

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

30 Notwithstanding any other provision of this subsection c., no
31 emergency unemployment benefits shall be paid after December 1,

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 1996, except that emergency benefits shall be paid to individuals who
2 established emergency unemployment claims prior to that date. No
3 emergency unemployment benefits shall be paid to any individual after
4 March 1, 1997.

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

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

22

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

41

42 3. (New section) No employer's account shall be charged for
43 emergency unemployment benefits paid to an unemployed individual
44 pursuant to this act, except for the account of an out-of -State
45 employer who is liable for charges under the Combined Wage
46 Program. However, nothing in this section shall be construed to

1 relieve employers electing to make payments in lieu of contributions
2 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or
3 C.43:21-7.3) from reimbursing the unemployment benefits paid to an
4 unemployed individual pursuant to this act.

5 Emergency unemployment benefits paid to federal civilian
6 employees shall be charged to the appropriate federal account.
7 Emergency unemployment benefits paid to ex-service persons shall be
8 charged to the unemployment compensation fund.

9
10 4. (New section) Emergency unemployment benefits may be paid
11 pursuant to the provisions of this act only with respect to weeks not
12 within an extended benefit period, and not within a period covered by
13 any federal law allowing the filing of new claims extending benefits
14 beyond those provided for as regular or extended benefits. If a federal
15 extended benefits period triggers "on," maximum benefits payable to
16 an individual under the federal extended benefits program or any
17 federal supplemental benefits program shall be reduced by an amount
18 equal to that received by the individual under the emergency
19 unemployment benefits program.

20
21 5. (New section) Notwithstanding the provisions of any other law,
22 the division shall use appropriate administrative means to insure that
23 emergency unemployment benefits are paid only to individuals who
24 meet the requirements of this act. These administrative actions may
25 include, but shall not be limited to, the following procedure: the
26 division shall match the claimant's social security number against
27 available wage records to insure that no earnings were reported for
28 that claimant by employers under R.S.43:21-14 for periods in which
29 emergency unemployment benefits were paid.

30
31 6. R.S.43:21-7 is amended to read as follows:

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

43 (a) Payment.

44 (1) Contributions shall accrue and become payable by each
45 employer for each calendar year in which he is subject to this chapter
46 (R.S.43:21-1 et seq.), with respect to having individuals in his employ

1 during that calendar year, at the rates and on the basis hereinafter set
2 forth. Such contributions shall become due and be paid by each
3 employer to the controller for the fund, in accordance with such
4 regulations as may be prescribed, and shall not be deducted, in whole
5 or in part, from the remuneration of individuals in his employ.

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

9 (b) Rate of contributions. Each employer shall pay the following
10 contributions:

11 (1) For the calendar year 1947, and each calendar year thereafter,
12 $2\frac{7}{10}\%$ of wages paid by him during each such calendar year, except
13 as otherwise prescribed by subsection (c) of this section.

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

34 (3) For calendar years beginning on and after January 1, 1976, the
35 "wages" of any individual, as defined in the preceding paragraph (2)
36 of this subsection (b), shall be established and promulgated by the
37 Commissioner of Labor on or before September 1 of the preceding
38 year and shall be 28 times the Statewide average weekly remuneration
39 paid to workers by employers, as determined under R.S.43:21-3(c),
40 raised to the next higher multiple of \$100.00 if not already a multiple
41 thereof, provided that if the amount of wages so determined for a
42 calendar year is less than the amount similarly determined for the
43 preceding year, the greater amount will be used; provided, further, that
44 if the amount of such wages so determined does not equal or exceed
45 the amount of wages as defined in subsection (b) of section 3306 of
46 the Federal Unemployment Tax Act, Chapter 23 of the Internal

1 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined
2 in this paragraph in any calendar year shall be raised to equal the
3 amount established under the Federal Unemployment Tax Act for that
4 calendar year.

5 (c) Future rates based on benefit experience.

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

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

40 (2) Regulations may be prescribed for the establishment,
41 maintenance, and dissolution of joint accounts by two or more
42 employers, and shall, in accordance with such regulations and upon
43 application by two or more employers to establish such an account, or
44 to merge their several individual accounts in a joint account, maintain
45 such joint account as if it constituted a single employer's account.

