

P.L. 2020, CHAPTER 150, *approved January 4, 2021*
Assembly, No. 4853

1 **AN ACT** concerning employer contributions to the unemployment
2 compensation fund and payments in lieu of contributions,
3 amending R.S.43:21-7, and supplementing Title 43 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8

9 1. (New section) a. The costs of any unemployment
10 compensation benefits paid to employees of an employer during the
11 public health emergency and state of emergency declared by the
12 Governor on March 9, 2020, and any subsequent extensions of that
13 public health emergency and state of emergency, shall not be
14 considered when calculating that employer's reserve ratio for the
15 purposes of determining the rate of the employer's contributions to
16 the State unemployment compensation fund pursuant to R.S.43:21-
17 7.

18 b. Any nonprofit organization which elects to make payments
19 in lieu of contributions pursuant to section 3 of P.L.1971, c.346
20 (C.43:21-7.2) and any governmental entity or instrumentality which
21 elects to make payments in lieu of contributions pursuant to section
22 4 of P.L.1971, c.346 (C.43:21-7.3), shall be liable for payments in
23 lieu of contributions with respect to only 50% of the payments of
24 unemployment compensation benefits made pursuant to either of
25 those two sections during the public health emergency and state of
26 emergency declared by the Governor on March 9, 2020, and any
27 subsequent extensions of that public health emergency and state of
28 emergency.

29

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

31 43:21-7. Employers other than governmental entities, whose
32 benefit financing provisions are set forth in section 4 of P.L.1971,
33 c.346 (C.43:21-7.3), and those nonprofit organizations liable for
34 payment in lieu of contributions on the basis set forth in section 3 of
35 P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller for the
36 unemployment compensation fund, contributions as set forth in
37 subsections (a), (b) and (c) hereof, and the provisions of subsections
38 (d) and (e) shall be applicable to all employers, consistent with the
39 provisions of the "unemployment compensation law" and the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
41 et al.).

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 (a) Payment.

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

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

14 (b) Rate of contributions. Each employer shall pay the following
15 contributions:

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

20 (2) The "wages" of any individual, with respect to any one
21 employer, as the term is used in this subsection (b) and in
22 subsections (c), (d) and (e) of this section 7, shall include the first
23 \$4,800.00 paid during calendar year 1975, for services performed
24 either within or without this State; provided that no contribution
25 shall be required by this State with respect to services performed in
26 another state if such other state imposes contribution liability with
27 respect thereto. If an employer (hereinafter referred to as a
28 successor employer) during any calendar year acquires substantially
29 all the property used in a trade or business of another employer
30 (hereinafter referred to as a predecessor), or used in a separate unit
31 of a trade or business of a predecessor, and immediately after the
32 acquisition employs in his trade or business an individual who
33 immediately prior to the acquisition was employed in the trade or
34 business of such predecessors, then, for the purpose of determining
35 whether the successor employer has paid wages with respect to
36 employment equal to the first \$4,800.00 paid during calendar year
37 1975, any wages paid to such individual by such predecessor during
38 such calendar year and prior to such acquisition shall be considered
39 as having been paid by such successor employer.

40 (3) For calendar years beginning on and after January 1, 1976,
41 the "wages" of any individual, as defined in the preceding
42 paragraph (2) of this subsection (b), shall be established and
43 promulgated by the Commissioner of Labor and Workforce
44 Development on or before September 1 of the preceding year and,
45 except as provided in paragraph (4) of this subsection (b), shall be,
46 28 times the Statewide average weekly remuneration paid to
47 workers by employers, as determined under R.S.43:21-3(c), raised
48 to the next higher multiple of \$100.00 if not already a multiple

1 thereof, provided that if the amount of wages so determined for a
2 calendar year is less than the amount similarly determined for the
3 preceding year, the greater amount will be used; provided, further,
4 that if the amount of such wages so determined does not equal or
5 exceed the amount of wages as defined in subsection (b) of section
6 3306 of the Internal Revenue Code of 1986 (26 U.S.C. s.3306(b)),
7 the wages as determined in this paragraph in any calendar year shall
8 be raised to equal the amount established under the "Federal
9 Unemployment Tax Act," chapter 23 of the Internal Revenue Code
10 of 1986 (26 U.S.C. s.3301 et seq.), for that calendar year.

11 (4) For calendar years beginning on and after January 1, 2020,
12 the "wages" of any individual, as defined in the preceding
13 paragraph (2) of this subsection (b) for purposes of contributions of
14 workers to the State disability benefits fund, including the "Family
15 Temporary Disability Leave Account" pursuant to subsection (d) of
16 this section, shall be established and promulgated by the
17 Commissioner of Labor and Workforce Development on or before
18 September 1 of the preceding year and shall be 107 times the
19 Statewide average weekly remuneration paid to workers by
20 employers, as determined under R.S.43:21-3(c), raised to the next
21 higher multiple of \$100.00 if not already a multiple thereof,
22 provided that if the amount of wages so determined for a calendar
23 year is less than the amount similarly determined for the preceding
24 year, the greater amount will be used.

