

[First Reprint]  
ASSEMBLY COMMITTEE SUBSTITUTE FOR  
ASSEMBLY, No. 1786

STATE OF NEW JERSEY

ADOPTED MAY 2, 1996

Sponsored by Assemblymen ZECKER, GREGG and  
Assemblywoman WRIGHT

1 AN ACT concerning unemployment insurance benefits, amending and  
2 supplementing chapter 21 of Title 43 of the Revised Statutes.

3

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

6

7 1. (New section) For the purposes of the Emergency  
8 Unemployment Benefits Program and as used in this act:

9 "Emergency unemployment benefits" means benefits financed  
10 entirely by the State and paid to exhaustees pursuant to this act.

11 "Emergency unemployment benefit period" means a period not  
12 within an extended benefit period which:

13 a. Begins on June 2, 1996, and

14 b. Ends upon the conclusion of the second week after the first  
15 week for which there is a State "on" indicator as defined in section 5  
16 of P.L.1970, c.324 (C.43:21-24.11) or other federally-financed  
17 supplemental benefits program, or

18 c. If there is no such "on" indicator, ends with the occurrence of  
19 either of the following:

20 (1) The third week after the first week for which there is a State  
21 emergency unemployment benefits "off" indicator; or

22 (2) The calendar week after the calendar week in which total  
23 expenditures of emergency unemployment compensation fund  
24 Statewide first exceed \$350 million.

25 There is a State emergency unemployment benefits "off" indicator  
26 for any week in which it is determined by the division based on data  
27 reported by the U.S. Bureau of Labor Statistics that, for the prior four  
28 calendar months, the average total unemployment rate (seasonally

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly floor amendments adopted May 2, 1996.

1 adjusted) in this State is less than 6.0 percent.

2 Notwithstanding any other provision of this subsection c., no  
3 emergency unemployment benefits shall be paid after December 1,  
4 1996, except that emergency benefits shall be paid to individuals who  
5 established emergency unemployment claims prior to that date. No  
6 emergency unemployment benefits shall be paid to any individual after  
7 March 1, 1997.

8 "Eligibility period" of an exhaustee means the period consisting of  
9 the weeks in the exhaustee's benefit year which begin in an emergency  
10 unemployment benefit period and, if that benefit year ends in the  
11 emergency unemployment benefit period, any weeks thereafter which  
12 begin in the period.

13 "Exhaustee" means an individual who exhausted all of the regular  
14 benefits that were available to the individual pursuant to the  
15 "unemployment compensation law," R.S.43:21-1 et seq., (including  
16 benefits payable to federal civilian employees and ex-service persons  
17 or payable under the combined wage program), after December 2,  
18 1995 and before June 2, 1996, or during any calendar week of the  
19 emergency unemployment benefit period. No individual who  
20 exhausted all of the available regular benefits prior to December 3,  
21 1995 shall be eligible for emergency unemployment benefits. An  
22 individual whose benefit year has expired prior to the beginning of the  
23 emergency unemployment benefit period shall not be eligible for such  
24 benefits.

25

26 2. (New section) During an emergency unemployment benefit  
27 period exhaustees, who otherwise continue to meet the eligibility  
28 requirements for regular benefits pursuant to the provisions of the  
29 "unemployment compensation law," R.S.43:21-1 et seq., and who are  
30 not eligible for any other unemployment benefits, including benefits  
31 provided for by any federal law extending benefits beyond those  
32 provided for as regular benefits or extended benefits, may receive  
33 weekly emergency unemployment benefits for weeks subsequent to  
34 June 2, 1996 in an amount equal to the weekly benefit amount of the  
35 individual's most recent regular unemployment benefit claim subject to  
36 the provisions of the "unemployment compensation law," R.S.43:21-1  
37 et seq. The maximum emergency unemployment benefits an individual  
38 may receive pursuant to this act is 50 percent of the regular  
39 unemployment benefits which were payable to the individual pursuant  
40 to the "unemployment compensation law," R.S.43:21-1 et seq.,  
41 (including benefits payable to federal civilian employees and ex-service  
42 persons or payable under the combined wage program) in the  
43 individual's applicable benefit year.

44

45 3. (New section) No employer's account shall be charged for  
46 emergency unemployment benefits paid to an unemployed individual

1 pursuant to this act, except for the account of an out-of -State  
2 employer who is liable for charges under the Combined Wage  
3 Program. However, nothing in this section shall be construed to  
4 relieve employers electing to make payments in lieu of contributions  
5 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or  
6 C.43:21-7.3) from reimbursing the unemployment benefits paid to an  
7 unemployed individual pursuant to this act.

8 Emergency unemployment benefits paid to federal civilian  
9 employees shall be charged to the appropriate federal account.  
10 Emergency unemployment benefits paid to ex-service persons shall be  
11 charged to the unemployment compensation fund.

12

13 4. (New section) Emergency unemployment benefits may be paid  
14 pursuant to the provisions of this act only with respect to weeks not  
15 within an extended benefit period, and not within a period covered by  
16 any federal law allowing the filing of new claims extending benefits  
17 beyond those provided for as regular or extended benefits. If a federal  
18 extended benefits period triggers "on," maximum benefits payable to  
19 an individual under the federal extended benefits program or any  
20 federal supplemental benefits program shall be reduced by an amount  
21 equal to that received by the individual under the emergency  
22 unemployment benefits program.

23

24 5. (New section) Notwithstanding the provisions of any other law,  
25 the division shall use appropriate administrative means to insure that  
26 emergency unemployment benefits are paid only to individuals who  
27 meet the requirements of this act. These administrative actions may  
28 include, but shall not be limited to, the following procedure: the  
29 division shall match the claimant's social security number against  
30 available wage records to insure that no earnings were reported for  
31 that claimant by employers under R.S.43:21-14 for periods in which  
32 emergency unemployment benefits were paid. <sup>1</sup>All necessary  
33 administrative costs related to implementation of this act shall be paid  
34 from contributions made pursuant to section 29 of P.L.1992, c.160  
35 (C.43:21-7b).<sup>1</sup>

36

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

38 43:21-7. Contributions. Employers other than governmental  
39 entities, whose benefit financing provisions are set forth in section 4  
40 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations  
41 liable for payment in lieu of contributions on the basis set forth in  
42 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller  
43 for the unemployment compensation fund, contributions as set forth  
44 in subsections (a), (b) and (c) hereof, and the provisions of subsections  
45 (d) and (e) shall be applicable to all employers, consistent with the  
46 provisions of the "unemployment compensation law" and the

1 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
2 seq.).

