

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 733

STATE OF NEW JERSEY

DATED: MARCH 7, 2022

The Senate Labor Committee reports favorably Senate Bill, No. 733.

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

The bill requires, annually after any deposit of federal government assistance into the UI fund, the Department of Labor and Workforce Development (DOLWD) to submit a report to the Legislature of information concerning the solvency of the UI fund, including:

1. the total amount of federal loan advances that were paid back as of the day of the report;
2. an estimate on the total funds needed to be deposited by the March 31 trigger to avoid an increase in the calculation of the contribution rate for employers;
3. an estimate on the total funds needed to be deposited by the March 31 trigger to reduce a column in the calculation of the contribution rate for employers;
4. an estimate of the aggregate cost to employers for a column increase or decrease in the contribution rate calculation; and
5. an estimate of the time it would take to reduce each column in the contribution rate calculation based on natural historic employment growth in-between economic downturns without any deposit made pursuant to the bill.

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

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.