25 (c) Future rates based on benefit experience.

26 (1) A separate account for each employer shall be maintained
27 and this shall be credited with all the contributions which he has
28 paid on his own behalf on or before January 31 of any calendar year
29 with respect to employment occurring in the preceding calendar
30 year; provided, however, that if January 31 of any calendar year
31 falls on a Saturday or Sunday, an employer's account shall be
32 credited as of January 31 of such calendar year with all the
33 contributions which he has paid on or before the next succeeding
34 day which is not a Saturday or Sunday. But nothing in this chapter
35 (R.S.43:21-1 et seq.) shall be construed to grant any employer or
36 individuals in his service prior claims or rights to the amounts paid
37 by him into the fund either on his own behalf or on behalf of such
38 individuals. Benefits paid with respect to benefit years commencing
39 on and after January 1, 1953, to any individual on or before
40 December 31 of any calendar year with respect to unemployment in
41 such calendar year and in preceding calendar years shall be charged
42 against the account or accounts of the employer or employers in
43 whose employment such individual established base weeks
44 constituting the basis of such benefits, except that, with respect to
45 benefit years commencing after January 4, 1998, an employer's
46 account shall not be charged for benefits paid to a claimant if the
47 claimant's employment by that employer was ended in any way
48 which, pursuant to subsection (a), (b), (c), (f), (g) or (h) of

1 R.S.43:21-5, would have disqualified the claimant for benefits if the
2 claimant had applied for benefits at the time when that employment
3 ended. Benefits paid under a given benefit determination shall be
4 charged against the account of the employer to whom such
5 determination relates. When each benefit payment is made,
6 notification shall be promptly provided to each employer included
7 in the unemployment insurance monetary calculation of benefits.
8 Such notification shall identify the employer against whose account
9 the amount of such payment is being charged, shall show at least
10 the name and social security account number of the claimant and
11 shall specify the period of unemployment to which said benefit
12 payment applies.

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

15 (2) Regulations may be prescribed for the establishment,
16 maintenance, and dissolution of joint accounts by two or more
17 employers, and shall, in accordance with such regulations and upon
18 application by two or more employers to establish such an account,
19 or to merge their several individual accounts in a joint account,
20 maintain such joint account as if it constituted a single employer's
21 account.

22 (3) No employer's rate shall be lower than 5.4% unless
23 assignment of such lower rate is consistent with the conditions
24 applicable to additional credit allowance for such year under section
25 3303(a)(1) of the Internal Revenue Code of 1986 (26 U.S.C.
26 s.3303(a)(1)), any other provision of this section to the contrary
27 notwithstanding.

28 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
29 $2 \frac{8}{10}\%$, except as otherwise provided in the following provisions.
30 No employer's rate for the 12 months commencing July 1 of any
31 calendar year shall be other than $2 \frac{8}{10}\%$, unless as of the
32 preceding January 31 such employer shall have paid contributions
33 with respect to wages paid in each of the three calendar years
34 immediately preceding such year, in which case such employer's
35 rate for the 12 months commencing July 1 of any calendar year
36 shall be determined on the basis of his record up to the beginning of
37 such calendar year. If, at the beginning of such calendar year, the
38 total of all his contributions, paid on his own behalf, for all past
39 years exceeds the total benefits charged to his account for all such
40 years, his contribution rate shall be:

41 (1) $2 \frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
42 5%, of his average annual payroll (as defined in paragraph (2),
43 subsection (a) of R.S.43:21-19);

44 (2) $2 \frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less
45 than 6%, of his average annual payroll;

46 (3) $1 \frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less
47 than 7%, of his average annual payroll;