3 (a) Payment.

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

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

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

17 (1) For the calendar year 1947, and each calendar year thereafter,  
18  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
19 as otherwise prescribed by subsection (c) of this 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 subsections  
22 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
23 during calendar year 1975, for services performed either within or  
24 without this State; provided that no contribution shall be required by  
25 this State with respect to services performed in another state if such  
26 other state imposes contribution liability with respect thereto. If an  
27 employer (hereinafter referred to as a successor employer) during any  
28 calendar year acquires substantially all the property used in a trade or  
29 business of another employer (hereinafter referred to as a  
30 predecessor), or used in a separate unit of a trade or business of a  
31 predecessor, and immediately after the acquisition employs in his  
32 trade or business an individual who immediately prior to the  
33 acquisition was employed in the trade or business of such predecessor,  
34 then, for the purpose of determining whether the successor employer  
35 has paid wages with respect to employment equal to the first  
36 \$4,800.00 paid during calendar year 1975, any wages paid to such  
37 individual by such predecessor during such calendar year and prior to  
38 such acquisition shall be considered as having been paid by such  
39 successor employer.

40 (3) For calendar years beginning on and after January 1, 1976, the  
41 "wages" of any individual, as defined in the preceding paragraph (2)  
42 of this subsection (b), shall be established and promulgated by the  
43 Commissioner of Labor on or before September 1 of the preceding  
44 year and shall be 28 times the Statewide average weekly remuneration  
45 paid to workers by employers, as determined under R.S.43:21-3(c),  
46 raised 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, that  
4 if the amount of such wages so determined does not equal or exceed  
5 the amount of wages as defined in subsection (b) of section 3306 of  
6 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
7 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined  
8 in this paragraph in any calendar year shall be raised to equal the  
9 amount established under the Federal Unemployment Tax Act for that  
10 calendar year.

11 (c) Future rates based on benefit experience.

12 (1) A separate account for each employer shall be maintained and  
13 this shall be credited with all the contributions which he has paid on  
14 his own behalf on or before January 31 of any calendar year with  
15 respect to employment occurring in the preceding calendar year;  
16 provided, however, that if January 31 of any calendar year falls on a  
17 Saturday or Sunday, an employer's account shall be credited as of  
18 January 31 of such calendar year with all the contributions which he  
19 has paid on or before the next succeeding day which is not a Saturday  
20 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
21 construed to grant any employer or individuals in his service prior  
22 claims or rights to the amounts paid by him into the fund either on his  
23 own behalf or on behalf of such individuals. Benefits paid with respect  
24 to benefit years commencing on and after January 1, 1953, to any  
25 individual on or before December 31 of any calendar year with respect  
26 to unemployment in such calendar year and in preceding calendar years  
27 shall be charged against the account or accounts of the employer or  
28 employers in whose employment such individual established base  
29 weeks constituting the basis of such benefits. Benefits paid under a  
30 given benefit determination shall be charged against the account of the  
31 employer to whom such determination relates. When each benefit  
32 payment is made, either a copy of the benefit check or other form of  
33 notification shall be promptly sent to the employer against whose  
34 account the benefits are to be charged. Such copy or notification shall  
35 identify the employer against whose account the amount of such  
36 payment is being charged, shall show at least the name and social  
37 security account number of the claimant and shall specify the period  
38 of unemployment to which said check applies. If the total amount of  
39 benefits paid to a claimant and charged to the account of the  
40 appropriate employer exceeds 50% of the total base year, base week  
41 wages paid to the claimant by that employer, then such employer shall  
42 have canceled from his account such excess benefit charges as  
43 specified above.

44 Each employer shall be furnished an annual summary statement of  
45 benefits charged to his account.

46 (2) Regulations may be prescribed for the establishment,

1 maintenance, and dissolution of joint accounts by two or more  
2 employers, and shall, in accordance with such regulations and upon  
3 application by two or more employers to establish such an account, or  
4 to merge their several individual accounts in a joint account, maintain  
5 such joint account as if it constituted a single employer's account.

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

11 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
12  $8/10\%$ , except as otherwise provided in the following provisions. No  
13 employer's rate for the 12 months commencing July 1 of any calendar  
14 year shall be other than  $2\ 8/10\%$ , unless as of the preceding January 31  
15 such employer shall have paid contributions with respect to wages paid  
16 in each of the three calendar years immediately preceding such year,  
17 in which case such employer's rate for the 12 months commencing July  
18 1 of any calendar year shall be determined on the basis of his record up  
19 to the beginning of such calendar year. If, at the beginning of such  
20 calendar year, the total of all his contributions, paid on his own behalf,  
21 for all past years exceeds the total benefits charged to his account for  
22 all such years, his contribution rate shall be:

23 (1)  $2\ 5/10\%$ , if such excess equals or exceeds 4%, but less than  
24 5%, of his average annual payroll (as defined in paragraph (2),  
25 subsection (a) of R.S.43:21-19);

26 (2)  $2\ 2/10\%$ , if such excess equals or exceeds 5%, but is less than  
27 6%, of his average annual payroll;

28 (3)  $1\ 9/10\%$ , if such excess equals or exceeds 6%, but is less than  
29 7%, of his average annual payroll;

30 (4)  $1\ 6/10\%$ , if such excess equals or exceeds 7%, but is less than  
31 8%, of his average annual payroll;

32 (5)  $1\ 3/10\%$ , if such excess equals or exceeds 8%, but is less than  
33 9%, of his average annual payroll;

34 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
35 of his average annual payroll;

36 (7)  $7/10$  of 1%, if such excess equals or exceeds 10%, but is less  
37 than 11%, of his average annual payroll;

38 (8)  $4/10$  of 1%, if such excess equals or exceeds 11% of his  
39 average annual payroll.

