paid with respect to periods
2 of family temporary disability leave;
- 3 (ii) No worker paid any contributions to the State disability
4 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
5 this section;
- 6 (iii) No amounts were transferred from the State disability
7 benefits fund to the "Family Temporary Disability Leave Account"
8 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;
9 and
- 10 (iv) The total amount of benefits paid for periods of disability
11 were not subject to the increases in the weekly benefit rate for those
12 benefits commencing July 1, 2020 pursuant to section 16 of
13 P.L.1948, c.110 (C.43:21-40).
14 (cf: P.L.2020, c.150, s.2)

15

16 3. This act shall take effect immediately.

17

18

19

STATEMENT

20

21 This bill allocates available moneys from federal assistance to
22 the unemployment compensation fund (fund). The money will be
23 deposited into the fund in order to pay back any balance in federal
24 unemployment insurance loan advances, pursuant to Title XII of the
25 Social Security Act (42 U.S.C. s. 1321 et seq.), as of the end of each
26 fiscal year 2022, 2023, and 2024.

27 The bill requires that, annually after any deposit of federal
28 government assistance into the unemployment compensation fund,
29 pursuant to subsection a. of this section, the Commissioner of Labor
30 and Workforce Development is to submit a report to the
31 Legislature, which would include information concerning the
32 solvency of the unemployment compensation fund. The report is to
33 include, but need not be limited to:

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

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

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

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

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

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