- 1 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less
2 than 8%, of his average annual payroll;
- 3 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less
4 than 9%, of his average annual payroll;
- 5 (6) 1%, if such excess equals or exceeds 9%, but is less than
6 10%, of his average annual payroll;
- 7 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
8 than 11%, of his average annual payroll;
- 9 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
10 average annual payroll.
- 11 (B) If the total of an employer's contributions, paid on his own
12 behalf, for all past periods for the purposes of this paragraph (4), is
13 less than the total benefits charged against his account during the
14 same period, his rate shall be:
- 15 (1) 4%, if such excess is less than 10% of his average annual
16 payroll;
- 17 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less
18 than 20%, of his average annual payroll;
- 19 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his
20 average annual payroll.
- 21 (C) Specially assigned rates.
- 22 (i) If no contributions were paid on wages for employment in
23 any calendar year used in determining the average annual payroll of
24 an employer eligible for an assigned rate under this paragraph (4),
25 the employer's rate shall be specially assigned as follows:
- 26 if the reserve balance in its account is positive, its assigned rate
27 shall be the highest rate in effect for positive balance accounts for
28 that period, or 5.4%, whichever is higher, and
- 29 if the reserve balance in its account is negative, its assigned rate
30 shall be the highest rate in effect for deficit accounts for that period.
- 31 (ii) If, following the purchase of a corporation with little or no
32 activity, known as a corporate shell, the resulting employing unit
33 operates a new or different business activity, the employing unit
34 shall be assigned a new employer rate.
- 35 (iii) Entities operating under common ownership, management or
36 control, when the operation of the entities is not identifiable,
37 distinguishable and severable, shall be considered a single employer
38 for the purposes of this chapter (R.S.43:21-1 et seq.).
- 39 (D) The contribution rates prescribed by subparagraphs (A) and
40 (B) of this paragraph (4) shall be increased or decreased in
41 accordance with the provisions of paragraph (5) of this subsection
42 (c) for experience rating periods through June 30, 1986.
- 43 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March
44 31 of any calendar year the balance in the unemployment trust fund
45 equals or exceeds 4% but is less than 7% of the total taxable wages
46 reported to the controller as of that date in respect to employment
47 during the preceding calendar year, the contribution rate, effective
48 July 1 following, of each employer eligible for a contribution rate

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

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

33 (B) If on March 31 of any calendar year the balance in the
34 unemployment trust fund equals or exceeds 10% but is less than 12
35 $\frac{1}{2}\%$ of the total taxable wages reported to the controller as of that
36 date in respect to employment during the preceding calendar year,
37 the contribution rate, effective July 1 following, of each employer
38 eligible for a contribution rate calculation based upon benefit
39 experience, shall be reduced by $\frac{3}{10}$ of 1% under the contribution
40 rate otherwise established under the provisions of paragraphs (3)
41 and (4) of this subsection; provided that in no event shall the
42 contribution rate of any employer be reduced to less than $\frac{4}{10}$ of
43 1%. If on March 31 of any calendar year the balance in the
44 unemployment trust fund equals or exceeds $12\frac{1}{2}\%$ of the total
45 taxable wages reported to the controller as of that date in respect to
46 employment during the preceding calendar year, the contribution
47 rate, effective July 1 following, of each employer eligible for a
48 contribution rate calculation based upon benefit experience, shall be

1 reduced by 6/10 of 1% if his account for all past periods reflects an
 2 excess of contributions paid over total benefits charged of 3% or
 3 more of his average annual payroll, otherwise by 3/10 of 1% under
 4 the contribution rate otherwise established under the provisions of
 5 paragraphs (3) and (4) of this subsection; provided that in no event
 6 shall the contribution rate of any employer be reduced to less than
 7 4/10 of 1%.

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

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

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

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

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

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

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

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

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

35

36 EXPERIENCE RATING TAX TABLE

	Fund Reserve Ratio ¹				
	3.50%	3.00%	2.5%	2.0%	1.99%
Employer	and	to	to	to	and
Reserve	Over	3.49%	2.99%	2.49%	Under
Ratio ²	A	B	C	D	E
42 Positive Reserve Ratio:					
43 17% and over	0.3	0.4	0.5	0.6	1.2
44 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
45 15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
46 14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
47 13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
48 12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2

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

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

27 ²Employer Reserve Ratio (Contributions minus benefits as a
28 percentage of employer's taxable wages).

29

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

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

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

33 (iv) With respect to experience rating years beginning on or
34 after July 1, 2011 and before July 1, 2013, if the fund reserve ratio,
35 based on the fund balance as of the prior March 31, is less than
36 1.0%, the contribution rate for each employer liable to pay
37 contributions, as

38 computed under subparagraph (E) of this paragraph (5), shall be
39 increased by a factor of 10% computed to the nearest multiple of
40 1/10% if not already a multiple thereof.

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

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

12 (H) On and after January 1, 1998 until December 31, 2000 and
13 on or after January 1, 2002 until June 30, 2006, the contribution rate
14 for each employer liable to pay contributions, as computed under
15 subparagraph (E) of this paragraph (5), shall be decreased by a
16 factor, as set out below, computed to the nearest multiple of 1/10%,
17 except that, if an employer has a deficit reserve ratio of negative
18 35.0% or under, the employer's rate of contribution shall not be
19 reduced pursuant to this subparagraph (H) to less than 5.4%:

20 From January 1, 1998 until December 31, 1998, a factor of 12%;
21 From January 1, 1999 until December 31, 1999, a factor of 10%;
22 From January 1, 2000 until December 31, 2000, a factor of 7%;
23 From January 1, 2002 until March 31, 2002, a factor of 36%;
24 From April 1, 2002 until June 30, 2002, a factor of 85%;
25 From July 1, 2002 until June 30, 2003, a factor of 15%;
26 From July 1, 2003 until June 30, 2004, a factor of 15%;
27 From July 1, 2004 until June 30, 2005, a factor of 7%;
28 From July 1, 2005 until December 31, 2005, a factor of 16%; and
29 From January 1, 2006 until June 30, 2006, a factor of 34%.