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

44 (1) 4%, if such excess is less than 10% of his average annual  
45 payroll;

46 (2)  $4\ 3/10\%$ , if such excess equals or exceeds 10%, but is less than

1 20%, of his average annual payroll;

2 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
3 annual payroll.

4 (C) Specially assigned rates. If no contributions were paid on  
5 wages for employment in any calendar year used in determining the  
6 average annual payroll of an employer eligible for an assigned rate  
7 under this paragraph (4), the employer's rate shall be specially assigned  
8 as follows:

9 (i) if the reserve balance in its account is positive, its assigned rate  
10 shall be the highest rate in effect for positive balance accounts for that  
11 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
12 its account is negative, its assigned rate shall be the highest rate in  
13 effect for deficit accounts for that period.

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

18 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March  
19 31 of any calendar year the balance in the unemployment trust fund  
20 equals or exceeds 4% but is less than 7% of the total taxable wages  
21 reported to the controller as of that date in respect to employment  
22 during the preceding calendar year, the contribution rate, effective July  
23 1 following, of each employer eligible for a contribution rate  
24 calculation based upon benefit experience, shall be increased by  $\frac{3}{10}$   
25 of 1% over the contribution rate otherwise established under the  
26 provisions of paragraph (3) or (4) of this subsection. If on March 31  
27 of any calendar year the balance of the unemployment trust fund  
28 exceeds  $2\frac{1}{2}\%$  but is less than 4% of the total taxable wages reported  
29 to the controller as of that date in respect to employment during the  
30 preceding calendar year, the contribution rate, effective July 1  
31 following, of each employer eligible for a contribution rate calculation  
32 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
33 the contribution rate otherwise established under the provisions of  
34 paragraph (3) or (4) of this subsection.

35 If on March 31 of any calendar year the balance of the  
36 unemployment trust fund is less than  $2\frac{1}{2}\%$  of the total taxable wages  
37 reported to the controller as of that date in respect to employment  
38 during the preceding calendar year, the contribution rate, effective July  
39 1 following, of each employer (1) eligible for a contribution rate  
40 calculation based upon benefit experience, shall be increased by (i)  
41  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the  
42 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
43 (ii) an additional amount equal to 20% of the total rate established  
44 herein, provided, however, that the final contribution rate for each  
45 employer shall be computed to the nearest multiple of  $\frac{1}{10}\%$  if not  
46 already a multiple thereof; (2) not eligible for a contribution rate

1 calculation based upon benefit experience, shall be increased by 6/10  
2 of 1% over the contribution rate otherwise established under the  
3 provisions of paragraph (4) of this subsection. For the period  
4 commencing July 1, 1984 and ending June 30, 1986, the contribution  
5 rate for each employer liable to pay contributions under R.S.43:21-7  
6 shall be increased by a factor of 10% computed to the nearest multiple  
7 of 1/10% if not already a multiple thereof.

8 (B) If on March 31 of any calendar year the balance in the  
9 unemployment trust fund equals or exceeds 10% but is less than 12  
10 1/2% of the total taxable wages reported to the controller as of that  
11 date in respect to employment during the preceding calendar year, the  
12 contribution rate, effective July 1 following, of each employer eligible  
13 for a contribution rate calculation based upon benefit experience, shall  
14 be reduced by 3/10 of 1% under the contribution rate otherwise  
15 established under the provisions of paragraphs (3) and (4) of this  
16 subsection; provided that in no event shall the contribution rate of any  
17 employer be reduced to less than 4/10 of 1%. If on March 31 of any  
18 calendar year the balance in the unemployment trust fund equals or  
19 exceeds 12 1/2% of the total taxable wages reported to the controller  
20 as of that date in respect to employment during the preceding calendar  
21 year, the contribution rate, effective July 1 following, of each  
22 employer eligible for a contribution rate calculation based upon benefit  
23 experience, shall be reduced by 6/10 of 1% if his account for all past  
24 periods reflects an excess of contributions paid over total benefits  
25 charged of 3% or more of his average annual payroll, otherwise by  
26 3/10 of 1% under the contribution rate otherwise established under the  
27 provisions of paragraphs (3) and (4) of this subsection; provided that  
28 in no event shall the contribution rate of any employer be reduced to  
29 less than 4/10 of 1%.

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

36 (D) Prior to July 1 of each calendar year the controller shall  
37 determine the Unemployment Trust Reserve Ratio, which shall be  
38 calculated by dividing the balance of the unemployment trust fund as  
39 of the prior March 31 by total taxable wages reported to the controller  
40 by all employers as of March 31 with respect to their employment  
41 during the last calendar year.

42 (E)(i) With respect to experience rating years beginning on or  
43 after July 1, 1986 and before July 1, 1997, the new employer rate or  
44 the unemployment experience rate of an employer under this section  
45 shall be the rate which appears in the column headed by the  
46 Unemployment Trust Fund Reserve Ratio as of the applicable

1 calculation date and on the line with the Employer Reserve Ratio, as  
 2 defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set  
 3 forth in the following table:

4  
 5 EXPERIENCE RATING TAX TABLE

6  
 7 Fund Reserve Ratio<sup>1</sup>  
 8

9	10	11	12	13	14	
	10.00%	7.00%	4.00%	2.50%	2.49%	
Employer	and	to	to	to	and	
Reserve	Over	9.99%	6.99%	3.99%	Under	
Ratio <sup>2</sup>	A	B	C	D	E	
14 Positive Reserve Ratio:						
15	17% and over	0.3	0.4	0.5	0.6	1.2
16	16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
17	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
18	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
19	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
20	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
21	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
22	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
23	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
24	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
25	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
26	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
27	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
28	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
29	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
30	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
31	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
32	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
33 Deficit Reserve Ratio:						
34	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
35	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
36	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
37	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
38	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
39	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
40	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
41	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
42	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
43	-35.00% and under	5.4	5.4	5.8	6.4	7.0
44	New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