46 (3) No employer's rate shall be lower than 5.4% unless assignment

1 of such lower rate is consistent with the conditions applicable to
2 additional credit allowance for such year under section 3303(a)(1) of
3 the Internal Revenue Code of 1986 (26 U.S.C. §3303(a)(1)), any other
4 provision of this section to the contrary notwithstanding.

5 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
6 $\frac{8}{10}\%$, except as otherwise provided in the following provisions. No
7 employer's rate for the 12 months commencing July 1 of any calendar
8 year shall be other than $\frac{2}{8}\frac{8}{10}\%$, unless as of the preceding January 31
9 such employer shall have paid contributions with respect to wages paid
10 in each of the three calendar years immediately preceding such year,
11 in which case such employer's rate for the 12 months commencing July
12 1 of any calendar year shall be determined on the basis of his record up
13 to the beginning of such calendar year. If, at the beginning of such
14 calendar year, the total of all his contributions, paid on his own behalf,
15 for all past years exceeds the total benefits charged to his account for
16 all such years, his contribution rate shall be:

17 (1) $\frac{2}{5}\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
18 5%, of his average annual payroll (as defined in paragraph (2),
19 subsection (a) of R.S.43:21-19);

20 (2) $\frac{2}{2}\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
21 6%, of his average annual payroll;

22 (3) $\frac{1}{9}\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
23 7%, of his average annual payroll;

24 (4) $\frac{1}{6}\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
25 8%, of his average annual payroll;

26 (5) $\frac{1}{3}\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
27 9%, of his average annual payroll;

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

30 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
31 than 11%, of his average annual payroll;

32 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
33 average annual payroll.

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

38 (1) 4%, if such excess is less than 10% of his average annual
39 payroll;

40 (2) $\frac{4}{3}\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
41 20%, of his average annual payroll;

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

44 (C) Specially assigned rates. If no contributions were paid on
45 wages for employment in any calendar year used in determining the
46 average annual payroll of an employer eligible for an assigned rate

1 under this paragraph (4), the employer's rate shall be specially assigned
2 as follows:

3 (i) if the reserve balance in its account is positive, its assigned rate
4 shall be the highest rate in effect for positive balance accounts for that
5 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
6 its account is negative, its assigned rate shall be the highest rate in
7 effect for deficit accounts for that period.

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

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

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

1 of 1/10% if not already a multiple thereof.

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

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

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

36 (E)(i) With respect to experience rating years beginning on or
37 after July 1, 1986 and before July 1, 1997, the new employer rate or
38 the unemployment experience rate of an employer under this section
39 shall be the rate which appears in the column headed by the
40 Unemployment Trust Fund Reserve Ratio as of the applicable
41 calculation date and on the line with the Employer Reserve Ratio, as
42 defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set
43 forth in the following table:

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EXPERIENCE RATING TAX TABLE					
Fund Reserve Ratio ¹					
	10.00%	7.00%	4.00%	2.50%	2.49%
Employer Reserve Ratio ²	and Over	to 9.99%	to 6.99%	to 3.99%	and Under
	A	B	C	D	E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

(ii) With respect to experience rating years beginning on or after July 1, 1997, the new employer rate or the unemployment experience rate of an employer under this section shall be the rate which appears in the column headed by the Unemployment Trust Fund Reserve Ratio as of the applicable calculation date and on the line with the Employer Reserve Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE

Fund Reserve Ratio¹

	<u>5.00%</u>	<u>4.00%</u>	<u>3.00%</u>	<u>2.00%</u>	<u>1.99%</u>
<u>Employer</u>	<u>and</u>	<u>to</u>	<u>to</u>	<u>to</u>	<u>and</u>
<u>Reserve</u>	<u>Over</u>	<u>4.99%</u>	<u>3.99%</u>	<u>2.99%</u>	<u>Under</u>
<u>Ratio²</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
<u>Positive Reserve Ratio:</u>					
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<u>Deficit Reserve Ratio:</u>					
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>
<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>

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

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

(F)(i) With respect to experience rating years beginning on or after July 1, 1986 and before July 1, 1997, if the balance of the unemployment trust fund as of the prior March 31 is negative, the contribution rate for each employer liable to pay contributions, as computed under subparagraph E of this paragraph (5), shall be increased by a factor of 10% computed to the nearest multiple of 1/10% if not already a multiple thereof.