30 The amount of the reduction in the employer contributions
31 stipulated by this subparagraph (H) shall be in addition to the
32 amount of the reduction in the employer contributions stipulated by
33 subparagraph (G) of this paragraph (5), except that the rate of
34 contribution of an employer who has a deficit reserve ratio of
35 negative 35.0% or under shall not be reduced pursuant to this
36 subparagraph (H) to less than 5.4% and the rate of contribution of
37 any other employer shall not be reduced to less than 0.0%.

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

39 (J) On or after July 1, 2001, notwithstanding any other
40 provisions of this paragraph (5), the contribution rate for each
41 employer liable to pay contributions, as computed under
42 subparagraph (E) of this paragraph (5), shall be decreased by
43 0.0175%, except that, during any experience rating year starting on
44 or after July 1, 2001, in which the fund reserve ratio is equal to or
45 greater than 3.5%, there shall be no decrease pursuant to this
46 subparagraph (J) in the contribution of any employer who has a
47 deficit reserve ratio of negative 35.00% or under. The amount of the
48 reduction in the employer contributions stipulated by this

1 subparagraph (J) shall be in addition to the amount of the reduction
2 in the employer contributions stipulated by subparagraphs (G) and
3 (H) of this paragraph (5), except that the rate of contribution of an
4 employer who has a deficit reserve ratio of negative 35.0% or under
5 shall not be reduced pursuant to this subparagraph (J) to less than
6 5.4% and the rate of contribution of any other employer shall not be
7 reduced to less than 0.0%.

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

11 (i) Equal to or greater than 5.00% but less than 7.5%, the
12 contribution rate for each employer liable to pay contributions, as
13 computed under subparagraph (E) of this paragraph (5), shall be
14 reduced by a factor of 25% computed to the nearest multiple of
15 1/10% if not already a multiple thereof except that there shall be no
16 decrease pursuant to this subparagraph (K) in the contribution of
17 any employer who has a deficit reserve ratio of 35.00% or under;

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

25 (L) Notwithstanding any other provision of this paragraph (5)
26 and notwithstanding the actual fund reserve ratio, the contribution
27 rate for employers liable to pay contributions, as computed under
28 subparagraph (E) of this paragraph (5), shall be, for fiscal year
29 2011, the rates set by column "C" of the table in that subparagraph.

30 (M) Notwithstanding any other provision of this paragraph (5)
31 and notwithstanding the actual fund reserve ratio, the contribution
32 rate for employers liable to pay contributions, as computed under
33 subparagraph (E) of this paragraph (5), shall be, for fiscal year
34 2012, the rates set by column "D" of the table in that subparagraph.

35 (N) Notwithstanding any other provision of this paragraph (5)
36 and notwithstanding the actual fund reserve ratio, the contribution
37 rate for employers liable to pay contributions, as computed under
38 subparagraph (E) of this paragraph (5), shall be, for fiscal year
39 2013, the rates set by column "E" of the table in that subparagraph.

40 (O) Notwithstanding any other provision of this paragraph (5)
41 and notwithstanding the actual fund reserve ratio, the contribution
42 rate for employers liable to pay contributions, as computed under
43 subparagraph (E) of this paragraph (5), shall be, for fiscal year
44 2022, the rates set by column "C" of the table in that subparagraph.

45 (P) Notwithstanding any other provision of this paragraph (5)
46 and notwithstanding the actual fund reserve ratio, the contribution
47 rate for employers liable to pay contributions, as computed under
48 subparagraph (E) of this paragraph (5), shall be, for fiscal year

1 2023, the rates set by column "D" of the table in that subparagraph,
2 unless the application of the provisions of this paragraph (5) using
3 the actual fund reserve ratio would result in the contribution rate for
4 employers being set by a column which has lower tax rates than the
5 rates in column "D", in which case the employers shall be liable to
6 pay contributions at the rates set by the column with the lower tax
7 rates.

8 (Q) 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 2024, the rates set by column "E" of the table in that subparagraph,
13 unless the application of the provisions of this paragraph (5) using
14 the actual fund reserve ratio would result in the contribution rate for
15 employers being set by a column which has lower tax rates than the
16 rates in column "E", in which case the employers shall be liable to
17 pay contributions at the rates set by the column with the lower tax
18 rates.

19 (6) Additional contributions.

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

46 (7) Transfers.

47 (A) Upon the transfer of the organization, trade or business, or
48 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,
48 whether by merger, consolidation, sale, transfer, descent or

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

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

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

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

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

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

1 the fund at the same rate prescribed for workers of other
2 nongovernmental employers.

