

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4853

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Assembly Labor Committee reports favorably Assembly Bill No. 4853.

This bill, for the period of the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of the emergency or state of emergency, excludes the cost of unemployment benefit to employees of an employer during that period when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the unemployment trust fund.

The bill specifies that, regardless of the actual unemployment trust fund reserve ratio, unemployment contribution rates will be:

1. For fiscal year 2022, the rates set by column "C" of the Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);
2. For fiscal year 2023, the rates set by column "D" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply; and
3. For fiscal year 2024, the rates set by column "E" of that table, unless calculations based on the actual fund reserve rate would result in the selection of a column with lower contribution rates, in which case the column with the lower contribution rates would apply.

The bill also exempts any nonprofit or governmental employer which elects to make payments in lieu of contributions from liability for payments in lieu of contributions with respect to 50 percent of unemployment benefits paid to employees laid off by the employer during that public health emergency and any extensions of it.