

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, Nos. 4112 and 3675**

**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

ADOPTED MAY 13, 2013

**Sponsored by:**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**Assemblywoman CONNIE WAGNER**

**District 38 (Bergen and Passaic)**

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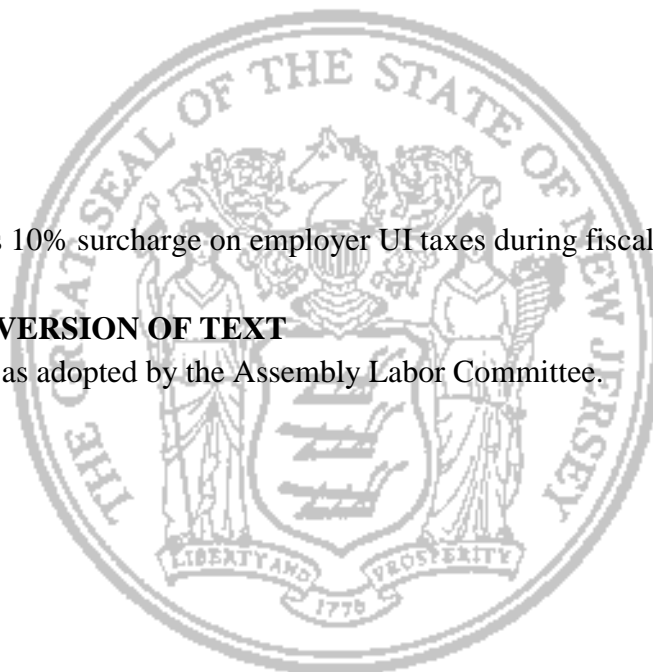
**Assemblywoman Handlin, Assemblymen Dancer, Diegnan, Space, Albano,  
Gusciora and Assemblywoman Caride**

**SYNOPSIS**

Eliminates 10% surcharge on employer UI taxes during fiscal year 2014.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Labor Committee.



**(Sponsorship Updated As Of: 6/21/2013)**

1 **AN ACT** concerning unemployment compensation contributions  
2 paid by certain employers and amending R.S.43:21-7.

3

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

6

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

8 Contributions.

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

20 (a) Payment.

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

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

33 (b) Rate of contributions. Each employer shall pay the following  
34 contributions:

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

39 (2) The "wages" of any individual, with respect to any one  
40 employer, as the term is used in this subsection (b) and in  
41 subsections (c), (d) and (e) of this section 7, shall include the first  
42 \$4,800.00 paid during calendar year 1975, for services performed  
43 either within or without this State; provided that no contribution  
44 shall be required by this State with respect to services performed in  
45 another state if such other state imposes contribution liability with

**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 respect thereto. If an employer (hereinafter referred to as a  
2 successor employer) during any calendar year acquires substantially  
3 all the property used in a trade or business of another employer  
4 (hereinafter referred to as a predecessor), or used in a separate unit  
5 of a trade or business of a predecessor, and immediately after the  
6 acquisition employs in his trade or business an individual who  
7 immediately prior to the acquisition was employed in the trade or  
8 business of such predecessors, then, for the purpose of determining  
9 whether the successor employer has paid wages with respect to  
10 employment equal to the first \$4,800.00 paid during calendar year  
11 1975, any wages paid to such individual by such predecessor during  
12 such calendar year and prior to such acquisition shall be considered  
13 as having been paid by such successor employer.

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

33 (c) Future rates based on benefit experience.

34 (1) A separate account for each employer shall be maintained  
35 and this shall be credited with all the contributions which he has  
36 paid on his own behalf on or before January 31 of any calendar year  
37 with respect to employment occurring in the preceding calendar  
38 year; provided, however, that if January 31 of any calendar year  
39 falls on a Saturday or Sunday, an employer's account shall be  
40 credited as of January 31 of such calendar year with all the  
41 contributions which he has paid on or before the next succeeding  
42 day which is not a Saturday or Sunday. But nothing in this chapter  
43 (R.S.43:21-1 et seq.) shall be construed to grant any employer or  
44 individuals in his service prior claims or rights to the amounts paid  
45 by him into the fund either on his own behalf or on behalf of such  
46 individuals. Benefits paid with respect to benefit years commencing  
47 on and after January 1, 1953, to any individual on or before

