

P.L. 1996, CHAPTER 47, *approved June 28, 1996*  
Assembly No. 32 (*First Reprint*)

1 **AN ACT** concerning the State disability benefits fund, amending  
2 P.L.1948, c.110, and making appropriations.

3

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

6

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

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22 portion of the amount requisitioned or withdrawn from the Federal  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

25 (b) The State Treasurer is hereby authorized and directed to  
26 requisition and withdraw within 90 days of this enactment, an  
27 additional sum of \$50,000,000.00 from the amount of worker  
28 contributions heretofore accumulated in the State unemployment  
29 compensation fund and deposited in and credited to the account of this  
30 State in the unemployment trust fund of the United States of America,  
31 established and maintained pursuant to section 904 of the Social  
32 Security Act, as amended (42 U.S.C. §1104), and to deposit such sums  
33 in the State disability benefits fund, established under the "Temporary  
34 Disability Benefits Law." The State Treasurer is further authorized and  
35 empowered to make such requisitions or withdrawals in accordance  
36 with such regulations relating thereto as may be prescribed by the  
37 United States Secretary of the Treasury. If the balance in the State  
38 disability benefits fund as of December 31 of any calendar year,  
39 increased by the contributions credited thereto on or before, or as of

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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 AAP committee amendments adopted June 20, 1996.**

1 January 31 immediately thereafter is in excess of \$75,000,000.00, the  
2 excess shall be withdrawn from the State disability benefits fund and  
3 deposited to the account of this State in the unemployment trust fund  
4 until the entire \$50,000,000.00 requisitioned and withdrawn under this  
5 subsection (b) has been returned and deposited to the account of this  
6 State in the unemployment trust fund pursuant to the provisions of this  
7 subsection (b) and subsection (c) hereof. Such repayment to the  
8 unemployment trust fund shall be considered in determining  
9 contribution rates by employers to the State disability benefits fund  
10 under [R.S.43:21-7(c)] R.S.43:21-7(e). No portion of the amount  
11 requisitioned or withdrawn from the Federal Treasury shall be  
12 expended for the purpose of administering the "Temporary Disability  
13 Benefits Law."

14 (c) The State Treasurer shall transfer from the State disability  
15 benefits fund to the clearing account of the unemployment  
16 compensation fund, as established under R.S.43:21-9, the sum of  
17 \$25,000,000.00. Such transfer may be made at such times and in such  
18 installments as the State Treasurer may deem proper, except that the  
19 total sum shall have been transferred by no later than April 30, 1971.  
20 Amounts transferred to the clearing account of the unemployment  
21 compensation fund under this subsection shall be clear immediately  
22 and shall be deposited with the Secretary of the Treasury of the United  
23 States of America in accordance with the provisions of  
24 R.S.43:21-9(b).

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

35 (e) The State Treasurer is hereby authorized and directed to  
36 requisition and withdraw on or after July 1, 1992 an amount not  
37 greater than \$25,000,000 from revenues received pursuant to  
38 paragraph (1) of subsection (e) of R.S.43:21-7, at the discretion of the  
39 Commissioner of Labor, from the State disability benefits fund  
40 established pursuant to section 22 of P.L.1948, c.110 (C.43:21-46)  
41 and to deposit that amount in the New Jersey Workforce Development  
42 Partnership Fund created pursuant to section 9 of P.L.1992, c.43  
43 (C.34:15D-9).

44 (f) The State Treasurer, in consultation with the Commissioner of  
45 Labor, is hereby authorized and directed to requisition and withdraw  
46 on or after July 1, 1994 from revenues received pursuant to paragraph

1 (1) of subsection (e) of R.S.43:21-7, an amount from the State  
2 disability benefits fund not greater than 25% of the balance in that fund  
3 as of June 30, 1994 and to deposit that amount in the clearing account  
4 of the unemployment compensation fund established under  
5 R.S.43:21-9. The amount transferred under this subsection (f) shall be  
6 cleared immediately and shall be deposited with the Secretary of the  
7 Treasury of United States of America, in accordance with the  
8 provisions of R.S.43:21-9(b).

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

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

41 (i) The State Treasurer is hereby authorized and directed to  
42 requisition and withdraw on or after July 1, 1996 an amount not  
43 greater than \$250,000,000 from the State disability benefits fund and  
44 to deposit that amount in the General Fund. For purposes of  
45 determining the balance in the State disability benefits fund as  
46 prescribed pursuant to subparagraph (1) of subparagraph (E) of

1 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred  
2 from the State disability benefits fund to the General Fund pursuant to  
3 this subsection (i) shall be included therein.

4 (j) To ensure that the provisions of subsection (i) of this section do  
5 not reduce or delay benefits payable pursuant to the “Temporary  
6 Disability Benefits Law,” P.L.1948, c.110 (C.43:21-25 et seq.),  
7 whenever the amount in the State disability benefits fund is less than  
8 the amount required to pay the benefits provided under that law and  
9 the necessary costs of administering those benefits, the additional  
10 amount required to pay the benefits and the administrative costs shall  
11 be paid from the General Fund. The amounts paid from the General  
12 Fund for benefits and administrative costs pursuant to this subsection  
13 shall be repaid to the General Fund from the State disability benefits  
14 fund at such time as the Treasurer determines that the repayment may  
15 be made without reducing or delaying benefits payable pursuant to the  
16 “Temporary Disability Benefits Law,” P.L.1948, c.110 (C.43:21-25 et  
17 seq.). <sup>1</sup>The repayment to the General Fund from the State disability  
18 benefits fund pursuant to this subsection (j) shall not effect an increase  
19 in employee or employer contributions under subsections (d) or (e) of  
20 R.S.43:21-7.<sup>1</sup>

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

22  
23 2. There is appropriated in the Fiscal Year 1996, from the General  
24 Fund to the State disability benefits fund, the entire amount  
25 determined by the State Treasurer to be necessary to meet, in full, the  
26 requirements of subsection (h) of section 23 of P.L.1948, c.110  
27 (C.43:21-47) for repayment to the State disability benefits fund,  
28 including the interest required by that subsection.

29  
30 3. There is appropriated in Fiscal Year 1997, \$250,000,000 from  
31 the State disability benefits fund for deposit into the General Fund as  
32 authorized and directed pursuant to subsection (i) of section 23 of  
33 P.L.1948, c.110 (C.43:21-47).

34  
35 4. This act shall take effect immediately, except that section 2 shall  
36 be retroactive to June 30, 1996 if enacted after that date and section  
37 3 shall take effect July 1, 1996.

38  
39  
40 \_\_\_\_\_  
41  
42 Concerns State disability benefits fund; makes appropriations.