49  
 50  
 51 (ii) With respect to experience rating years beginning on or after July  
 52 1, 1997, the new employer rate or the unemployment experience rate of  
 53 an employer under this section shall be the rate which appears in the  
 54 column headed by the Unemployment Trust Fund Reserve Ratio as of the

1 applicable calculation date and on the line with the Employer Reserve  
 2 Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)),  
 3 as set forth in the following table:

4  
 5 EXPERIENCE RATING TAX TABLE

6  
 7 Fund Reserve Ratio<sup>1</sup>

9		<u>5.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.00%</u>	<u>1.99%</u>
10	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
11	<u>Reserve</u>	<u>Over</u>	<u>4.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
12	<u>Ratio<sup>2</sup></u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E]</u>
13		<u>6.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.50%</u>	<u>2.49%</u>
14	<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
15	<u>Reserve</u>	<u>Over</u>	<u>5.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
16	<u>Ratio<sup>2</sup></u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E<sup>1</sup></u>
17						
18	<u>Positive Reserve Ratio:</u>					
19	<u>17% and over</u>	<u>0.3</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>1.2</u>
20	<u>16.00% to 16.99%</u>	<u>0.4</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>	<u>1.2</u>
21	<u>15.00% to 15.99%</u>	<u>0.4</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>1.2</u>
22	<u>14.00% to 14.99%</u>	<u>0.5</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>1.2</u>
23	<u>13.00% to 13.99%</u>	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>1.2</u>
24	<u>12.00% to 12.99%</u>	<u>0.6</u>	<u>0.8</u>	<u>0.9</u>	<u>1.0</u>	<u>1.2</u>
25	<u>11.00% to 11.99%</u>	<u>0.7</u>	<u>0.8</u>	<u>1.0</u>	<u>1.1</u>	<u>1.2</u>
26	<u>10.00% to 10.99%</u>	<u>0.9</u>	<u>1.1</u>	<u>1.3</u>	<u>1.5</u>	<u>1.6</u>
27	<u>9.00% to 9.99%</u>	<u>1.0</u>	<u>1.3</u>	<u>1.6</u>	<u>1.7</u>	<u>1.9</u>
28	<u>8.00% to 8.99%</u>	<u>1.3</u>	<u>1.6</u>	<u>1.9</u>	<u>2.1</u>	<u>2.3</u>
29	<u>7.00% to 7.99%</u>	<u>1.4</u>	<u>1.8</u>	<u>2.2</u>	<u>2.4</u>	<u>2.6</u>
30	<u>6.00% to 6.99%</u>	<u>1.7</u>	<u>2.1</u>	<u>2.5</u>	<u>2.8</u>	<u>3.0</u>
31	<u>5.00% to 5.99%</u>	<u>1.9</u>	<u>2.4</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>
32	<u>4.00% to 4.99%</u>	<u>2.0</u>	<u>2.6</u>	<u>3.1</u>	<u>3.4</u>	<u>3.7</u>
33	<u>3.00% to 3.99%</u>	<u>2.1</u>	<u>2.7</u>	<u>3.2</u>	<u>3.6</u>	<u>3.9</u>
34	<u>2.00% to 2.99%</u>	<u>2.2</u>	<u>2.8</u>	<u>3.3</u>	<u>3.7</u>	<u>4.0</u>
35	<u>1.00% to 1.99%</u>	<u>2.3</u>	<u>2.9</u>	<u>3.4</u>	<u>3.8</u>	<u>4.1</u>
36	<u>0.00% to 0.99%</u>	<u>2.4</u>	<u>3.0</u>	<u>3.6</u>	<u>4.0</u>	<u>4.3</u>
37	<u>Deficit Reserve Ratio:</u>					
38	<u>-0.00% to -2.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.6</u>	<u>6.1</u>
39	<u>-3.00% to -5.99%</u>	<u>3.4</u>	<u>4.3</u>	<u>5.1</u>	<u>5.7</u>	<u>6.2</u>
40	<u>-6.00% to -8.99%</u>	<u>3.5</u>	<u>4.4</u>	<u>5.2</u>	<u>5.8</u>	<u>6.3</u>
41	<u>-9.00% to -11.99%</u>	<u>3.5</u>	<u>4.5</u>	<u>5.3</u>	<u>5.9</u>	<u>6.4</u>
42	<u>-12.00% to -14.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.4</u>	<u>6.0</u>	<u>6.5</u>
43	<u>-15.00% to -19.99%</u>	<u>3.6</u>	<u>4.6</u>	<u>5.5</u>	<u>6.1</u>	<u>6.6</u>
44	<u>-20.00% to -24.99%</u>	<u>3.7</u>	<u>4.7</u>	<u>5.6</u>	<u>6.2</u>	<u>6.7</u>
45	<u>-25.00% to -29.99%</u>	<u>3.7</u>	<u>4.8</u>	<u>5.6</u>	<u>6.3</u>	<u>6.8</u>
46	<u>-30.00% to -34.99%</u>	<u>3.8</u>	<u>4.8</u>	<u>5.7</u>	<u>6.3</u>	<u>6.9</u>
47	<u>-35.00% and under</u>	<u>5.4</u>	<u>5.4</u>	<u>5.8</u>	<u>6.4</u>	<u>7.0</u>
48	<u>New Employer Rate</u>	<u>2.8</u>	<u>2.8</u>	<u>2.8</u>	<u>3.1</u>	<u>3.4</u>

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

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

53

54 (F)(i) With respect to experience rating years beginning on or after

1 July 1, 1986 and before July 1, 1997, if the balance of the unemployment  
2 trust fund as of the prior March 31 is negative, the contribution rate for  
3 each employer liable to pay contributions, as computed under  
4 subparagraph E of this paragraph (5), shall be increased by a factor of  
5 10% computed to the nearest multiple of 1/10% if not already a multiple  
6 thereof.