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

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

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

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

9 Each worker shall, starting on January 1, 1996 and ending March
10 31, 1996, contribute to the unemployment compensation fund
11 0.60% 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, 1998 and ending
25 December 31, 1998, contribute to the unemployment compensation
26 fund 0.10% of wages paid with respect to the worker's employment
27 with a governmental employer electing or required to pay
28 contributions or nongovernmental employer, including a nonprofit
29 organization which is an employer as defined under paragraph (6)
30 of subsection (h) of R.S.43:21-19, regardless of whether that
31 nonprofit organization elects or is required to finance its benefit
32 costs with contributions to the fund or by payments in lieu of
33 contributions, after that employer has satisfied the conditions set
34 forth in 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 0.10% of wages paid with respect to employment with the State of
37 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 January 1, 1999 until December
40 31, 1999, contribute to the unemployment compensation fund
41 0.15% of wages paid with respect to the worker's employment with
42 a governmental employer electing or required to pay contributions
43 or 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,
48 after that employer has satisfied the conditions set forth in

1 subsection (h) of R.S.43:21-19 with respect to becoming an
2 employer, provided that the contributions shall be at the rate of
3 0.10% of wages paid with respect to employment with the State of
4 New Jersey or any other governmental entity or instrumentality
5 electing or required to make payments in lieu of contributions.

6 Each worker shall, starting on January 1, 2000 until December
7 31, 2001, contribute to the unemployment compensation fund
8 0.20% of wages paid with respect to the worker's employment with
9 a governmental employer electing or required to pay contributions
10 or nongovernmental employer, including a nonprofit organization
11 which is an employer as defined under paragraph (6) of subsection
12 (h) of R.S.43:21-19, regardless of whether that nonprofit
13 organization elects or is required to finance its benefit costs with
14 contributions to the fund or by payments in lieu of contributions,
15 after that employer has satisfied the conditions set forth in
16 subsection (h) of R.S.43:21-19 with respect to becoming an
17 employer, provided that the contributions shall be at the rate of
18 0.10% of wages paid with respect to employment with the State of
19 New Jersey or any other governmental entity or instrumentality
20 electing or required to make payments in lieu of contributions.

21 Each worker shall, starting on January 1, 2002 until June 30,
22 2004, contribute to the unemployment compensation fund 0.1825%
23 of wages paid with respect to the worker's employment with a
24 governmental employer electing or required to pay contributions or
25 a nongovernmental employer, including a nonprofit organization
26 which is an employer as defined under paragraph (6) of subsection
27 (h) of R.S.43:21-19, regardless of whether that nonprofit
28 organization elects or is required to finance its benefit costs with
29 contributions to the fund or by payments in lieu of contributions,
30 after that employer has satisfied the conditions set forth in
31 subsection (h) of R.S.43:21-19 with respect to becoming an
32 employer, provided that the contributions shall be at the rate of
33 0.0825% of wages paid with respect to employment with the State
34 of New Jersey or any other governmental entity or instrumentality
35 electing or required to make payments in lieu of contributions.

36 Each worker shall, starting on and after July 1, 2004, contribute
37 to the unemployment compensation fund 0.3825% of wages paid
38 with respect to the worker's employment with a governmental
39 employer electing or required to pay contributions or
40 nongovernmental employer, including a nonprofit organization
41 which is an employer as defined under paragraph (6) of subsection
42 (h) of R.S.43:21-19, regardless of whether that nonprofit
43 organization elects or is required to finance its benefit costs with
44 contributions to the fund or by payments in lieu of contributions,
45 after that employer has satisfied the conditions set forth in
46 subsection (h) of R.S.43:21-19 with respect to becoming an
47 employer, provided that the contributions shall be at the rate of
48 0.0825% of wages paid with respect to employment with the State

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

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

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

20 (G) (i) Each worker, with respect to the worker's employment
21 with a government employer electing or required to pay
22 contributions to the State disability benefits fund or
23 nongovernmental employer, including a nonprofit organization
24 which is an employer as defined under paragraph (6) of subsection
25 (h) of R.S.43:21-19, unless the employer is covered by an approved
26 private disability plan or is exempt from the provisions of the
27 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25
28 et al.) under section 7 of that law (C.43:21-31) or any other
29 provision of that law, shall, for calendar year 2012 and each
30 subsequent calendar year, make contributions to the State disability
31 benefits fund at the annual rate of contribution necessary to obtain a
32 total amount of contributions, which, when added to employer
33 contributions made to the State disability benefits fund pursuant to
34 subsection (e) of this section, is, for calendar years prior to calendar
35 year 2018, equal to 120% of the benefits paid for periods of
36 disability, excluding periods of family temporary disability, during
37 the immediately preceding calendar year plus an amount equal to
38 100% of the cost of administration of the payment of those benefits
39 during the immediately preceding calendar year, less the amount of
40 net assets remaining in the State disability benefits fund, excluding
41 net assets remaining in the "Family Temporary Disability Leave
42 Account" of that fund, as of December 31 of the immediately
43 preceding year, and is, for calendar year 2018 and year 2019, equal
44 to 120% of the benefits paid for periods of disability, excluding
45 periods of family temporary disability, during the last preceding full
46 fiscal year plus an amount equal to 100% of the cost of
47 administration of the payment of those benefits during the last
48 preceding full fiscal year, less the amount of net assets anticipated

