

# SENATE, No. 2404

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED DECEMBER 20, 2012

**Sponsored by:**

**Senator FRED H. MADDEN, JR.**

**District 4 (Camden and Gloucester)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

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**District 38 (Bergen and Passaic)**

**Assemblywoman ALISON LITTELL MCHOSE**

**District 24 (Morris, Sussex and Warren)**

**Assemblyman JOSEPH V. EGAN**

**District 17 (Middlesex and Somerset)**

**Assemblyman CRAIG J. COUGHLIN**

**District 19 (Middlesex)**

**Co-Sponsored by:**

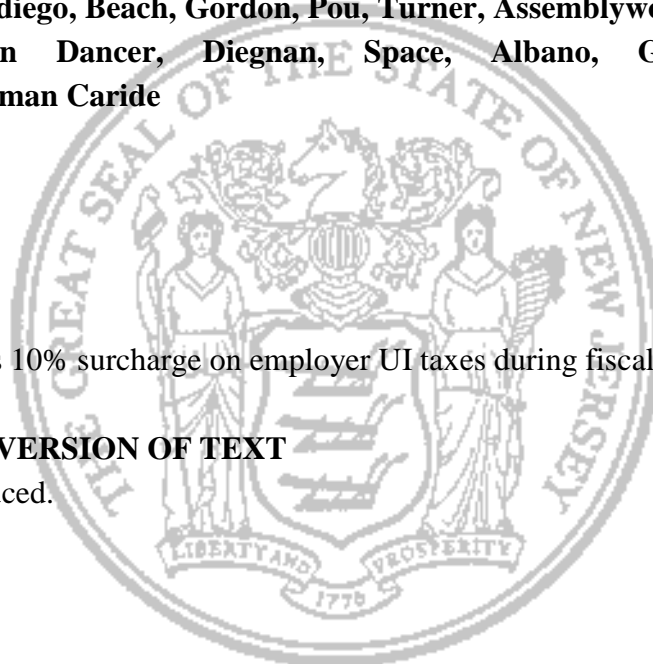
**Senators Addiego, Beach, Gordon, Pou, Turner, Assemblywoman Handlin,  
Assemblymen Dancer, Diegnan, Space, Albano, Gusciora and  
Assemblywoman Caride**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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

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2

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.**

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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  
48 December 31 of any calendar year with respect to unemployment in

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

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

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

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

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

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- 1 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than  
2 5%, of his average annual payroll (as defined in paragraph (2),  
3 subsection (a) of R.S.43:21-19);
- 4 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less  
5 than 6%, of his average annual payroll;
- 6 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less  
7 than 7%, of his average annual payroll;
- 8 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less  
9 than 8%, of his average annual payroll;
- 10 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less  
11 than 9%, of his average annual payroll;
- 12 (6) 1%, if such excess equals or exceeds 9%, but is less than  
13 10%, of his average annual payroll;
- 14 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less  
15 than 11%, of his average annual payroll;
- 16 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his  
17 average annual payroll.
- 18 (B) If the total of an employer's contributions, paid on his own  
19 behalf, for all past periods for the purposes of this paragraph (4), is  
20 less than the total benefits charged against his account during the  
21 same period, his rate shall be:
- 22 (1) 4%, if such excess is less than 10% of his average annual  
23 payroll;
- 24 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less  
25 than 20%, of his average annual payroll;
- 26 (3) 4 6/10%, if such excess equals or exceeds 20% of his  
27 average annual payroll.
- 28 (C) Specially assigned rates.
- 29 (i) If no contributions were paid on wages for employment in  
30 any calendar year used in determining the average annual payroll of  
31 an employer eligible for an assigned rate under this paragraph (4),  
32 the employer's rate shall be specially assigned as follows:
- 33 if the reserve balance in its account is positive, its assigned rate  
34 shall be the highest rate in effect for positive balance accounts for  
35 that period, or 5.4%, whichever is higher, and
- 36 if the reserve balance in its account is negative, its assigned rate  
37 shall be the highest rate in effect for deficit accounts for that period.
- 38 (ii) If, following the purchase of a corporation with little or no  
39 activity, known as a corporate shell, the resulting employing unit  
40 operates a new or different business activity, the employing unit  
41 shall be assigned a new employer rate.
- 42 (iii) Entities operating under common ownership, management or  
43 control, when the operation of the entities is not identifiable,  
44 distinguishable and severable, shall be considered a single employer  
45 for the purposes of this chapter (R.S.43:21-1 et seq.).
- 46 (D) The contribution rates prescribed by subparagraphs (A) and  
47 (B) of this paragraph (4) shall be increased or decreased in

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1 accordance with the provisions of paragraph (5) of this subsection  
2 (c) for experience rating periods through June 30, 1986.