(ii) With respect to experience rating years beginning on or after July 1, 1997, if the fund reserve ratio, based on the fund balance as of the prior

1 March 31, is less than 1.00%, the contribution rate for each employer
2 liable to pay contributions, as computed under subparagraph E of this
3 paragraph (5), shall be increased by a factor of 10% computed to the
4 nearest multiple of 1/10% if not already a multiple thereof.

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

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

28 On or after January 1, 1994 until December 31, 1995, except as
29 provided pursuant to subparagraph (I) of this paragraph (5),
30 notwithstanding any other provisions of this paragraph (5), the
31 contribution rate for each employer liable to pay contributions, as
32 computed under subparagraph (E) of this paragraph (5), shall be decreased
33 by a factor of 36.0% computed to the nearest multiple of 1/10%, except
34 that, if an employer has a deficit reserve ratio of negative 35.0% or under,
35 the employer's rate of contribution shall not be reduced pursuant to this
36 subparagraph (H) to less than 5.4%. The amount of the reduction in the
37 employer contributions stipulated by this subparagraph (H) shall be in
38 addition to the amount of the reduction in the employer contributions
39 stipulated by subparagraph (G) of this paragraph (5), except that the rate
40 of contribution of an employer who has a deficit reserve ratio of negative
41 35.0% or under shall not be reduced pursuant to this subparagraph (H)
42 to less than 5.4% and the rate of contribution of any other employer shall
43 not be reduced to less than 0.0%.

44 On or after April 1, 1996 until December 31, 1996, the contribution
45 rate for each employer liable to pay contributions, as computed under
46 subparagraph (E) of this paragraph (5), shall be decreased by a factor of

1 25.0% computed to the nearest multiple of 1/10%, except that, if an
2 employer has a deficit reserve ratio of negative 35.0% or under, the
3 employer's rate of contribution shall not be reduced pursuant to this
4 subparagraph (H) to less than 5.4%. The amount of the reduction in the
5 employer contributions stipulated by this subparagraph (H) shall be in
6 addition to the amount of the reduction in the employer contributions
7 stipulated by subparagraph (G) of this paragraph (5), except that the rate
8 of contribution of an employer who has a deficit reserve ratio of negative
9 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
10 less than 5.4% and the rate of contribution of any other employer shall not
11 be reduced to less than 0.0%.

12 On or after January 1, 1997 until December 31, 1997, the contribution
13 rate for each employer liable to pay contributions, as computed under
14 subparagraph (E) of this paragraph (5), shall be decreased by a factor of
15 10.0% computed to the nearest multiple of 1/10%, except that, if an
16 employer has a deficit reserve ratio of negative 35.0% or under, the
17 employer's rate of contribution shall not be reduced pursuant to this
18 subparagraph (H) to less than 5.4%. The amount of the reduction in the
19 employer contributions stipulated by this subparagraph (H) shall be in
20 addition to the amount of the reduction in the employer contributions
21 stipulated by subparagraph (G) of this paragraph (5), except that the rate
22 of contribution of an employer who has a deficit reserve ratio of negative
23 35.0% or under shall not be reduced pursuant to this subparagraph (H) to
24 less than 5.4% and the rate of contribution of any other employer shall not
25 be reduced to less than 0.0%.

26 (I) If the fund reserve ratio decreases to a level of less than 4.00% on
27 March 31 of calendar year 1994 or calendar year 1995, the provisions of
28 subparagraph (H) of this paragraph (5) shall cease to be in effect as of July
29 1 of that calendar year.

30 If, upon calculating the unemployment compensation fund reserve ratio
31 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1998, the controller
32 finds that the fund reserve ratio has decreased to a level of less than
33 3.00%, the Commissioner of Labor shall notify the State Treasurer of this
34 fact and of the dollar amount necessary to bring the fund reserve ratio up
35 to a level of 3.00%. The State Treasurer shall, prior to March 31, 1998,
36 transfer from the General Fund to the unemployment compensation fund,
37 revenues in the amount specified by the commissioner and which, upon
38 deposit in the unemployment compensation fund, shall result, upon
39 recalculation, in a fund reserve ratio used to determine employer
40 contributions beginning July 1, 1998 of at least 3.00%.