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

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

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

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

37 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
38 8/10%, except as otherwise provided in the following provisions.  
39 No employer's rate for the 12 months commencing July 1 of any  
40 calendar year shall be other than 2 8/10%, unless as of the  
41 preceding January 31 such employer shall have paid contributions  
42 with respect to wages paid in each of the three calendar years  
43 immediately preceding such year, in which case such employer's  
44 rate for the 12 months commencing July 1 of any calendar year  
45 shall be determined on the basis of his record up to the beginning of  
46 such calendar year. If, at the beginning of such calendar year, the  
47 total of all his contributions, paid on his own behalf, for all past

1 years exceeds the total benefits charged to his account for all such  
2 years, his contribution rate shall be:

3 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than  
4 5%, of his average annual payroll (as defined in paragraph (2),  
5 subsection (a) of R.S.43:21-19);

6 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less  
7 than 6%, of his average annual payroll;

8 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less  
9 than 7%, of his average annual payroll;

10 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less  
11 than 8%, of his average annual payroll;

12 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less  
13 than 9%, of his average annual payroll;

14 (6) 1%, if such excess equals or exceeds 9%, but is less than  
15 10%, of his average annual payroll;

16 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less  
17 than 11%, of his average annual payroll;

18 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his  
19 average annual payroll.

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

24 (1) 4%, if such excess is less than 10% of his average annual  
25 payroll;

26 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less  
27 than 20%, of his average annual payroll;

28 (3) 4 6/10%, if such excess equals or exceeds 20% of his  
29 average annual payroll.

30 (C) Specially assigned rates.

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

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

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

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

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

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

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

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

43 (B) If on March 31 of any calendar year the balance in the  
44 unemployment trust fund equals or exceeds 10% but is less than 12  
45 1/2% of the total taxable wages reported to the controller as of that  
46 date in respect to employment during the preceding calendar year,  
47 the contribution rate, effective July 1 following, of each employer

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

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

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

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

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

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

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

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

37 (vi) **【**With respect to experience rating years beginning on or  
38 after July 1, 2004, and before July 1, 2011, the new employer rate  
39 or the unemployment experience rate of an employer under this  
40 section shall be the rate which appears in the column headed by the  
41 Unemployment Trust Fund Reserve Ratio as of the applicable  
42 calculation date and on the line with the Employer Reserve Ratio,  
43 as defined in paragraph (4) of this subsection (R.S.43:21-7 (c)(4)),  
44 as set forth in the following table:

EXPERIENCE RATING TAX TABLE						
Fund Reserve Ratio <sup>1</sup>						
1.40% 1.00% 0.75% 0.50% 0.49%						
Employer	and	to	to	to	and	
Reserve	Over	1.39%	0.99%	0.74%	Under	
Ratio <sup>2</sup>	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	

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

<sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages) ~~]( Deleted by amendment, P.L. , c. ) (pending before the Legislature as this bill).~~

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





1 (iii) ~~With respect to experience rating years beginning on or~~  
2 ~~after July 1, 2004 and before July 1, 2011, if the fund reserve ratio,~~  
3 ~~based on the fund balance as of the prior March 31, is less than~~  
4 ~~0.50%, the contribution rate for each employer liable to pay~~  
5 ~~contributions, as computed under subparagraph (E) of this~~  
6 ~~paragraph (5), shall be increased by a factor of 10% computed to~~  
7 ~~the nearest multiple of 1/10% if not already a multiple thereof]~~  
8 ~~(Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending before the~~  
9 ~~Legislature as this bill).~~

10 (iv) With respect to experience rating years beginning on or after  
11 July 1, 2011 and before July 1, 2013, if the fund reserve ratio, based  
12 on the fund balance as of the prior March 31, is less than 1.0%, the  
13 contribution rate for each employer liable to pay contributions, as  
14 computed under subparagraph (E) of this paragraph (5), shall be  
15 increased by a factor of 10% computed to the nearest multiple of  
16 1/10% if not already a multiple thereof.

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

24 (G) On or after January 1, 1993, notwithstanding any other  
25 provisions of this paragraph (5), the contribution rate for each  
26 employer liable to pay contributions, as computed under  
27 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,  
28 except that, during any experience rating year starting before  
29 January 1, 1998 in which the fund reserve ratio is equal to or greater  
30 than 7.00% or during any experience rating year starting on or after  
31 January 1, 1998, in which the fund reserve ratio is equal to or  
32 greater than 3.5%, there shall be no decrease pursuant to this  
33 subparagraph (G) in the contribution of any employer who has a  
34 deficit reserve ratio of negative 35.00% or under.