1 to be remaining in the "Family Temporary Disability Leave
2 Account" of that fund, as of December 31 of the immediately
3 preceding calendar year, and is, for each of calendar years 2020 and
4 2021, equal to 120% of the benefits which the department
5 anticipates will be paid for periods of disability, excluding periods
6 of family temporary disability, during the respective calendar year
7 plus an amount equal to 100% of the cost of administration of the
8 payment of those benefits which the department anticipates during
9 the respective calendar year, less the amount of net assets
10 anticipated to be remaining in the State disability benefits fund,
11 excluding net assets remaining in the "Family Temporary Disability
12 Leave Account" of that fund, as of December 31 of the immediately
13 preceding calendar year, and is, for calendar year 2022 and any
14 subsequent calendar year, equal to 120% of the benefits paid for
15 periods of disability, excluding periods of family temporary
16 disability, during the last preceding full fiscal year plus an amount
17 equal to 100% of the cost of administration of the payment of those
18 benefits during the last preceding full fiscal year, less the amount of
19 net assets anticipated to be remaining in the State disability benefits
20 fund, excluding net assets remaining in the "Family Temporary
21 Disability Leave Account" of that fund, as of December 31 of the
22 immediately preceding calendar year. All increases in the cost of
23 benefits for periods of disability caused by the increases in the
24 weekly benefit rate commencing July 1, 2020, pursuant to section
25 16 of P.L.1948, c.110 (C.43:21-40), shall be funded by
26 contributions made by workers pursuant to this paragraph (i) and
27 none of those increases shall be funded by employer contributions.
28 The estimated rates for the next calendar year shall be made
29 available on the department's website no later than 60 days after the
30 end of the last preceding full fiscal year. The rates of employer
31 contributions determined pursuant to subsection (e) of this section
32 for any year shall be determined prior to the determination of the
33 rate of employee contributions pursuant to this subparagraph (i) and
34 any consideration of employee contributions in determining
35 employer rates for any year shall be based on amounts of employee
36 contributions made prior to the year to which the rate of employee
37 contributions applies and shall not be based on any projection or
38 estimate of the amount of employee contributions for the year to
39 which that rate applies.

40 (ii) Each worker shall contribute to the State disability benefits
41 fund, in addition to any amount contributed pursuant to
42 subparagraph (i) of this paragraph (1)(G), an amount equal to,
43 during calendar year 2009, 0.09%, and during calendar year 2010
44 0.12%, of wages paid with respect to the worker's employment with
45 any covered employer, including a governmental employer which is
46 an employer as defined under R.S.43:21-19(h)(5), unless the
47 employer is covered by an approved private disability plan for
48 benefits during periods of family temporary disability leave. The

1 contributions made pursuant to this subparagraph (ii) to the State
2 disability benefits fund shall be deposited into an account of that
3 fund reserved for the payment of benefits during periods of family
4 temporary disability leave as defined in section 3 of the "Temporary
5 Disability Benefits Law," P.L.1948, c.110 (C.43:21-27) and for the
6 administration of those payments and shall not be used for any other
7 purpose. This account shall be known as the "Family Temporary
8 Disability Leave Account." For calendar year 2011 and each
9 subsequent calendar year until 2018, the annual rate of contribution
10 to be paid by workers pursuant to this subparagraph (ii) shall be, for
11 calendar years prior to calendar year 2018, the rate necessary to
12 obtain a total amount of contributions equal to 125% of the benefits
13 paid for periods of family temporary disability leave during the
14 immediately preceding calendar year plus an amount equal to 100%
15 of the cost of administration of the payment of those benefits during
16 the immediately preceding calendar year, less the amount of net
17 assets remaining in the account as of December 31 of the
18 immediately preceding year, and shall be, for calendar year 2018
19 and calendar year 2019, the rate necessary to obtain a total amount
20 of contributions equal to 125% of the benefits paid for periods of
21 family temporary disability leave during the last preceding full
22 fiscal year plus an amount equal to 100% of the cost of
23 administration of the payment of those benefits during the last
24 preceding full fiscal year, less the amount of net assets anticipated
25 to be remaining in the account as of December 31 of the
26 immediately preceding calendar year. For each of calendar years
27 2020 and 2021, the annual rate of contribution to be paid by
28 workers pursuant to this subparagraph (ii) shall be the rate
29 necessary to obtain a total amount of contributions equal to 125% of
30 the benefits which the department anticipates will be paid for
31 periods of family temporary disability leave during the respective
32 calendar year plus an amount equal to 100% of the cost of
33 administration of the payment of those benefits which the
34 department anticipates during the respective calendar year, less the
35 amount of net assets remaining in the account as of December 31 of
36 the immediately preceding calendar year. For 2022 and any
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 which were paid for periods of family temporary
41 disability leave during the last preceding full fiscal year plus an
42 amount equal to 100% of the cost of administration of the payment
43 of those benefits during the last preceding full fiscal year, less the
44 amount of net assets remaining in the account as of December 31 of
45 the immediately preceding calendar year. All increases in the cost
46 of benefits for periods of family temporary disability leave caused
47 by the increases in the weekly benefit rate commencing July 1, 2020
48 pursuant to section 16 of P.L.1948, c.110 (C.43:21-40) and