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

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

41 (B) If on March 31 of any calendar year the balance in the  
42 unemployment trust fund equals or exceeds 10% but is less than 12  
43 1/2% of the total taxable wages reported to the controller as of that  
44 date in respect to employment during the preceding calendar year,  
45 the contribution rate, effective July 1 following, of each employer  
46 eligible for a contribution rate calculation based upon benefit  
47 experience, shall be reduced by 3/10 of 1% under the contribution  
48 rate otherwise established under the provisions of paragraphs (3)

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

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

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

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

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

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

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

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

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

42 EXPERIENCE RATING TAX TABLE

43		Fund Reserve Ratio <sup>1</sup>				
44		1.40%	1.00%	0.75%	0.50%	0.49%
45	Employer	and	to	to	to	and
46	Reserve	Over	1.39%	0.99%	0.74%	Under
47	Ratio <sup>2</sup>	A	B	C	D	E
48	Positive Reserve Ratio:					

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1	17% and over	0.3	0.4	0.5	0.6	1.2
2	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
3	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
4	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
5	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
6	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
7	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
8	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
10	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
11	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
12	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
13	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
14	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
15	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
16	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
17	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
18	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
19	Deficit Reserve Ratio:					
20	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
21	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
22	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
23	-9.00% to-11.99%	3.5	4.5	5.3	5.9	6.4
24	-12.00% to-14.99%	3.6	4.6	5.4	6.0	6.5
25	-15.00% to-19.99%	3.6	4.6	5.5	6.1	6.6
26	-20.00% to-24.99%	3.7	4.7	5.6	6.2	6.7
27	-25.00% to-29.99%	3.7	4.8	5.6	6.3	6.8
28	-30.00% to-34.99%	3.8	4.8	5.7	6.3	6.9
29	-35.00% and under	5.4	5.4	5.8	6.4	7.0
30	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

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

44 EXPERIENCE RATING TAX TABLE					
45 Fund Reserve Ratio <sup>1</sup>					
46 3.50% 3.00% 2.5% 2.0% 1.99%					
47 Employer and to to to and					
48 Reserve Over 3.49% 2.99% 2.49% Under					



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1	Ratio <sup>2</sup>	A	B	C	D	E
2	Positive Reserve Ratio:					
3	17% and over	0.3	0.4	0.5	0.6	1.2
4	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
5	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
6	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
7	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
8	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
9	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
11	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
12	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
13	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
14	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
15	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
16	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
17	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
18	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
19	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
20	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
21	Deficit Reserve Ratio:					
22	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
23	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
24	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
25	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
26	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
27	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
28	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
29	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
30	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
31	-35.00% and under	5.4	5.4	5.8	6.4	7.0
32	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

35 <sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a  
36 percentage of employer's taxable wages).

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

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

39 (iii) **【**With respect to experience rating years beginning on or  
40 after July 1, 2004 and before July 1, 2011, if the fund reserve ratio,  
41 based on the fund balance as of the prior March 31, is less than  
42 0.50%, the contribution rate for each employer liable to pay  
43 contributions, as computed under subparagraph (E) of this  
44 paragraph (5), shall be increased by a factor of 10% computed to  
45 the nearest multiple of 1/10% if not already a multiple thereof**】**  
46 (Deleted by amendment, P.L. , c. ) (pending before the  
47 Legislature as this bill).

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1 (iv) With respect to experience rating years beginning on or after  
2 July 1, 2011 and before July 1, 2013, if the fund reserve ratio, based  
3 on the fund balance as of the prior March 31, is less than 1.0%, the  
4 contribution rate for each employer liable to pay contributions, as  
5 computed under subparagraph (E) of this paragraph (5), shall be  
6 increased by a factor of 10% computed to the nearest multiple of  
7 1/10% if not already a multiple thereof.

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

15 (G) On or after January 1, 1993, 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 0.1%,  
19 except that, during any experience rating year starting before  
20 January 1, 1998 in which the fund reserve ratio is equal to or greater  
21 than 7.00% or during any experience rating year starting on or after  
22 January 1, 1998, in which the fund reserve ratio is equal to or  
23 greater than 3.5%, there shall be no decrease pursuant to this  
24 subparagraph (G) in the contribution of any employer who has a  
25 deficit reserve ratio of negative 35.00% or under.