41 If, upon calculating the unemployment compensation fund reserve ratio
42 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1999, the controller
43 finds that the fund reserve ratio has decreased to a level of less than
44 3.00%, the Commissioner of Labor shall notify the State Treasurer of this
45 fact and of the dollar amount necessary to bring the fund reserve ratio up
46 to a level of 3.00%. The State Treasurer shall, prior to March 31, 1999,

1 transfer from the General Fund to the unemployment compensation fund,
2 revenues in the amount specified by the commissioner and which, upon
3 deposit in the unemployment compensation fund, shall result, upon
4 recalculation, in a fund reserve ratio used to determine employer
5 contributions beginning July 1, 1999 of at least 3.00%.

6 (6) Additional contributions.

7 Notwithstanding any other provision of law, any employer who has
8 been assigned a contribution rate pursuant to subsection (c) of this section
9 for the year commencing July 1, 1948, and for any year commencing July
10 1 thereafter, may voluntarily make payment of additional contributions,
11 and upon such payment shall receive a recomputation of the experience
12 rate applicable to such employer, including in the calculation the additional
13 contribution so made. Any such additional contribution shall be made
14 during the 30-day period following the date of the mailing to the
15 employer of the notice of his contribution rate as prescribed in this
16 section, unless, for good cause, the time for payment has been extended
17 by the controller for not to exceed an additional 60 days; provided that in
18 no event may such payments which are made later than 120 days after the
19 beginning of the year for which such rates are effective be considered in
20 determining the experience rate for the year in which the payment is made.
21 Any employer receiving any extended period of time within which to make
22 such additional payment and failing to make such payment timely shall be,
23 in addition to the required amount of additional payment, a penalty of 5%
24 thereof or \$5.00, whichever is greater, not to exceed \$50.00. Any
25 adjustment under this subsection shall be made only in the form of credits
26 against accrued or future contributions.

27 (7) Transfers.

28 (A) Upon the transfer of the organization, trade or business, or
29 substantially all the assets of an employer to a successor in interest,
30 whether by merger, consolidation, sale, transfer, descent or otherwise, the
31 controller shall transfer the employment experience of the predecessor
32 employer to the successor in interest, including credit for past years,
33 contributions paid, annual payrolls, benefit charges, et cetera, applicable
34 to such predecessor employer, pursuant to regulation, if it is determined
35 that the employment experience of the predecessor employer with respect
36 to the organization, trade, assets or business which has been transferred
37 may be considered indicative of the future employment experience of the
38 successor in interest. Unless the predecessor employer was owned or
39 controlled (by legally enforceable means or otherwise), directly or
40 indirectly, by the successor in interest, or the predecessor employer and
41 the successor in interest were owned or controlled (by legally enforceable
42 means or otherwise), directly or indirectly, by the same interest or
43 interests, the transfer of the employment experience of the predecessor
44 shall not be effective if such successor in interest, within four months of
45 the date of such transfer of the organization, trade, assets or business, or
46 thereafter upon good cause shown, files a written notice protesting the

1 transfer of the employment experience of the predecessor employer.

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

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

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

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

43 (B) Effective January 1, 1978 there shall be no contributions by
44 workers in the employ of any governmental or nongovernmental employer
45 electing or required to make payments in lieu of contributions unless the
46 employer is covered by the State plan under the "Temporary Disability

1 Benefits Law" (C.43:21-37 et seq.), and in that case contributions shall be
2 at the rate of 1/2 of 1%, except that commencing July 1, 1986, workers
3 in the employ of any nongovernmental employer electing or required to
4 make payments in lieu of contributions shall be required to make
5 contributions to the fund at the same rate prescribed for workers of other
6 nongovernmental employers.