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

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

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

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

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

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

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

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

39 (3) (A) If an employee receives wages from more than one
40 employer during any calendar year, and either the sum of his
41 contributions deposited in and credited to the State disability
42 benefits fund plus the amount of his contributions, if any, required
43 towards the costs of benefits under one or more approved private
44 plans under the provisions of section 9 of the "Temporary Disability
45 Benefits Law" (C.43:21-33) and deducted from his wages, or the
46 sum of such latter contributions, if the employee is covered during
47 such calendar year only by two or more private plans, exceeds an
48 amount equal to 1/2 of 1% of the "wages" determined in accordance

1 with the provisions of R.S.43:21-7(b)(3) during the calendar years
2 beginning on or after January 1, 1976 or, during calendar year 2012
3 or any subsequent calendar year, the total amount of his
4 contributions for the year exceeds the amount set by the annual rate
5 of contribution determined by the Commissioner of Labor and
6 Workforce Development pursuant to subparagraph (i) of paragraph
7 (1)(G) of this subsection (d), the employee shall be entitled to a
8 refund of the excess if he makes a claim to the controller within two
9 years after the end of the calendar year in which the wages are
10 received with respect to which the refund is claimed and establishes
11 his right to such refund. Such refund shall be made by the controller
12 from the State disability benefits fund. No interest shall be allowed
13 or paid with respect to any such refund. The controller shall, in
14 accordance with prescribed regulations, determine the portion of the
15 aggregate amount of such refunds made during any calendar year
16 which is applicable to private plans for which deductions were
17 made under section 9 of the "Temporary Disability Benefits Law"
18 (C.43:21-33) such determination to be based upon the ratio of the
19 amount of such wages exempt from contributions to such fund, as
20 provided in subparagraph (B) of paragraph (1) of this subsection
21 with respect to coverage under private plans, to the total wages so
22 exempt plus the amount of such wages subject to contributions to
23 the disability benefits fund, as provided in subparagraph (G) of
24 paragraph (1) of this subsection. The controller shall, in accordance
25 with prescribed regulations, prorate the amount so determined
26 among the applicable private plans in the proportion that the wages
27 covered by each plan bear to the total private plan wages involved
28 in such refunds, and shall assess against and recover from the
29 employer, or the insurer if the insurer has indemnified the employer
30 with respect thereto, the amount so prorated. The provisions of
31 R.S.43:21-14 with respect to collection of employer contributions
32 shall apply to such assessments. The amount so recovered by the
33 controller shall be paid into the State disability benefits fund.

34 (B) If an employee receives wages from more than one employer
35 during any calendar year, and the sum of his contributions deposited
36 in the "Family Temporary Disability Leave Account" of the State
37 disability benefits fund plus the amount of his contributions, if any,
38 required towards the costs of family temporary disability leave
39 benefits under one or more approved private plans under the
40 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
41 et al.) and deducted from his wages, exceeds an amount equal to,
42 during calendar year 2009, 0.09% of the "wages" determined in
43 accordance with the provisions of R.S.43:21-7(b)(3), or during
44 calendar year 2010, 0.12% of those wages, or, during calendar year
45 2011 or any subsequent calendar year, the percentage of those
46 wages set by the annual rate of contribution determined by the
47 Commissioner of Labor and Workforce Development pursuant to
48 subparagraph (ii) of paragraph (1)(G) of this subsection (d), the

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

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

46 (5) Every employer who has elected to become an employer
47 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
48 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to

1 the provisions of R.S.43:21-8, shall post and maintain printed
2 notices of such election on his premises, of such design, in such
3 numbers, and at such places as the director may determine to be
4 necessary to give notice thereof to persons in his service.

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

8 (e) Contributions by employers to the State disability benefits
9 fund.