26 (H) On and after January 1, 1998 until December 31, 2000 and  
27 on or after January 1, 2002 until June 30, 2006, the contribution rate  
28 for each employer liable to pay contributions, as computed under  
29 subparagraph (E) of this paragraph (5), shall be decreased by a  
30 factor, as set out below, computed to the nearest multiple of 1/10%,  
31 except that, if an employer has a deficit reserve ratio of negative  
32 35.0% or under, the employer's rate of contribution shall not be  
33 reduced pursuant to this subparagraph (H) to less than 5.4%:

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

44 The amount of the reduction in the employer contributions  
45 stipulated by this subparagraph (H) shall be in addition to the  
46 amount of the reduction in the employer contributions stipulated by  
47 subparagraph (G) of this paragraph (5), except that the rate of  
48 contribution of an employer who has a deficit reserve ratio of

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1 negative 35.0% or under shall not be reduced pursuant to this  
2 subparagraph (H) to less than 5.4% and the rate of contribution of  
3 any other employer shall not be reduced to less than 0.0%.

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

5 (J) On or after July 1, 2001, notwithstanding any other  
6 provisions of this paragraph (5), the contribution rate for each  
7 employer liable to pay contributions, as computed under  
8 subparagraph (E) of this paragraph (5), shall be decreased by  
9 0.0175%, except that, during any experience rating year starting on  
10 or after July 1, 2001, in which the fund reserve ratio is equal to or  
11 greater than 3.5%, there shall be no decrease pursuant to this  
12 subparagraph (J) in the contribution of any employer who has a  
13 deficit reserve ratio of negative 35.00% or under. The amount of the  
14 reduction in the employer contributions stipulated by this  
15 subparagraph (J) shall be in addition to the amount of the reduction  
16 in the employer contributions stipulated by subparagraphs (G) and  
17 (H) of this paragraph (5), except that the rate of contribution of an  
18 employer who has a deficit reserve ratio of negative 35.0% or under  
19 shall not be reduced pursuant to this subparagraph (J) to less than  
20 5.4% and the rate of contribution of any other employer shall not be  
21 reduced to less than 0.0%.

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

25 (i) Equal to or greater than 5.00% but less than 7.5%, the  
26 contribution rate for each employer liable to pay contributions, as  
27 computed under subparagraph (E) of this paragraph (5), shall be  
28 reduced by a factor of 25% computed to the nearest multiple of  
29 1/10% if not already a multiple thereof except that there shall be no  
30 decrease pursuant to this subparagraph (K) in the contribution of  
31 any employer who has a deficit reserve ratio of 35.00% or under;

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

39 (L) Notwithstanding any other provision of this paragraph (5)  
40 and notwithstanding the actual fund reserve ratio, the contribution  
41 rate for employers liable to pay contributions, as computed under  
42 subparagraph (E) of this paragraph (5), shall be, for fiscal year  
43 2011, the rates set by column "C" of the table in that subparagraph.

44 (M) Notwithstanding any other provision of this paragraph (5)  
45 and notwithstanding the actual fund reserve ratio, the contribution  
46 rate for employers liable to pay contributions, as computed under  
47 subparagraph (E) of this paragraph (5), shall be, for fiscal year  
48 2012, the rates set by column "D" of the table in that subparagraph.

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

6 (6) Additional contributions.

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

33 (7) Transfers.

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

1 predecessor employer. The request for reconsideration shall  
2 demonstrate, to the satisfaction of the controller, that the  
3 employment experience of the predecessor is not indicative of the  
4 future employment experience of the successor.

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

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

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

43 (E) The transfer of part of an employer's employment experience  
44 to a successor in interest shall become effective as of the first day of  
45 the calendar quarter following the acquisition by the successor in  
46 interest. As of the effective date, the successor in interest shall have  
47 its employer rate recalculated by merging its existing employment  
48 experience, if any, with the employment experience acquired. If the

1 successor in interest is not an employer as of the date of acquisition,  
2 it shall be assigned the new employer rate until the effective date of  
3 the transfer of employment experience.