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

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

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

1 provision of that law; provided that the contributions shall be at the rate
2 of 0.50% of wages paid with respect to employment with the State of New
3 Jersey or any other governmental entity or instrumentality electing or
4 required to make payments in lieu of contributions and which is covered
5 by the State plan under the "Temporary Disability Benefits Law," except
6 that, while the worker is exempt from the provisions of the "Temporary
7 Disability Benefits Law" under section 7 of that law, P.L.1948, c.110
8 (C.43:21-31) or any other provision of that law, or is covered for
9 disability benefits by an approved private plan of the employer, no
10 contributions shall be made to the fund.

11 Each worker shall, starting on January 1, 1996 and ending March 31,
12 1996, contribute to the unemployment compensation fund 0.60% of wages
13 paid with respect to the worker's employment with a governmental
14 employer electing or required to pay contributions or nongovernmental
15 employer, including a nonprofit organization which is an employer as
16 defined under paragraph 6 of subsection (h) of R.S.43:21-19, regardless
17 of whether that nonprofit organization elects or is required to finance its
18 benefit costs with contributions to the fund or by payments in lieu of
19 contributions, after that employer has satisfied the conditions set forth in
20 subsection (h) of R.S.43:21-19 with respect to becoming an employer,
21 provided that the contributions shall be at the rate of 0.10% of wages paid
22 with respect to employment with the State of New Jersey or any other
23 governmental entity or instrumentality electing or required to make
24 payments in lieu of contributions.

25 Each worker shall, starting on January 1, 1998 contribute to the
26 unemployment compensation fund 0.40% of wages paid with respect to
27 the worker's employment with a governmental employer electing or
28 required to pay contributions or nongovernmental employer, including a
29 nonprofit organization which is an employer as defined under paragraph
30 6 of subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
31 organization elects or is required to finance its benefit costs with
32 contributions to the fund or by payments in lieu of contributions, after that
33 employer has satisfied the conditions set forth in subsection (h) of
34 R.S.43:21-19 with respect to becoming an employer, provided that the
35 contributions shall be at the rate of 0.10% of wages paid with respect to
36 employment with the State of New Jersey or any other governmental
37 entity or instrumentality electing or required to make payments in lieu of
38 contributions.

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

1 workers at the time their wages are paid, or fails to make a deduction
2 therefor at the time wages are paid for the next succeeding payroll period,
3 he alone shall thereafter be liable for such contributions, and for the
4 purpose of R.S.43:21-14, such contributions shall be treated as employer's
5 contributions required from him.

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

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

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

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

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

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

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

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

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

30 (3) If an employee receives wages from more than one employer
31 during any calendar year, and either the sum of his contributions deposited
32 in and credited to the State disability benefits fund [(in accordance with
33 paragraph (2) of this subsection)] plus the amount of his contributions, if
34 any, required towards the costs of benefits under one or more approved
35 private plans under the provisions of section 9 of the "Temporary
36 Disability Benefits Law" (C.43:21-33) and deducted from his wages, or
37 the sum of such latter contributions, if the employee is covered during
38 such calendar year only by two or more private plans, exceeds an amount
39 equal to 1/2 of 1% of the "wages" determined in accordance with the
40 provisions of R.S.43:21-7(b)(3) during the calendar years beginning on or
41 after January 1, 1976, the employee shall be entitled to a refund of the
42 excess if he makes a claim to the controller within two years after the end
43 of the calendar year in which the wages are received with respect to which
44 the refund is claimed and establishes his right to such refund. Such refund
45 shall be made by the controller from the State disability benefits fund. No
46 interest shall be allowed or paid with respect to any such refund. The

1 controller shall, in accordance with prescribed regulations, determine the
2 portion of the aggregate amount of such refunds made during any calendar
3 year which is applicable to private plans for which deductions were made
4 under section 9 of the "Temporary Disability Benefits Law," such
5 determination to be based upon the ratio of the amount of such wages
6 exempt from contributions to such fund, as provided in subparagraph (B)
7 of paragraph (1) of this subsection with respect to coverage under private
8 plans, to the total wages so exempt plus the amount of such wages subject
9 to contributions to the disability benefits fund, as provided in
10 subparagraph ~~[(B)]~~ G of paragraph ~~[(2)]~~ 1 of this subsection. The
11 controller shall, in accordance with prescribed regulations, prorate the
12 amount so determined among the applicable private plans in the
13 proportion that the wages covered by each plan bear to the total private
14 plan wages involved in such refunds, and shall assess against and recover
15 from the employer, or the insurer if the insurer has indemnified the
16 employer with respect thereto, the amount so prorated. The provisions of
17 R.S.43:21-14 with respect to collection of employer contributions shall
18 apply to such assessments. The amount so recovered by the controller
19 shall be paid into the State disability benefits fund.