35 (H) On and after January 1, 1998 until December 31, 2000 and  
36 on or after January 1, 2002 until June 30, 2006, the contribution rate  
37 for each employer liable to pay contributions, as computed under  
38 subparagraph (E) of this paragraph (5), shall be decreased by a  
39 factor, as set out below, computed to the nearest multiple of 1/10%,  
40 except that, if an employer has a deficit reserve ratio of negative  
41 35.0% or under, the employer's rate of contribution shall not be  
42 reduced pursuant to this subparagraph (H) to less than 5.4%:

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

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

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

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

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

1 From July 1, 2002 until June 30, 2003, a factor of 15%;  
2 From July 1, 2003 until June 30, 2004, a factor of 15%;  
3 From July 1, 2004 until June 30, 2005, a factor of 7%;  
4 From July 1, 2005 until December 31, 2005, a factor of 16%; and  
5 From January 1, 2006 until June 30, 2006, a factor of 34%.

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

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

15 (J) On or after July 1, 2001, notwithstanding any other  
16 provisions of this paragraph (5), the contribution rate for each  
17 employer liable to pay contributions, as computed under  
18 subparagraph (E) of this paragraph (5), shall be decreased by  
19 0.0175%, except that, during any experience rating year starting on  
20 or after July 1, 2001, in which the fund reserve ratio is equal to or  
21 greater than 3.5%, there shall be no decrease pursuant to this  
22 subparagraph (J) in the contribution of any employer who has a  
23 deficit reserve ratio of negative 35.00% or under. The amount of the  
24 reduction in the employer contributions stipulated by this  
25 subparagraph (J) shall be in addition to the amount of the reduction  
26 in the employer contributions stipulated by subparagraphs (G) and  
27 (H) of this paragraph (5), except that the rate of contribution of an  
28 employer who has a deficit reserve ratio of negative 35.0% or under  
29 shall not be reduced pursuant to this subparagraph (J) to less than  
30 5.4% and the rate of contribution of any other employer shall not be  
31 reduced to less than 0.0%.

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

35 (i) Equal to or greater than 5.00% but less than 7.5%, the  
36 contribution rate for each employer liable to pay contributions, as  
37 computed under subparagraph (E) of this paragraph (5), shall be  
38 reduced by a factor of 25% computed to the nearest multiple of  
39 1/10% if not already a multiple thereof except that there shall be no  
40 decrease pursuant to this subparagraph (K) in the contribution of  
41 any employer who has a deficit reserve ratio of 35.00% or under;

42 (ii) Equal to or greater than 7.5%, the contribution rate for each  
43 employer liable to pay contributions, as computed under  
44 subparagraph (E) of this paragraph (5), shall be reduced by a factor  
45 of 50% computed to the nearest multiple of 1/10% if not already a  
46 multiple thereof except that there shall be no decrease pursuant to

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

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

8 (M) 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 2012, the rates set by column "D" of the table in that subparagraph.

13 (N) 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 2013, the rates set by column "E" of the table in that subparagraph.

18 (6) Additional contributions.

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

45 (7) Transfers.

46 (A) Upon the transfer of the organization, trade or business, or  
47 substantially all the assets of an employer to a successor in interest,

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

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

36 (C) A transfer of the employment experience in whole or in part  
37 having become final, the predecessor employer thereafter shall not  
38 be entitled to consideration for an adjusted rate based upon his or its  
39 experience or the part thereof, as the case may be, which has thus  
40 been transferred. A successor in interest to whom employment  
41 experience or a part thereof is transferred pursuant to this  
42 subsection shall, as of the date of the transfer of the organization,  
43 trade, assets or business, or part thereof, immediately become an  
44 employer if not theretofore an employer subject to this chapter  
45 (R.S.43:21-1 et seq.).

46 (D) If an employer transfers in whole or in part his or its  
47 organization, trade, assets or business to a successor in interest,

1 whether by merger, consolidation, sale, transfer, descent or  
2 otherwise and both the employer and successor in interest are at the  
3 time of the transfer under common ownership, management or  
4 control, then the employment experience attributable to the  
5 transferred business shall also be transferred to and combined with  
6 the employment experience of the successor in interest. The transfer  
7 of the employment experience is mandatory and not subject to  
8 appeal or protest.