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

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

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

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

37 (C) (i) Notwithstanding the above provisions of this paragraph  
38 (1), during the period starting July 1, 1986 and ending December  
39 31, 1992, each worker shall contribute to the fund 1.125% of wages  
40 paid with respect to his employment with a governmental employer  
41 electing or required to pay contributions or nongovernmental  
42 employer, including a nonprofit organization which is an employer  
43 as defined under R.S.43:21-19(h)(6), regardless of whether that  
44 nonprofit organization elects or is required to finance its benefit  
45 costs with contributions to the fund or by payments in lieu of  
46 contributions, after that employer has satisfied the conditions set  
47 forth in subsection R.S.43:21-19(h) with respect to becoming an  
48 employer. Contributions, however, shall be at the rate of 0.625%

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

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

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

43 Each worker shall, starting on January 1, 1996 and ending March  
44 31, 1996, contribute to the unemployment compensation fund  
45 0.60% of wages paid with respect to the worker's employment with  
46 a governmental employer electing or required to pay contributions  
47 or nongovernmental employer, including a nonprofit organization  
48 which is an employer as defined under paragraph (6) of subsection

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

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

25 Each worker shall, starting on January 1, 1999 until December  
26 31, 1999, contribute to the unemployment compensation fund  
27 0.15% of wages paid with respect to the worker's employment with  
28 a governmental employer electing or required to pay contributions  
29 or nongovernmental employer, including a nonprofit organization  
30 which is an employer as defined under paragraph (6) of subsection  
31 (h) of R.S.43:21-19, regardless of whether that nonprofit  
32 organization elects or is required to finance its benefit costs with  
33 contributions to the fund or by payments in lieu of contributions,  
34 after that employer has satisfied the conditions set forth in  
35 subsection (h) of R.S.43:21-19 with respect to becoming an  
36 employer, provided that the contributions shall be at the rate of  
37 0.10% of wages paid with respect to employment with the State of  
38 New Jersey or any other governmental entity or instrumentality  
39 electing or required to make payments in lieu of contributions.

40 Each worker shall, starting on January 1, 2000 until December  
41 31, 2001, contribute to the unemployment compensation fund  
42 0.20% of wages paid with respect to the worker's employment with  
43 a governmental employer electing or required to pay contributions  
44 or nongovernmental employer, including a nonprofit organization  
45 which is an employer as defined under paragraph (6) of subsection  
46 (h) of R.S.43:21-19, regardless of whether that nonprofit  
47 organization elects or is required to finance its benefit costs with  
48 contributions to the fund or by payments in lieu of contributions,



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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 0.10% of wages paid with respect to employment with the State of  
5 New Jersey or any other governmental entity or instrumentality  
6 electing or required to make payments in lieu of contributions.

7 Each worker shall, starting on January 1, 2002 until June 30,  
8 2004, contribute to the unemployment compensation fund 0.1825%  
9 of wages paid with respect to the worker's employment with a  
10 governmental employer electing or required to pay contributions or  
11 a nongovernmental employer, including a nonprofit organization  
12 which is an employer as defined under paragraph (6) of subsection  
13 (h) of R.S.43:21-19, regardless of whether that nonprofit  
14 organization elects or is required to finance its benefit costs with  
15 contributions to the fund or by payments in lieu of contributions,  
16 after that employer has satisfied the conditions set forth in  
17 subsection (h) of R.S.43:21-19 with respect to becoming an  
18 employer, provided that the contributions shall be at the rate of  
19 0.0825% of wages paid with respect to employment with the State  
20 of New Jersey or any other governmental entity or instrumentality  
21 electing or required to make payments in lieu of contributions.

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

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

1 of R.S.43:21-14, such contributions shall be treated as employer's  
2 contributions required from him.