7 (ii) With respect to experience rating years beginning on or after July  
8 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior  
9 March 31, is less than 1.00%, the contribution rate for each employer  
10 liable to pay contributions, as computed under subparagraph E of this  
11 paragraph (5), shall be increased by a factor of 10% computed to the  
12 nearest multiple of 1/10% if not already a multiple thereof.

13 (G) On or after January 1, 1993, notwithstanding any other provisions  
14 of this paragraph (5), the contribution rate for each employer liable to pay  
15 contributions, as computed under subparagraph (E) of this paragraph (5),  
16 shall be decreased by 0.1%, except that, during any experience rating year  
17 in which the fund reserve ratio is equal to or greater than 7.00%, there  
18 shall be no decrease pursuant to this subparagraph (G) in the contribution  
19 of any employer who has a deficit reserve ratio of negative 35.00% or  
20 under.

21 (H) On or after January 1, 1993 until December 31, 1993,  
22 notwithstanding any other provisions of this paragraph (5), the  
23 contribution rate for each employer liable to pay contributions, as  
24 computed under subparagraph (E) of this paragraph (5), shall be decreased  
25 by a factor of 52.0% computed to the nearest multiple of 1/10%, except  
26 that, if an employer has a deficit reserve ratio of negative 35.0% or under,  
27 the employer's rate of contribution shall not be reduced pursuant to this  
28 subparagraph (H) to less than 5.4%. The amount of the reduction in the  
29 employer contributions stipulated by this subparagraph (H) shall be in  
30 addition to the amount of the reduction in the employer contributions  
31 stipulated by subparagraph (G) of this paragraph (5), except that the rate  
32 of contribution of an employer who has a deficit reserve ratio of negative  
33 35.0% or under shall not be reduced pursuant to this subparagraph (H) to  
34 less than 5.4% and the rate of contribution of any other employer shall not  
35 be reduced to less than 0.0%.

36 On or after January 1, 1994 until December 31, 1995, except as  
37 provided pursuant to subparagraph (I) of this paragraph (5),  
38 notwithstanding any other provisions of this paragraph (5), the  
39 contribution rate for each employer liable to pay contributions, as  
40 computed under subparagraph (E) of this paragraph (5), shall be decreased  
41 by a factor of 36.0% computed to the nearest multiple of 1/10%, except  
42 that, if an employer has a deficit reserve ratio of negative 35.0% or under,  
43 the employer's rate of contribution shall not be reduced pursuant to this  
44 subparagraph (H) to less than 5.4%. The amount of the reduction in the  
45 employer contributions stipulated by this subparagraph (H) shall be in  
46 addition to the amount of the reduction in the employer contributions

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

6 On or after April 1, 1996 until December 31, 1996, the contribution  
7 rate for each employer liable to pay contributions, as computed under  
8 subparagraph (E) of this paragraph (5), shall be decreased by a factor of  
9 25.0% computed to the nearest multiple of 1/10%, except that, if an  
10 employer has a deficit reserve ratio of negative 35.0% or under, the  
11 employer's rate of contribution shall not be reduced pursuant to this  
12 subparagraph (H) to less than 5.4%. The amount of the reduction in the  
13 employer contributions stipulated by this subparagraph (H) shall be in  
14 addition to the amount of the reduction in the employer contributions  
15 stipulated by subparagraph (G) of this paragraph (5), except that the rate  
16 of contribution of an employer who has a deficit reserve ratio of negative  
17 35.0% or under shall not be reduced pursuant to this subparagraph (H) to  
18 less than 5.4% and the rate of contribution of any other employer shall not  
19 be reduced to less than 0.0%.

20 On or after January 1, 1997 until December 31, 1997, the contribution  
21 rate for each employer liable to pay contributions, as computed under  
22 subparagraph (E) of this paragraph (5), shall be decreased by a factor of  
23 10.0% computed to the nearest multiple of 1/10%, except that, if an  
24 employer has a deficit reserve ratio of negative 35.0% or under, the  
25 employer's rate of contribution shall not be reduced pursuant to this  
26 subparagraph (H) to less than 5.4%. The amount of the reduction in the  
27 employer contributions stipulated by this subparagraph (H) shall be in  
28 addition to the amount of the reduction in the employer contributions  
29 stipulated by subparagraph (G) of this paragraph (5), except that the rate  
30 of contribution of an employer who has a deficit reserve ratio of negative  
31 35.0% or under shall not be reduced pursuant to this subparagraph (H) to  
32 less than 5.4% and the rate of contribution of any other employer shall not  
33 be reduced to less than 0.0%.

34 (I) If the fund reserve ratio decreases to a level of less than 4.00% on  
35 March 31 of calendar year 1994 or calendar year 1995, the provisions of  
36 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July  
37 1 of that calendar year.

38 If, upon calculating the unemployment compensation fund reserve ratio  
39 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, <sup>1</sup>[1998.] 1997,<sup>1</sup> the  
40 controller finds that the fund reserve ratio has decreased to a level of less  
41 than 3.00%, the Commissioner of Labor shall notify the State Treasurer  
42 of this fact and of the dollar amount necessary to bring the fund reserve  
43 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,  
44 <sup>1</sup>[1998.] 1997,<sup>1</sup> transfer from the General Fund to the unemployment  
45 compensation fund, revenues in the amount specified by the commissioner  
46 and which, upon deposit in the unemployment compensation fund, shall

1 result, upon recalculation, in a fund reserve ratio used to determine  
2 employer contributions beginning July 1, <sup>1</sup>[1998] 1997,<sup>1</sup> of at least 3.00%.