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

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

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

39 (B) A separate disability benefits account shall be maintained for
40 each employer required to contribute to the State disability benefits
41 fund and such account shall be credited with contributions
42 deposited in and credited to such fund with respect to employment
43 occurring on and after January 1, 1949. Each employer's account
44 shall be credited with all contributions paid on or before January 31
45 of any calendar year on his own behalf and on behalf of individuals
46 in his service with respect to employment occurring in preceding
47 calendar years; provided, however, that if January 31 of any
48 calendar year falls on a Saturday or Sunday an employer's account

1 shall be credited as of January 31 of such calendar year with all the
2 contributions which he has paid on or before the next succeeding
3 day which is not a Saturday or Sunday. But nothing in this act shall
4 be construed to grant any employer or individuals in his service
5 prior claims or rights to the amounts paid by him to the fund either
6 on his own behalf or on behalf of such individuals. Benefits paid to
7 any covered individual in accordance with Article III of the
8 "Temporary Disability Benefits Law" on or before December 31 of
9 any calendar year with respect to disability in such calendar year
10 and in preceding calendar years shall be charged against the account
11 of the employer by whom such individual was employed at the
12 commencement of such disability or by whom he was last
13 employed, if out of employment.

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

21 (D) Prior to July 1 of each calendar year, the controller shall
22 make a preliminary determination of the rate of contribution for the
23 12 months commencing on such July 1 for each employer subject to
24 the contribution requirements of this subsection (e).

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

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

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

37 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
38 $1\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

39 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
40 $\frac{1}{2}\%$ of his average annual payroll.

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

47 (4) If the minimum requirements in subparagraph (D) (1) above
48 have been fulfilled and the benefits charged exceed the

1 contributions credited by more than \$500.00, such preliminary rate
2 shall be as follows:

3 (i) 35/100 of 1% if such excess over \$500.00 is less than 1/4 of
4 1% of his average annual payroll;

5 (ii) 45/100 of 1% if such excess over \$500.00 equals or exceeds
6 1/4 of 1% but is less than 1/2 of 1% of his average annual payroll;

7 (iii) 55/100 of 1% if such excess over \$500.00 equals or exceeds
8 1/2 of 1% but is less than 3/4 of 1% of his average annual payroll;

9 (iv) 65/100 of 1% if such excess over \$500.00 equals or exceeds
10 3/4 of 1% but is less than 1% of his average annual payroll;

11 (v) 75/100 of 1% if such excess over \$500.00 equals or exceeds
12 1% of his average annual payroll.

13 (5) Determination of the preliminary rate as specified in
14 subparagraphs (D)(2), (3) and (4) above shall be subject, however,
15 to the condition that it shall in no event be decreased by more than
16 1/10 of 1% of wages or increased by more than 2/10 of 1% of
17 wages from the preliminary rate determined for the preceding year
18 in accordance with subparagraph (D) (1), (2), (3) or (4), whichever
19 shall have been applicable.

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

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

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

47 (ii) If the percentage determined in accordance with
48 subparagraph (E)(1) of this paragraph equals or exceeds 3/4 of 1%

1 and is less than $1\frac{1}{4}$ of 1%, the final employer rates shall be the
2 preliminary employer rates.

3 (iii) If the percentage determined in accordance with
4 subparagraph (E)(1) of this paragraph is less than $\frac{3}{4}$ of 1%, but in
5 excess of $\frac{1}{4}$ of 1%, the final employer rates shall be the
6 preliminary employer rates determined as provided in subparagraph
7 (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and such
8 percentage taken to the nearest $\frac{5}{100}$ of 1%; provided, however,
9 that no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an
10 employer whose preliminary rate is determined as provided in
11 subparagraph (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
12 employer whose preliminary rate is determined as provided in
13 subparagraph (D)(1) and subparagraph (D)(3) hereof, nor more than
14 $\frac{3}{4}$ of 1% in the case of an employer whose preliminary rate is
15 determined as provided in subparagraph (D)(4) hereof.

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

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

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

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

39 (iii) No amounts were transferred from the State disability
40 benefits fund to the "Family Temporary Disability Leave Account"
41 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section;
42 and

43 (iv) The total amount of benefits paid for periods of disability
44 were not subject to the increases in the weekly benefit rate for those
45 benefits commencing July 1, 2020 pursuant to section 16 of
46 P.L.1948, c.110 (C.43:21-40).

47 (cf: P.L.2019, c.37, s.6)

1 3. This act shall take effect immediately.

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STATEMENT

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

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

15 1. For fiscal year 2022, the rates set by column "C" of the
16 Experience Rating Tax Table in R.S.32:21-7(c)(5)(E);

17 2. For fiscal year 2023, the rates set by column "D" of that
18 table, unless calculations based on the actual fund reserve rate
19 would result in the selection of a column with lower contribution
20 rates, in which case the column with the lower contribution rates
21 would apply; and

22 3. For fiscal year 2024, the rates set by column "E" of that
23 table, unless calculations based on the actual fund reserve rate
24 would result in the selection of a column with lower contribution
25 rates, in which case the column with the lower contribution rates
26 would apply.

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

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37 Reduces or delays increases in employer unemployment taxes
38 related to benefits paid during coronavirus disease 2019 pandemic
39 state of emergency.