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

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

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

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

45 (1) Except as hereinafter provided, each employer shall, in addition to
46 the contributions required by subsections (a), (b), and (c) of this section,

1 contribute 1/2 of 1% of the wages paid by such employer to workers with
2 respect to employment unless he is not a covered employer as defined in
3 section 3 of the "Temporary Disability Benefits Law" (C.43:21-27 (a)),
4 except that the rate for the State of New Jersey shall be 1/10 of 1% for the
5 calendar year 1980 and for the first six months of 1981. Prior to July 1,
6 1981 and prior to July 1 each year thereafter, the controller shall review
7 the experience accumulated in the account of the State of New Jersey and
8 establish a rate for the next following fiscal year which, in combination
9 with worker contributions, will produce sufficient revenue to keep the
10 account in balance; except that the rate so established shall not be less
11 than 1/10 of 1%. Such contributions shall become due and be paid by the
12 employer to the controller for the State disability benefits fund as
13 established by law, in accordance with such regulations as may be
14 prescribed, and shall not be deducted, in whole or in part, from the
15 remuneration of individuals in his employ. In the payment of any
16 contributions, a fractional part of a cent shall be disregarded unless it
17 amounts to \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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

46 (C) The controller may prescribe regulations for the establishment,

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

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

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

15 (2) If the minimum requirements in (1) above have been fulfilled and
16 the credited contributions exceed the benefits charged by more than
17 \$500.00, such preliminary rate shall be as follows:

18 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is less than
19 $\frac{1}{4}$ of his average annual payroll (as defined in this chapter
20 (R.S.43:21-1 et seq.));

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

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

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

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

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

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

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

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

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

43 (5) Determination of the preliminary rate as specified in (2), (3) and
44 (4) above shall be subject, however, to the condition that it shall in no
45 event be decreased by more than $\frac{1}{10}$ of 1% of wages or increased by
46 more than $\frac{2}{10}$ of 1% of wages from the preliminary rate determined for

1 the preceding year in accordance with (1), (2), (3) or (4), whichever shall
2 have been applicable.

3 (E) (1) Prior to July 1 of each calendar year the controller shall
4 determine the amount of the State disability benefits fund as of December
5 31 of the preceding calendar year, increased by the contributions paid
6 thereto during January of the current calendar year with respect to
7 employment occurring in the preceding calendar year. If such amount
8 exceeds the net amount withdrawn from the unemployment trust fund
9 pursuant to section 23 of the "Temporary Disability Benefits Law,"
10 P.L.1948, c.110 (C.43:21-47) plus the amount at the end of such
11 preceding calendar year of the unemployment disability account (as
12 defined in section 22 of said law (C.43:21-46)), such excess shall be
13 expressed as a percentage of the wages on which contributions were paid
14 to the State disability benefits fund on or before January 31 with respect
15 to employment in the preceding calendar year.

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

20 (i) If the percentage determined in accordance with paragraph (E)(1)
21 of this subsection equals or exceeds $1\frac{1}{4}\%$, the final employer rates shall
22 be the preliminary rates determined as provided in (D) hereof, except that
23 if the employer's preliminary rate is determined as provided in (D)(2) or
24 (D)(3) hereof, the final employer rate shall be the preliminary employer
25 rate decreased by such percentage of excess taken to the nearest $\frac{5}{100}$ of
26 1% , but in no case shall such final rate be less than $\frac{1}{10}$ of 1% .

27 (ii) If the percentage determined in accordance with paragraph (E)(1)
28 of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than $1\frac{1}{4}$ of
29 1% , the final employer rates shall be the preliminary employer rates.