3 If, upon calculating the unemployment compensation fund reserve ratio  
4 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, <sup>1</sup>[1999,] 1998,<sup>1</sup> the  
5 controller finds that the fund reserve ratio has decreased to a level of less  
6 than 3.00%, the Commissioner of Labor shall notify the State Treasurer  
7 of this fact and of the dollar amount necessary to bring the fund reserve  
8 ratio up to a level of 3.00%. The State Treasurer shall, prior to March 31,  
9 <sup>1</sup>[1999,] 1998,<sup>1</sup> transfer from the General Fund to the unemployment  
10 compensation fund, revenues in the amount specified by the commissioner  
11 and which, upon deposit in the unemployment compensation fund, shall  
12 result, upon recalculation, in a fund reserve ratio used to determine  
13 employer contributions beginning July 1, <sup>1</sup>[1999] 1998<sup>1</sup> of at least 3.00%.

14 (6) Additional contributions.

15 Notwithstanding any other provision of law, any employer who has  
16 been assigned a contribution rate pursuant to subsection (c) of this section  
17 for the year commencing July 1, 1948, and for any year commencing July  
18 1 thereafter, may voluntarily make payment of additional contributions,  
19 and upon such payment shall receive a recomputation of the experience  
20 rate applicable to such employer, including in the calculation the additional  
21 contribution so made. Any such additional contribution shall be made  
22 during the 30-day period following the date of the mailing to the  
23 employer of the notice of his contribution rate as prescribed in this  
24 section, unless, for good cause, the time for payment has been extended  
25 by the controller for not to exceed an additional 60 days; provided that in  
26 no event may such payments which are made later than 120 days after the  
27 beginning of the year for which such rates are effective be considered in  
28 determining the experience rate for the year in which the payment is made.  
29 Any employer receiving any extended period of time within which to make  
30 such additional payment and failing to make such payment timely shall be,  
31 in addition to the required amount of additional payment, a penalty of 5%  
32 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any  
33 adjustment under this subsection shall be made only in the form of credits  
34 against accrued or future contributions.

35 (7) Transfers.

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

1 controlled (by legally enforceable means or otherwise), directly or  
2 indirectly, by the successor in interest, or the predecessor employer and  
3 the successor in interest were owned or controlled (by legally enforceable  
4 means or otherwise), directly or indirectly, by the same interest or  
5 interests, the transfer of the employment experience of the predecessor  
6 shall not be effective if such successor in interest, within four months of  
7 the date of such transfer of the organization, trade, assets or business, or  
8 thereafter upon good cause shown, files a written notice protesting the  
9 transfer of the employment experience of the predecessor employer.

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

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

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

38 (1) (A) For periods after January 1, 1975, each worker shall  
39 contribute to the fund 1% of his wages with respect to his employment  
40 with an employer, which occurs on and after January 1, 1975, after such  
41 employer has satisfied the condition set forth in subsection (h) of  
42 R.S.43:21-19 with respect to becoming an employer; provided, however,  
43 that such contributions shall be at the rate of 1/2 of 1% of wages paid with  
44 respect to employment while the worker is in the employ of the State of  
45 New Jersey, or any governmental entity or instrumentality which is an  
46 employer as defined under R.S.43:21-19(h)(5), or is covered by an

1 approved private plan under the "Temporary Disability Benefits Law" or  
2 while the worker is exempt from the provisions of the "Temporary  
3 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110  
4 (C.43:21-31).

5 (B) Effective January 1, 1978 there shall be no contributions by  
6 workers in the employ of any governmental or nongovernmental employer  
7 electing or required to make payments in lieu of contributions unless the  
8 employer is covered by the State plan under the "Temporary Disability  
9 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be  
10 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers  
11 in the employ of any nongovernmental employer electing or required to  
12 make payments in lieu of contributions shall be required to make  
13 contributions to the fund at the same rate prescribed for workers of other  
14 nongovernmental employers.

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

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

40 (D) Notwithstanding any other provisions of this paragraph (1), during  
41 the period starting January 1, 1993 and ending June 30, 1994, each worker  
42 shall contribute to the unemployment compensation fund 0.5% of wages  
43 paid with respect to the worker's employment with a governmental  
44 employer electing or required to pay contributions or nongovernmental  
45 employer, including a nonprofit organization which is an employer as  
46 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless

1 of whether that nonprofit organization elects or is required to finance its  
2 benefit costs with contributions to the fund or by payments in lieu of  
3 contributions, after that employer has satisfied the conditions set forth in  
4 subsection (h) of R.S.43:21-19 with respect to becoming an employer. No  
5 contributions, however, shall be made by the worker while the worker is  
6 covered by an approved private plan under the "Temporary Disability  
7 Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker  
8 is exempt under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
9 provision of that law; provided that the contributions shall be at the rate  
10 of 0.50% of wages paid with respect to employment with the State of New  
11 Jersey or any other governmental entity or instrumentality electing or  
12 required to make payments in lieu of contributions and which is covered  
13 by the State plan under the "Temporary Disability Benefits Law," except  
14 that, while the worker is exempt from the provisions of the "Temporary  
15 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110  
16 (C.43:21-31) or any other provision of that law, or is covered for  
17 disability benefits by an approved private plan of the employer, no  
18 contributions shall be made to the fund.

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

33 Each worker shall, starting on January 1, 1998 contribute to the  
34 unemployment compensation fund 0.40% of wages paid with respect to  
35 the worker's employment with a governmental employer electing or  
36 required to pay contributions or nongovernmental employer, including a  
37 nonprofit organization which is an employer as defined under paragraph  
38 6 of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
39 organization elects or is required to finance its benefit costs with  
40 contributions to the fund or by payments in lieu of contributions, after that  
41 employer has satisfied the conditions set forth in subsection (h) of  
42 R.S.43:21-19 with respect to becoming an employer, provided that the  
43 contributions shall be at the rate of 0.10% of wages paid with respect to  
44 employment with the State of New Jersey or any other governmental  
45 entity or instrumentality electing or required to make payments in lieu of  
46 contributions.

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

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

17 (G) Each worker shall, starting on July 1, 1994, contribute to the State  
18 disability benefits fund an amount equal to 0.50% of wages paid with  
19 respect to the worker's employment with a government employer electing  
20 or required to pay contributions to the State disability benefits fund or  
21 nongovernmental employer, including a nonprofit organization which is an  
22 employer as defined under paragraph 6 of subsection (h) of R.S. 43:21-19,  
23 unless the employer is covered by an approved private disability plan or  
24 is exempt from the provisions of the "Temporary Disability Benefits Law,"  
25 P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law  
26 (C.43:21-31) or any other provision of that law.