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

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

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

26 (1) (A) For periods after January 1, 1975, each worker shall  
27 contribute to the fund 1% of his wages with respect to his  
28 employment with an employer, which occurs on and after January  
29 1, 1975, after such employer has satisfied the condition set forth in  
30 subsection (h) of R.S.43:21-19 with respect to becoming an  
31 employer; provided, however, that such contributions shall be at the  
32 rate of 1/2 of 1% of wages paid with respect to employment while  
33 the worker is in the employ of the State of New Jersey, or any  
34 governmental entity or instrumentality which is an employer as  
35 defined under R.S.43:21-19(h)(5), or is covered by an approved  
36 private plan under the "Temporary Disability Benefits Law" or  
37 while the worker is exempt from the provisions of the "Temporary  
38 Disability Benefits Law" under section 7 of that law, P.L.1948,  
39 c.110 (C.43:21-31).

40 (B) Effective January 1, 1978 there shall be no contributions by  
41 workers in the employ of any governmental or nongovernmental  
42 employer electing or required to make payments in lieu of  
43 contributions unless the employer is covered by the State plan under  
44 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in  
45 that case contributions shall be at the rate of 1/2 of 1%, except that  
46 commencing July 1, 1986, workers in the employ of any  
47 nongovernmental employer electing or required to make payments

1 in lieu of contributions shall be required to make contributions to  
2 the fund at the same rate prescribed for workers of other  
3 nongovernmental employers.

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

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

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

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

11 Each worker shall, starting on January 1, 1996 and ending March  
12 31, 1996, contribute to the unemployment compensation fund  
13 0.60% of wages paid with respect to the worker's employment with  
14 a governmental employer electing or required to pay contributions  
15 or nongovernmental employer, including a nonprofit organization  
16 which is an employer as defined under paragraph (6) of subsection  
17 (h) of R.S.43:21-19, regardless of whether that nonprofit  
18 organization elects or is required to finance its benefit costs with  
19 contributions to the fund or by payments in lieu of contributions,  
20 after that employer has satisfied the conditions set forth in  
21 subsection (h) of R.S.43:21-19 with respect to becoming an  
22 employer, provided that the contributions shall be at the rate of  
23 0.10% of wages paid with respect to employment with the State of  
24 New Jersey or any other governmental entity or instrumentality  
25 electing or required to make payments in lieu of contributions.

26 Each worker shall, starting on January 1, 1998 and ending  
27 December 31, 1998, contribute to the unemployment compensation  
28 fund 0.10% of wages paid with respect to the worker's employment  
29 with a governmental employer electing or required to pay  
30 contributions or nongovernmental employer, including a nonprofit  
31 organization which is an employer as defined under paragraph (6)  
32 of subsection (h) of R.S.43:21-19, 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 (h) of R.S.43:21-19 with respect to becoming an  
37 employer, provided that the contributions shall be at the rate of  
38 0.10% of wages paid with respect to employment with the State of  
39 New Jersey or any other governmental entity or instrumentality  
40 electing or required to make payments in lieu of contributions.

41 Each worker shall, starting on January 1, 1999 until December  
42 31, 1999, contribute to the unemployment compensation fund  
43 0.15% of wages paid with respect to the worker's employment with  
44 a governmental employer electing or required to pay contributions  
45 or nongovernmental employer, including a nonprofit organization  
46 which is an employer as defined under paragraph (6) of subsection  
47 (h) of R.S.43:21-19, regardless of whether that nonprofit



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

9 Each worker shall, starting on January 1, 2000 until December  
10 31, 2001, contribute to the unemployment compensation fund  
11 0.20% of wages paid with respect to the worker's employment with  
12 a governmental employer electing or required to pay contributions  
13 or nongovernmental employer, including a nonprofit organization  
14 which is an employer as defined under paragraph (6) of subsection  
15 (h) of R.S.43:21-19, regardless of whether that nonprofit  
16 organization elects or is required to finance its benefit costs with  
17 contributions to the fund or by payments in lieu of contributions,  
18 after that employer has satisfied the conditions set forth in  
19 subsection (h) of R.S.43:21-19 with respect to becoming an  
20 employer, provided that the contributions shall be at the rate of  
21 0.10% of wages paid with respect to employment with the State of  
22 New Jersey or any other governmental entity or instrumentality  
23 electing or required to make payments in lieu of contributions.

