

ASSEMBLY, No. 1610

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 29, 1996

By Assemblymen **ROBERTS, SULIGA, Jones, Cohen,**
Assemblywoman **Weinberg, Assemblymen Romano, Doria,**
Impreveduto, Gusciora and Assemblywoman Buono

1 AN ACT concerning temporary disability benefit fund contributions
2 and amending P.L.1948, c.110 (C.43:21-47).

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

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7 1. Section 23 of P.L.1948, c.110 (C. 43:21-47) is amended to read
8 as follows:

9 23. Withdrawal from Federal Treasury. (a) The State Treasurer
10 is hereby authorized and directed to requisition and withdraw on or
11 before December 31, 1948, the sum of \$50,000,000.00 from the
12 amount of worker contributions heretofore accumulated in the State
13 unemployment compensation fund and deposited in and credited to the
14 account of this State in the unemployment trust fund of the United
15 States of America, established and maintained pursuant to section 904
16 of the Social Security Act, as amended (42 U.S.C. §1104), and to
17 deposit such sums in the State disability benefits fund, established
18 under the "Temporary Disability Benefits Law." The State Treasurer
19 is further authorized and empowered to make such requisitions or
20 withdrawals in accordance with such regulations relating thereto as
21 may be prescribed by the United States Secretary of the Treasury. No
22 portion of the amount requisitioned or withdrawn from the Federal
23 Treasury shall be expended for the purpose of administering the
24 "Temporary Disability Benefits Law."

25 (b) The State Treasurer is hereby authorized and directed to
26 requisition and withdraw within 90 days of this enactment, an
27 additional sum of \$50,000,000.00 from the amount of worker
28 contributions heretofore accumulated in the State unemployment
29 compensation fund and deposited in and credited to the account of this
30 State in the unemployment trust fund of the United States of America,
31 established and maintained pursuant to section 904 of the Social
32 Security Act, as amended (42 U.S.C. §1104), and to deposit such sums

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 in the State disability benefits fund, established under the "Temporary
2 Disability Benefits Law." The State Treasurer is further authorized and
3 empowered to make such requisitions or withdrawals in accordance
4 with such regulations relating thereto as may be prescribed by the
5 United States Secretary of the Treasury. If the balance in the State
6 disability benefits fund as of December 31 of any calendar year,
7 increased by the contributions credited thereto on or before, or as of
8 January 31 immediately thereafter is in excess of \$75,000,000.00, the
9 excess shall be withdrawn from the State disability benefits fund and
10 deposited to the account of this State in the unemployment trust fund
11 until the entire \$50,000,000.00 requisitioned and withdrawn under this
12 subsection (b) has been returned and deposited to the account of this
13 State in the unemployment trust fund pursuant to the provisions of this
14 subsection (b) and subsection (c) hereof. Such repayment to the
15 unemployment trust fund shall be considered in determining
16 contribution rates by employers to the State disability benefits fund
17 under R.S.43:21-7(c). No portion of the amount requisitioned or
18 withdrawn from the Federal Treasury shall be expended for the
19 purpose of administering the "Temporary Disability Benefits Law."

20 (c) The State Treasurer shall transfer from the State disability
21 benefits fund to the clearing account of the unemployment
22 compensation fund, as established under R.S.43:21-9, the sum of
23 \$25,000,000.00. Such transfer may be made at such times and in such
24 installments as the State Treasurer may deem proper, except that the
25 total sum shall have been transferred by no later than April 30, 1971.
26 Amounts transferred to the clearing account of the unemployment
27 compensation fund under this subsection shall be clear immediately
28 and shall be deposited with the Secretary of the Treasury of the United
29 States of America in accordance with the provisions of
30 R.S.43:21-9(b).

31 (d) The State Treasurer is hereby authorized and directed to
32 requisition and withdraw on or before December 31, 1985 a minimum
33 of \$50,000,000.00, at the discretion of the Commissioner of Labor,
34 from the State disability benefits fund established under section 22 of
35 P.L.1948, c.110 (C.43:21-46) and to deposit such sum in the clearing
36 account of the State unemployment compensation fund established
37 under R.S.43:21-9. The amount transferred under this subsection (d)
38 shall be cleared immediately and shall be deposited with the Secretary
39 of the Treasury of the United States of America, in accordance with
40 the provisions of R.S.43:21-9(b).