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

6 (G) (i) Each worker shall, starting on July 1, 1994 and ending on  
7 December 31, 2011, contribute to the State disability benefits fund  
8 an amount equal to 0.50% of wages paid with respect to the  
9 worker's employment with a government employer electing or  
10 required to pay contributions to the State disability benefits fund or  
11 nongovernmental employer, including a nonprofit organization  
12 which is an employer as defined under paragraph (6) of subsection  
13 (h) of R.S.43:21-19, unless the employer is covered by an approved  
14 private disability plan or is exempt from the provisions of the  
15 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25  
16 et al.) under section 7 of that law (C.43:21-31) or any other  
17 provision of that law. Each worker, with respect to the worker's  
18 employment with a government employer electing or required to  
19 pay contributions to the State disability benefits fund or  
20 nongovernmental employer, including a nonprofit organization  
21 which is an employer as defined under paragraph (6) of subsection  
22 (h) of R.S.43:21-19, unless the employer is covered by an approved  
23 private disability plan or is exempt from the provisions of the  
24 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25  
25 et al.) under section 7 of that law (C.43:21-31) or any other  
26 provision of that law, shall, for calendar year 2012 and each  
27 subsequent calendar year, make contributions to the State disability  
28 benefits fund at the annual rate of contribution necessary to obtain a  
29 total amount of contributions, which, when added to employer  
30 contributions made to the State disability benefits fund pursuant to  
31 subsection (e) of this section, is equal to 120% of the benefits paid  
32 for periods of disability, excluding periods of family temporary  
33 disability, during the immediately preceding calendar year plus an  
34 amount equal to 100% of the cost of administration of the payment  
35 of those benefits during the immediately preceding calendar year,  
36 less the amount of net assets remaining in the State disability  
37 benefits fund, excluding net assets remaining in the "Family  
38 Temporary Disability Leave Account" of that fund, as of December  
39 31 of the immediately preceding year. The rates of employer  
40 contributions determined pursuant to subsection (e) of this section  
41 for any year shall be determined prior to the determination of the  
42 rate of employee contributions pursuant to this subparagraph (i) and  
43 any consideration of employee contributions in determining  
44 employer rates for any year shall be based on amounts of employee  
45 contributions made prior to the year to which the rate of employee  
46 contributions applies and shall not be based on any projection or  
47 estimate of the amount of employee contributions for the year to  
48 which that rate applies.

1 (ii) Each worker shall contribute to the State disability benefits  
2 fund, in addition to any amount contributed pursuant to  
3 subparagraph (i) of this paragraph (1)(G), an amount equal to,  
4 during calendar year 2009, 0.09%, and during calendar year 2010  
5 0.12%, of wages paid with respect to the worker's employment with  
6 any covered employer, including a governmental employer which is  
7 an employer as defined under R.S.43:21-19(h)(5), unless the  
8 employer is covered by an approved private disability plan for  
9 benefits during periods of family temporary disability leave. The  
10 contributions made pursuant to this subparagraph (ii) to the State  
11 disability benefits fund shall be deposited into an account of that  
12 fund reserved for the payment of benefits during periods of family  
13 temporary disability leave as defined in section 3 of the "Temporary  
14 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the  
15 administration of those payments and shall not be used for any other  
16 purpose. This account shall be known as the "Family Temporary  
17 Disability Leave Account." For calendar year 2011 and each  
18 subsequent calendar year, the annual rate of contribution to be paid  
19 by workers pursuant to this subparagraph (ii) shall be the rate  
20 necessary to obtain a total amount of contributions equal to 125% of  
21 the benefits paid for periods of family temporary disability leave  
22 during the immediately preceding calendar year plus an amount  
23 equal to 100% of the cost of administration of the payment of those  
24 benefits during the immediately preceding calendar year, less the  
25 amount of net assets remaining in the account as of December 31 of  
26 the immediately preceding year. Necessary administrative costs  
27 shall include the cost of an outreach program to inform employees  
28 of the availability of the benefits and the cost of issuing the reports  
29 required or permitted pursuant to section 13 of P.L.2008, c.17  
30 (C.43:21-39.4). No monies, other than the funds in the "Family  
31 Temporary Disability Leave Account," shall be used for the  
32 payment of benefits during periods of family temporary disability  
33 leave or for the administration of those payments, with the sole  
34 exception that, during calendar years 2008 and 2009, a total amount  
35 not exceeding \$25 million may be transferred to that account from  
36 the revenues received in the State disability benefits fund pursuant  
37 to subparagraph (i) of this paragraph (1)(G) and be expended for  
38 those payments and their administration, including the  
39 administration of the collection of contributions made pursuant to  
40 this subparagraph (ii) and any other necessary administrative costs.  
41 Any amount transferred to the account pursuant to this  
42 subparagraph (ii) shall be repaid during a period beginning not later  
43 than January 1, 2011 and ending not later than December 31, 2015.  
44 No monies, other than the funds in the "Family Temporary  
45 Disability Leave Account," shall be used under any circumstances  
46 after December 31, 2009, for the payment of benefits during periods  
47 of family temporary disability leave or for the administration of

1 those payments, including for the administration of the collection of  
2 contributions made pursuant to this subparagraph (ii).

3 (2) (A) (Deleted by amendment, P.L.1984, c.24.)  
4 (B) (Deleted by amendment, P.L.1984, c.24.)  
5 (C) (Deleted by amendment, P.L.1994, c.112.)  
6 (D) (Deleted by amendment, P.L.1994, c.112.)  
7 (E) (i) (Deleted by amendment, P.L.1994, c.112.)  
8 (ii) (Deleted by amendment, P.L.1996, c.28.)  
9 (iii) (Deleted by amendment, P.L.1994, c.112.)