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

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

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

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

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

32 (ii) [Notwithstanding any other provision of this paragraph (2), with  
33 respect to wages paid during the period beginning on January 1, 1993 and  
34 ending June 30, 1994, there shall be deposited in and credited to the State  
35 disability benefits fund all worker contributions received by the  
36 controller.](Deleted by amendment, P.L. , c. ).

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

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

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

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

42 (5) Every employer who has elected to become an employer subject to  
43 this chapter (R.S.43:21-1 et seq.), or to cease to be an employer subject  
44 to this chapter (R.S.43:21-1 et seq.), pursuant to the provisions of  
45 R.S.43:21-8, shall post and maintain printed notices of such election on  
46 his premises, of such design, in such numbers, and at such places as the

1 director may determine to be necessary to give notice thereof to persons  
2 in his service.

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

6 (e) Contributions by employers to State disability benefits fund.

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

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

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

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

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

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

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

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

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

26 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less than  
27  $1\frac{1}{4}\%$  of his average annual payroll (as defined in this chapter  
28 (R.S.43:21-1 et seq.));

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

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

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

38 (4) If the minimum requirements in (1) above have been fulfilled and  
39 the benefits charged exceed the contributions credited by more than  
40 \$500.00, such preliminary rate shall be as follows:

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

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

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

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

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

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

11 (E) (1) Prior to July 1 of each calendar year the controller shall  
12 determine the amount of the State disability benefits fund as of December  
13 31 of the preceding calendar year, increased by the contributions paid  
14 thereto during January of the current calendar year with respect to  
15 employment occurring in the preceding calendar year. If such amount  
16 exceeds the net amount withdrawn from the unemployment trust fund  
17 pursuant to section 23 of the "Temporary Disability Benefits Law,"  
18 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such  
19 preceding calendar year of the unemployment disability account (as  
20 defined in section 22 of said law (C.43:21-46)), such excess shall be  
21 expressed as a percentage of the wages on which contributions were paid  
22 to the State disability benefits fund on or before January 31 with respect  
23 to employment in the preceding calendar year.

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

28 (i) If the percentage determined in accordance with paragraph (E)(1)  
29 of this subsection equals or exceeds 1 1/4%, the final employer rates shall  
30 be the preliminary rates determined as provided in (D) hereof, except that  
31 if the employer's preliminary rate is determined as provided in (D)(2) or  
32 (D)(3) hereof, the final employer rate shall be the preliminary employer  
33 rate decreased by such percentage of excess taken to the nearest 5/100 of  
34 1%, but in no case shall such final rate be less than 1/10 of 1%.

35 (ii) If the percentage determined in accordance with paragraph (E)(1)  
36 of this subsection equals or exceeds 3/4 of 1% and is less than 1 1/4 of  
37 1%, the final employer rates shall be the preliminary employer rates.

38 (iii) If the percentage determined in accordance with paragraph (E)(1)  
39 of this subsection is less than 3/4 of 1%, but in excess of 1/4 of 1%, the  
40 final employer rates shall be the preliminary employer rates determined as  
41 provided in (D) hereof increased by the difference between 3/4 of 1% and  
42 such percentage taken to the nearest 5/100 of 1%; provided, however, that  
43 no such final rate shall be more than 1/4 of 1% in the case of an employer  
44 whose preliminary rate is determined as provided in (D)(2) hereof, more  
45 than 1/2 of 1% in the case of an employer whose preliminary rate is  
46 determined as provided in (D)(1) and (D)(3) hereof, nor more than 3/4 of

1 1% in the case of an employer whose preliminary rate is determined as  
2 provided in (D)(4) hereof.

3 (iv) If the amount of the State disability benefits fund determined as  
4 provided in paragraph (E)(1) of this subsection is equal to or less than 1/4  
5 of 1%, then the final rate shall be 2/5 of 1% in the case of an employer  
6 whose preliminary rate is determined as provided in (D)(2) hereof, 7/10  
7 of 1% in the case of an employer whose preliminary rate is determined as  
8 provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer  
9 whose preliminary rate is determined as provided in (D)(4) hereof.  
10 Notwithstanding any other provision of law or any determination made by  
11 the controller with respect to any 12-month period commencing on July  
12 1, 1970, the final rates for all employers for the period beginning January  
13 1, 1971, shall be as set forth herein.

14 (cf: P.L.1995, c.422, s.1)

15

16 7. Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended to read as  
17 follows:

18 4. (a) Notwithstanding any other provisions of the "unemployment  
19 compensation law" for the payment of contributions, benefits paid to  
20 individuals based upon wages earned in the employ of any governmental  
21 entity or instrumentality which is an employer defined under  
22 R.S.43:21-19(h)(5) shall, to the extent that such benefits are chargeable  
23 to the account of such governmental entity or instrumentality in  
24 accordance with the provisions of R.S.43:21-1 et seq., be financed by  
25 payments in lieu of contributions.

26 (b) Any governmental entity or instrumentality may, as an alternative  
27 to financing benefits by payments in lieu of contributions, elect to pay  
28 contributions beginning with the date on which its subjectivity begins by  
29 filing written notice of its election with the department no later than 120  
30 days after such subjectivity begins, provided that such election shall be  
31 effective for at least two full calendar years; or it may elect to pay  
32 contributions for a period of not less than two calendar years beginning  
33 January 1 of any year if written notice of such election is filed with the  
34 department not later than February 1 of such year; provided, further, that  
35 such governmental entity or instrumentality shall remain liable for  
36 payments in lieu of contributions with respect to all benefits paid based on  
37 base year wages earned in the employ of such entity or instrumentality in  
38 the period during which it financed its benefits by payments in lieu of  
39 contributions.