24 Each worker shall, starting on January 1, 2002 until June 30,  
25 2004, contribute to the unemployment compensation fund 0.1825%  
26 of wages paid with respect to the worker's employment with a  
27 governmental employer electing or required to pay contributions or  
28 a nongovernmental employer, including a nonprofit organization  
29 which is an employer as defined under paragraph (6) of subsection  
30 (h) of R.S.43:21-19, regardless of whether that nonprofit  
31 organization elects or is required to finance its benefit costs with  
32 contributions to the fund or by payments in lieu of contributions,  
33 after that employer has satisfied the conditions set forth in  
34 subsection (h) of R.S.43:21-19 with respect to becoming an  
35 employer, provided that the contributions shall be at the rate of  
36 0.0825% of wages paid with respect to employment with the State  
37 of New Jersey or any other governmental entity or instrumentality  
38 electing or required to make payments in lieu of contributions.

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

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

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

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

24 (G) (i) Each worker shall, starting on July 1, 1994 and ending on  
25 December 31, 2011, contribute to the State disability benefits fund  
26 an amount equal to 0.50% of wages paid with respect to the  
27 worker's employment with a government employer electing or  
28 required to pay contributions to the State disability benefits fund or  
29 nongovernmental employer, including a nonprofit organization  
30 which is an employer as defined under paragraph (6) of subsection  
31 (h) of R.S.43:21-19, unless the employer is covered by an approved  
32 private disability plan or is exempt from the provisions of the  
33 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25  
34 et al.) under section 7 of that law (C.43:21-31) or any other  
35 provision of that law. Each worker, with respect to the worker's  
36 employment with a government employer electing or required to  
37 pay contributions to the State disability benefits fund or  
38 nongovernmental employer, including a nonprofit organization  
39 which is an employer as defined under paragraph (6) of subsection  
40 (h) of R.S.43:21-19, unless the employer is covered by an approved  
41 private disability plan or is exempt from the provisions of the  
42 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25  
43 et al.) under section 7 of that law (C.43:21-31) or any other  
44 provision of that law, shall, for calendar year 2012 and each  
45 subsequent calendar year, make contributions to the State disability  
46 benefits fund at the annual rate of contribution necessary to obtain a  
47 total amount of contributions, which, when added to employer

1 contributions made to the State disability benefits fund pursuant to  
2 subsection (e) of this section, is equal to 120% of the benefits paid  
3 for periods of disability, excluding periods of family temporary  
4 disability, during the immediately preceding calendar year plus an  
5 amount equal to 100% of the cost of administration of the payment  
6 of those benefits during the immediately preceding calendar year,  
7 less the amount of net assets remaining in the State disability  
8 benefits fund, excluding net assets remaining in the "Family  
9 Temporary Disability Leave Account" of that fund, as of December  
10 31 of the immediately preceding 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, the annual rate of contribution to be paid  
38 by workers pursuant to this subparagraph (ii) shall be the rate  
39 necessary to obtain a total amount of contributions equal to 125% of  
40 the benefits paid for periods of family temporary disability leave  
41 during the immediately preceding calendar year plus an amount  
42 equal to 100% of the cost of administration of the payment of those  
43 benefits during the immediately preceding calendar year, less the  
44 amount of net assets remaining in the account as of December 31 of  
45 the immediately preceding year. Necessary administrative costs  
46 shall include the cost of an outreach program to inform employees  
47 of the availability of the benefits and the cost of issuing the reports

1 required or permitted pursuant to section 13 of P.L.2008, c.17  
2 (C.43:21-39.4). No monies, other than the funds in the "Family  
3 Temporary Disability Leave Account," shall be used for the  
4 payment of benefits during periods of family temporary disability  
5 leave or for the administration of those payments, with the sole  
6 exception that, during calendar years 2008 and 2009, a total amount  
7 not exceeding \$25 million may be transferred to that account from  
8 the revenues received in the State disability benefits fund pursuant  
9 to subparagraph (i) of this paragraph (1)(G) and be expended for  
10 those payments and their administration, including the  
11 administration of the collection of contributions made pursuant to  
12 this subparagraph (ii) and any other necessary administrative costs.  
13 Any amount transferred to the account pursuant to this  
14 subparagraph (ii) shall be repaid during a period beginning not later  
15 than January 1, 2011 and ending not later than December 31, 2015.  
16 No monies, other than the funds in the "Family Temporary  
17 Disability Leave Account," shall be used under any circumstances  
18 after December 31, 2009, for the payment of benefits during periods  
19 of family temporary disability leave or for the administration of  
20 those payments, including for the administration of the collection of  
21 contributions made pursuant to this subparagraph (ii).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (e) Contributions by employers to the State disability benefits  
2 fund.