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

1 with respect thereto, the amount so prorated. The provisions of  
2 R.S.43:21-14 with respect to collection of employer contributions  
3 shall apply to such assessments. The amount so recovered by the  
4 controller shall be paid into the State disability benefits fund.

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

1 Temporary Disability Leave Account" of the State disability  
2 benefits fund.

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

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

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

28 (e) Contributions by employers to the State disability benefits  
29 fund.

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

1 fractional part of a cent shall be disregarded unless it amounts to  
2 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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

34 (C) The controller may prescribe regulations for the  
35 establishment, maintenance, and dissolution of joint accounts by  
36 two or more employers, and shall, in accordance with such  
37 regulations and upon application by two or more employers to  
38 establish such an account, or to merge their several individual  
39 accounts in a joint account, maintain such joint account as if it  
40 constituted a single employer's account.

41 (D) Prior to July 1 of each calendar year, the controller shall  
42 make a preliminary determination of the rate of contribution for the  
43 12 months commencing on such July 1 for each employer subject to  
44 the contribution requirements of this subsection (e).

45 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
46 preceding January 31 of such year such employer shall have been a  
47 covered employer who has paid contributions to the State disability

1 benefits fund with respect to employment in the three calendar  
2 years immediately preceding such year.

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

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

10 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
11  $1\frac{1}{4}$ % but is less than  $1\frac{1}{2}$ % of his average annual payroll;

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

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

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

24 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of  
25 1% of his average annual payroll;

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

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

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

32 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
33 1% of his average annual payroll.

34 (5) Determination of the preliminary rate as specified in  
35 subparagraphs (D)(2), (3) and (4) above shall be subject, however,  
36 to the condition that it shall in no event be decreased by more than  
37  $\frac{1}{10}$  of 1% of wages or increased by more than  $\frac{2}{10}$  of 1% of  
38 wages from the preliminary rate determined for the preceding year  
39 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever  
40 shall have been applicable.

41 (E) (1) Prior to July 1 of each calendar year the controller shall  
42 determine the amount of the State disability benefits fund as of  
43 December 31 of the preceding calendar year, increased by the  
44 contributions paid thereto during January of the current calendar  
45 year with respect to employment occurring in the preceding  
46 calendar year. If such amount exceeds the net amount withdrawn  
47 from the unemployment trust fund pursuant to section 23 of the  
48 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-47)



1 plus the amount at the end of such preceding calendar year of the  
2 unemployment disability account as defined in section 22 of said  
3 law (C.43:21-46), such excess shall be expressed as a percentage of  
4 the wages on which contributions were paid to the State disability  
5 benefits fund on or before January 31 with respect to employment  
6 in the preceding calendar year.

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

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

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

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

37 (iv) If the amount of the State disability benefits fund determined  
38 as provided in subparagraph (E)(1) of this paragraph is equal to or  
39 less than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case  
40 of an employer whose preliminary rate is determined as provided in  
41 subparagraph (D)(2) hereof,  $\frac{7}{10}$  of 1% in the case of an employer  
42 whose preliminary rate is determined as provided in subparagraph  
43 (D)(1) and subparagraph (D)(3) hereof, and 1.1% in the case of an  
44 employer whose preliminary rate is determined as provided in  
45 subparagraph (D)(4) hereof. Notwithstanding any other provision of  
46 law or any determination made by the controller with respect to any  
47 12-month period commencing on July 1, 1970, the final rates for all

1 employers for the period beginning January 1, 1971, shall be as set  
2 forth herein.

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

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

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

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

17

18 2. This act shall take effect immediately.

19

20

21

#### STATEMENT

22

23 This bill reduces the unemployment insurance (UI) tax rates  
24 which will be imposed on employers during fiscal year 2014 by  
25 setting them based on the "E" column of the UI tax table in  
26 R.S.43:21-7, but without the 10% surcharge provided by that law.  
27 The UI tax rate which is being charged to employers during FY  
28 2013 is based on column "E" of the tax table. Because the UI trust  
29 fund is currently in deficit, the tax rate, under current law, would  
30 increase, starting on July 1, 2013, to the highest tax rates set by the  
31 law, the rates found in the "E" column, plus an additional 10%  
32 surcharge. The bill reduces the UI tax burden on employers by  
33 preventing the 10% surcharge from taking effect in fiscal year 2014.