40 (c) Any governmental entity or instrumentality may terminate its  
41 election to pay contributions as of January 1 of any year by filing written  
42 notice not later than February 1 of any year with respect to which  
43 termination is to become effective. It may not revert to a contributions  
44 method of financing for at least two full calendar years after such  
45 termination.

46 (d) Any governmental entity or instrumentality electing the option for

1 contributions financing shall report and pay contributions in accordance  
2 with the provisions of R.S.43:21-7 except that, notwithstanding the  
3 provisions of that section, the contribution rate for such governmental  
4 entity or instrumentality shall be 1% for the entire calendar year 1978 and  
5 the contribution rate for any subsequent calendar years shall be the rate  
6 established for governmental entities or instrumentalities under subsection  
7 (e) of this section.

8 (e) On or before September 1 of each year, the Commissioner of Labor  
9 shall review the composite benefit cost experience of all governmental  
10 entities and instrumentalities electing to pay contributions and, on the  
11 basis of that experience, establish the contribution rate for the next  
12 following calendar year which can be expected to yield sufficient revenue  
13 in combination with worker contributions to equal or exceed the projected  
14 costs for that calendar year.

15 (f) Any covered governmental entity or instrumentality electing to pay  
16 contributions shall each year appropriate, out of its general funds, moneys  
17 to pay the projected costs of benefits at the rate determined under  
18 subsection (e) of this section. These funds shall be held in a trust fund  
19 maintained by the governmental entity for this purpose. Any surplus  
20 remaining in this trust fund may be retained in reserve for payment of  
21 benefit costs for subsequent years either by contributions or payments in  
22 lieu of contributions.

23 (g) Any governmental entity or instrumentality electing to finance  
24 benefit costs with payments in lieu of contributions shall pay into the fund  
25 an amount equal to all benefit costs for which it is liable pursuant to the  
26 provisions of the "unemployment compensation law." Each subject  
27 governmental entity or instrumentality shall require payments from its  
28 workers in the same manner and amount as prescribed under  
29 R.S.43:21-7(d) for governmental entities and instrumentalities financing  
30 their benefit costs with contributions. No such payment shall be used for  
31 a purpose other than to meet the benefits liability of such governmental  
32 entity or instrumentality. In addition, each subject governmental entity or  
33 instrumentality shall appropriate out of its general funds sufficient moneys  
34 which, in addition to any worker payments it requires, are necessary to  
35 pay its annual benefit costs estimated on the basis of its past benefit cost  
36 experience; provided that for its first year of coverage, its benefit costs  
37 shall be deemed to require an appropriation equal to 1% of the projected  
38 total of its taxable wages for the year. These appropriated moneys and  
39 worker payments shall be held in a trust fund maintained by the  
40 governmental entity or instrumentality for this purpose. Any surplus  
41 remaining in this trust fund shall be retained in reserve for payment of  
42 benefit costs in subsequent years. If a governmental entity or  
43 instrumentality requires its workers to make payments as authorized  
44 herein, such workers shall not be subject to the contributions required in  
45 R.S.43:21-7(d).

46 (h) Notwithstanding the provisions of the above subsection (g),

1 commencing July 1, 1986 worker contributions to the unemployment trust  
2 fund with respect to wages paid by any governmental entity or  
3 instrumentality electing or required to make payments in lieu of  
4 contributions, including the State of New Jersey, shall be made in  
5 accordance with the provisions of R.S.43:21-7(d)(1)(C) or  
6 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each governmental  
7 entity or instrumentality electing or required to make payments in lieu of  
8 contributions shall, except during the period starting January 1, 1993 and  
9 ending December 31, 1995 and the period starting April 1, 1996 and  
10 ending December 31, 1996 or, if the unemployment compensation fund  
11 reserve ratio, as determined pursuant to paragraph (5) of subsection (c)  
12 of R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of  
13 calendar year 1994 or calendar year 1995, ending July 1 of that calendar  
14 year, require payments from its workers at the [rate of 0.50%] following  
15 rates of wages paid, which amounts are to be held in the trust fund  
16 maintained by the governmental entity or instrumentality for payment of  
17 benefit costs: for calendar year 1998 and each calendar year thereafter,  
18 0.30%.

19 (cf: P.L.1992, c.205, s.1)

20

21 8. Section 1 of P.L.1944, c.81(C.43:21-14.1) is amended to read as  
22 follows:

23 1. Any employee who is paid wages by two or more employers  
24 aggregating more than [\$3,000.00 during any calendar year prior to  
25 January 1, 1968, \$3,600.00 during any calendar year commencing on or  
26 after January 1, 1968 and prior to January 1, 1972, \$4,200.00 during any  
27 calendar year commencing on or after January 1, 1972 and prior to  
28 January 1, 1975, or \$4,800.00 during any calendar year commencing on  
29 or after January 1, 1975, and prior to January 1, 1976, and thereafter] the  
30 amount of "wages" determined in accordance with the provisions of  
31 R.S.43:21-7(b)(3) shall be entitled to a refund of the amount of  
32 contributions deducted from such wages and paid to the Division of  
33 Employment Security in excess of the contribution which is determined  
34 pursuant to R.S.43:21-7(d)(1)(D) required on [\$3,000.00 of such wages  
35 paid during any calendar year prior to January 1, 1968, \$3,600.00 during  
36 any calendar year commencing on or after January 1, 1968 and prior to  
37 January 1, 1972, \$4,200.00 during any calendar year commencing on or  
38 after January 1, 1972 and prior to January 1, 1975, or \$4,800.00 during  
39 any calendar year commencing on or after January 1, 1975, and prior to  
40 January 1, 1976, and thereafter] the amount of "wages" determined in  
41 accordance with the provisions of R.S.43:21-7(b)(3) except that no such  
42 refund shall be made unless the employee makes a claim, establishing his  
43 right thereto, within 2 years after the calendar year in which the wages are  
44 paid with respect to which refund of contribution is claimed. No interest

1 shall be allowed or paid with respect to any such refund.

2 (cf: P.L.1974, c.86, s.6)

3

4 9. This act shall take effect immediately.

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7

8

9 Concerns unemployment compensation.