30 (iii) If the percentage determined in accordance with paragraph (E)(1)
31 of this subsection is less than $\frac{3}{4}$ of 1% , but in excess of $\frac{1}{4}$ of 1% , the
32 final employer rates shall be the preliminary employer rates determined as
33 provided in (D) hereof increased by the difference between $\frac{3}{4}$ of 1% and
34 such percentage taken to the nearest $\frac{5}{100}$ of 1% ; provided, however, that
35 no such final rate shall be more than $\frac{1}{4}$ of 1% in the case of an employer
36 whose preliminary rate is determined as provided in (D)(2) hereof, more
37 than $\frac{1}{2}$ of 1% in the case of an employer whose preliminary rate is
38 determined as provided in (D)(1) and (D)(3) hereof, nor more than $\frac{3}{4}$ of
39 1% in the case of an employer whose preliminary rate is determined as
40 provided in (D)(4) hereof.

41 (iv) If the amount of the State disability benefits fund determined as
42 provided in paragraph (E)(1) of this subsection is equal to or less than $\frac{1}{4}$
43 of 1% , then the final rate shall be $\frac{2}{5}$ of 1% in the case of an employer
44 whose preliminary rate is determined as provided in (D)(2) hereof, $\frac{7}{10}$
45 of 1% in the case of an employer whose preliminary rate is determined as
46 provided in (D)(1) and (D)(3) hereof, and 1.1% in the case of an employer

1 whose preliminary rate is determined as provided in (D)(4) hereof.
2 Notwithstanding any other provision of law or any determination made by
3 the controller with respect to any 12-month period commencing on July
4 1, 1970, the final rates for all employers for the period beginning January
5 1, 1971, shall be as set forth herein.

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

7

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

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

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

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

38 (d) Any governmental entity or instrumentality electing the option for
39 contributions financing shall report and pay contributions in accordance
40 with the provisions of R.S.43:21-7 except that, notwithstanding the
41 provisions of that section, the contribution rate for such governmental
42 entity or instrumentality shall be 1% for the entire calendar year 1978 and
43 the contribution rate for any subsequent calendar years shall be the rate
44 established for governmental entities or instrumentalities under subsection
45 (e) of this section.

46 (e) On or before September 1 of each year, the Commissioner of Labor

1 shall review the composite benefit cost experience of all governmental
2 entities and instrumentalities electing to pay contributions and, on the
3 basis of that experience, establish the contribution rate for the next
4 following calendar year which can be expected to yield sufficient revenue
5 in combination with worker contributions to equal or exceed the projected
6 costs for that calendar year.

7 (f) Any covered governmental entity or instrumentality electing to pay
8 contributions shall each year appropriate, out of its general funds, moneys
9 to pay the projected costs of benefits at the rate determined under
10 subsection (e) of this section. These funds shall be held in a trust fund
11 maintained by the governmental entity for this purpose. Any surplus
12 remaining in this trust fund may be retained in reserve for payment of
13 benefit costs for subsequent years either by contributions or payments in
14 lieu of contributions.

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

38 (h) Notwithstanding the provisions of the above subsection (g),
39 commencing July 1, 1986 worker contributions to the unemployment trust
40 fund with respect to wages paid by any governmental entity or
41 instrumentality electing or required to make payments in lieu of
42 contributions, including the State of New Jersey, shall be made in
43 accordance with the provisions of R.S.43:21-7(d)(1)(C) or
44 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each governmental
45 entity or instrumentality electing or required to make payments in lieu of
46 contributions shall, except during the period starting January 1, 1993 and

1 ending December 31, 1995 and the period starting April 1, 1996 and
2 ending December 31, 1996 or, if the unemployment compensation fund
3 reserve ratio, as determined pursuant to paragraph (5) of subsection (c)
4 of R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of
5 calendar year 1994 or calendar year 1995, ending July 1 of that calendar
6 year, require payments from its workers at the [rate of 0.50%] following
7 rates of wages paid, which amounts are to be held in the trust fund
8 maintained by the governmental entity or instrumentality for payment of
9 benefit costs: for calendar year 1998 and each calendar year thereafter,
10 0.30%.

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

12

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

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

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

39

40 9. This act shall take effect immediately.

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44

45 Concerns unemployment compensation.