3 (1) Except as hereinafter provided, each employer shall, in  
4 addition to the contributions required by subsections (a), (b), and  
5 (c) of this section, contribute 1/2 of 1% of the wages paid by such  
6 employer to workers with respect to employment unless he is not a  
7 covered employer as defined in subsection (a) of section 3 of the  
8 "Temporary Disability Benefits Law" (C.43:21-27 (a)), except that  
9 the rate for the State of New Jersey shall be 1/10 of 1% for the  
10 calendar year 1980 and for the first six months of 1981. Prior to  
11 July 1, 1981 and prior to July 1 each year thereafter, the controller  
12 shall review the experience accumulated in the account of the State  
13 of New Jersey and establish a rate for the next following fiscal year  
14 which, in combination with worker contributions, will produce  
15 sufficient revenue to keep the account in balance; except that the  
16 rate so established shall not be less than 1/10 of 1%. Such  
17 contributions shall become due and be paid by the employer to the  
18 controller for the State disability benefits fund as established by  
19 law, in accordance with such regulations as may be prescribed, and  
20 shall not be deducted, in whole or in part, from the remuneration of  
21 individuals in his employ. In the payment of any contributions, a  
22 fractional part of a cent shall be disregarded unless it amounts to  
23 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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

1 any covered individual in accordance with Article III of the  
2 "Temporary Disability Benefits Law" on or before December 31 of  
3 any calendar year with respect to disability in such calendar year  
4 and in preceding calendar years shall be charged against the account  
5 of the employer by whom such individual was employed at the  
6 commencement of such disability or by whom he was last  
7 employed, if out of employment.

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

15 (D) Prior to July 1 of each calendar year, the controller shall  
16 make a preliminary determination of the rate of contribution for the  
17 12 months commencing on such July 1 for each employer subject to  
18 the contribution requirements of this subsection (e).

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

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

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

31 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
32  $1\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual payroll;

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

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

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

45 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of  
46 1% of his average annual payroll;



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

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

5 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds  
6 3/4 of 1% but is less than 1% of his average annual payroll;

7 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds  
8 1% of his average annual payroll.

9 (5) Determination of the preliminary rate as specified in  
10 subparagraphs (D)(2), (3) and (4) above shall be subject, however,  
11 to the condition that it shall in no event be decreased by more than  
12 1/10 of 1% of wages or increased by more than 2/10 of 1% of  
13 wages from the preliminary rate determined for the preceding year  
14 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever  
15 shall have been applicable.

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

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

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

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

1 (iii) If the percentage determined in accordance with  
2 subparagraph (E)(1) of this paragraph is less than  $\frac{3}{4}$  of 1%, but in  
3 excess of  $\frac{1}{4}$  of 1%, the final employer rates shall be the  
4 preliminary employer rates determined as provided in subparagraph  
5 (D) hereof increased by the difference between  $\frac{3}{4}$  of 1% and such  
6 percentage taken to the nearest  $\frac{5}{100}$  of 1%; provided, however,  
7 that no such final rate shall be more than  $\frac{1}{4}$  of 1% in the case of an  
8 employer whose preliminary rate is determined as provided in  
9 subparagraph (D)(2) hereof, more than  $\frac{1}{2}$  of 1% in the case of an  
10 employer whose preliminary rate is determined as provided in  
11 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than  
12  $\frac{3}{4}$  of 1% in the case of an employer whose preliminary rate is  
13 determined as provided in subparagraph (D)(4) hereof.

14 (iv) If the amount of the State disability benefits fund determined  
15 as provided in subparagraph (E)(1) of this paragraph is equal to or  
16 less than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case  
17 of an employer whose preliminary rate is determined as provided in  
18 subparagraph (D)(2) hereof,  $\frac{7}{10}$  of 1% in the case of an employer  
19 whose preliminary rate is determined as provided in subparagraph  
20 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an  
21 employer whose preliminary rate is determined as provided in  
22 subparagraph (D)(4) hereof. Notwithstanding any other provision of  
23 law or any determination made by the controller with respect to any  
24 12-month period commencing on July 1, 1970, the final rates for all  
25 employers for the period beginning January 1, 1971, shall be as set  
26 forth herein.

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

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

34 (ii) No worker paid any contributions to the State disability  
35 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of  
36 this section; and

37 (iii) No amounts were transferred from the State disability  
38 benefits fund to the "Family Temporary Disability Leave Account"  
39 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section.  
40 (cf: P.L.2011, c.88, s.1)

41

42 2. This act shall take effect immediately.