41 (e) The State Treasurer is hereby authorized and directed to
42 requisition and withdraw on or after July 1, 1992 an amount not
43 greater than \$25,000,000 from revenues received pursuant to
44 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the
45 Commissioner of Labor, from the State disability benefits fund
46 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)

1 and to deposit that amount in the New Jersey Workforce Development
2 Partnership Fund created pursuant to section 9 of P.L.1992, c.43
3 (C.34:15D-9).

4 (f) The State Treasurer, in consultation with the Commissioner of
5 Labor, is hereby authorized and directed to requisition and withdraw
6 on or after July 1, 1994 from revenues received pursuant to paragraph
7 (1) of subsection (e) of R.S.43:21-7, an amount from the State
8 disability benefits fund not greater than 25% of the balance in that fund
9 as of June 30, 1994 and to deposit that amount in the clearing account
10 of the unemployment compensation fund established under
11 R.S.43:21-9. The amount transferred under this subsection (f) shall be
12 cleared immediately and shall be deposited with the Secretary of the
13 Treasury of United States of America, in accordance with the
14 provisions of R.S.43:21-9(b).

15 (g) To the extent that funds from the General Fund are also
16 deposited into the clearing account subsequent to July 1, 1994 but
17 before October 2, 1994, such amount shall be reimbursed to the
18 General Fund from amounts collected pursuant to
19 R.S.43:21-7(d)(1)(G) and R.S.43:21-7(e) for quarterly periods ending
20 on or after September 30, 1994.

21 (h) The amount transferred from the State disability benefits fund
22 to the clearing account of the unemployment compensation fund under
23 subsection (f) of this section plus any amount reimbursed to the
24 General Fund in accordance with subsection (g) shall be repaid to the
25 State disability benefits fund from general state revenues with interest
26 at the rate earned by the investments made with moneys remaining in
27 the State disability benefits fund. The repayment period shall not
28 exceed ten years. The amount repaid each year shall be not less than
29 one tenth of the total amount transferred from the State disability
30 benefits fund to the clearing account of the unemployment
31 compensation fund under subsection (f) of this section, plus not less
32 than one tenth of the amount reimbursed to the General Fund in
33 accordance with subsection (g), plus accrued interest, and, on January
34 1, 1997, the State Treasurer shall repay the entire amount not yet
35 repaid by depositing that entire amount from the General Fund to the
36 State disability benefits fund. [The State Treasurer shall, on or before
37 the thirty-first day of January in 1995 and in each subsequent year
38 determine what amount shall be repaid to the State disability benefits
39 fund in the next commencing fiscal year, which amount shall be
40 consistent with the provisions of this subsection (h). The Legislature
41 shall appropriate that amount from the General Fund to the State
42 disability benefits fund. For purposes of determining the balance in the
43 State disability benefits fund as prescribed pursuant to subparagraph
44 (1) of subparagraph (E) of paragraph (3) of subsection (e) of
45 R.S.43:21-7, the amount transferred from the State disability benefits
46 fund to the unemployment compensation fund pursuant to subsection

1 (f) of this section and reimbursed to the General Fund pursuant to
2 subsection (g) of this section less repayments or other reductions, plus
3 accrued interest shall be included therein.]

4 i. Notwithstanding any other provision of chapter 21 of Title 43 of
5 the Revised Statutes, no employee shall make any contribution to the
6 State disability benefits fund with respect to wages paid during
7 calendar year 1997.

8 (cf: P.L.1994, c.112, s.4)

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10 2. This act shall take effect immediately.

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STATEMENT

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15 This act would suspend employee contributions to the State
16 disability benefits fund for the calendar year 1997 and require the State
17 Treasurer to repay the entire amount still owed the temporary
18 disability benefits fund as of January 1, 1997, by depositing that
19 amount from the General Fund to the State disability benefits fund on
20 January 1, 1997.

21 The temporary disability benefits tax rate for employees under the
22 current law for calendar year 1996 is 0.5% on the first \$18,000 of
23 wages earned. The maximum amount of wages on which taxes are
24 paid will likely increase for calendar year 1997. If the provisions of
25 this act were in place for calendar year 1996, an employee who earned
26 \$18,000 or more would receive a tax reduction of \$90 and State
27 disability benefits revenues would be reduced by approximately \$200
28 million.

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33 Suspend employee contributions to the State disability benefits fund
34 for the calendar year 1997 and requires repayment of State disability
35 benefits fund.