

SENATE, No. 252

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator KOSCO

1 AN ACT concerning job training programs and revising various parts  
2 of the statutory law.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

8 43:21-7. Contributions. Employers other than governmental  
9 entities, whose benefit financing provisions are set forth in section 4  
10 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations  
11 liable for payment in lieu of contributions on the basis set forth in  
12 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller  
13 for the unemployment compensation fund, contributions as set forth  
14 in subsections (a), (b) and (c) hereof, and the provisions of subsections  
15 (d) and (e) shall be applicable to all employers, consistent with the  
16 provisions of the "unemployment compensation law" and the  
17 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
18 seq.).

19 (a) Payment.

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

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

31 (b) Rate of contributions. Each employer shall pay the following  
32 contributions:

**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.**

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

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

23 (3) For calendar years beginning on and after January 1, 1976, the  
24 "wages" of any individual, as defined in the preceding paragraph (2)  
25 of this subsection (b), shall be established and promulgated by the  
26 Commissioner of Labor on or before September 1 of the preceding  
27 year and shall be 28 times the Statewide average weekly remuneration  
28 paid to workers by employers, as determined under R.S.43:21-3(c),  
29 raised to the next higher multiple of \$100.00 if not already a multiple  
30 thereof, provided that if the amount of wages so determined for a  
31 calendar year is less than the amount similarly determined for the  
32 preceding year, the greater amount will be used; provided, further, that  
33 if the amount of such wages so determined does not equal or exceed  
34 the amount of wages as defined in subsection (b) of section 3306 of  
35 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
36 Revenue Code of 1986 (26 U.S.C. §3306(b)), the wages as determined  
37 in this paragraph in any calendar year shall be raised to equal the  
38 amount established under the Federal Unemployment Tax Act for that  
39 calendar year.

40 (c) Future rates based on benefit experience.

41 (1) A separate account for each employer shall be maintained and  
42 this shall be credited with all the contributions which he has paid on  
43 his own behalf on or before January 31 of any calendar year with  
44 respect to employment occurring in the preceding calendar year;  
45 provided, however, that if January 31 of any calendar year falls on a  
46 Saturday or Sunday, an employer's account shall be credited as of

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

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

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

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

40 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
41 8/10%, except as otherwise provided in the following provisions. No  
42 employer's rate for the 12 months commencing July 1 of any calendar  
43 year shall be other than 2 8/10%, unless as of the preceding January 31  
44 such employer shall have paid contributions with respect to wages paid  
45 in each of the three calendar years immediately preceding such year,  
46 in which case such employer's rate for the 12 months commencing July

1 1 of any calendar year shall be determined on the basis of his record up  
2 to the beginning of such calendar year. If, at the beginning of such  
3 calendar year, the total of all his contributions, paid on his own behalf,  
4 for all past years exceeds the total benefits charged to his account for  
5 all such years, his contribution rate shall be:

6 (1)  $2\frac{5}{10}\%$ , if such excess equals or exceeds 4%, but less than  
7 5%, of his average annual payroll (as defined in paragraph (2),  
8 subsection (a) of R.S.43:21-19);

9 (2)  $2\frac{2}{10}\%$ , if such excess equals or exceeds 5%, but is less than  
10 6%, of his average annual payroll;

11 (3)  $1\frac{9}{10}\%$ , if such excess equals or exceeds 6%, but is less than  
12 7%, of his average annual payroll;

13 (4)  $1\frac{6}{10}\%$ , if such excess equals or exceeds 7%, but is less than  
14 8%, of his average annual payroll;

15 (5)  $1\frac{3}{10}\%$ , if such excess equals or exceeds 8%, but is less than  
16 9%, of his average annual payroll;

17 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
18 of his average annual payroll;

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

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

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

27 (1) 4%, if such excess is less than 10% of his average annual  
28 payroll;

29 (2)  $4\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than  
30 20%, of his average annual payroll;

31 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
32 annual payroll.

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

38 (i) if the reserve balance in its account is positive, its assigned rate  
39 shall be the highest rate in effect for positive balance accounts for that  
40 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
41 its account is negative, its assigned rate shall be the highest rate in  
42 effect for deficit accounts for that period.

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

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

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

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

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

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

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

25 (E) With respect to experience rating years beginning on or after  
 26 July 1, 1986, the new employer rate or the unemployment experience  
 27 rate of an employer under this section shall be the rate which appears  
 28 in the column headed by the Unemployment Trust Fund Reserve Ratio  
 29 as of the applicable calculation date and on the line with the Employer  
 30 Reserve Ratio, as defined in paragraph 4 of this subsection  
 31 (R.S.43:21-7 (c)(4)), as set forth in the following table:  
 32

#### 33 EXPERIENCE RATING TAX TABLE

34 Fund Reserve Ratio<sup>1</sup>

| 35                         | 36 10.00% | 37 7.00% | 38 4.00% | 39 2.50% | 40 2.49% |
|----------------------------|-----------|----------|----------|----------|----------|
| 41 Employer                | and       | to       | to       | to       | and      |
| 42 Reserve                 | Over      | 9.99%    | 6.99%    | 3.99%    | Under    |
| 43 Ratio <sup>2</sup>      | A         | B        | C        | D        | E        |
| 44 Positive Reserve Ratio: |           |          |          |          |          |
| 45 17% and over            |           | 0.3      | 0.4      | 0.5      | 0.6 1.2  |
| 46 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  |

|    |                        |     |     |     |     |     |
|----|------------------------|-----|-----|-----|-----|-----|
| 1  | 12.00% to 12.99%       | 0.6 | 0.8 | 0.9 | 1.0 | 1.2 |
| 2  | 11.00% to 11.99%       | 0.7 | 0.8 | 1.0 | 1.1 | 1.2 |
| 3  | 10.00% to 10.99%       | 0.9 | 1.1 | 1.3 | 1.5 | 1.6 |
| 4  | 9.00% to 9.99%         | 1.0 | 1.3 | 1.6 | 1.7 | 1.9 |
| 5  | 8.00% to 8.99%         | 1.3 | 1.6 | 1.9 | 2.1 | 2.3 |
| 6  | 7.00% to 7.99%         | 1.4 | 1.8 | 2.2 | 2.4 | 2.6 |
| 7  | 6.00% to 6.99%         | 1.7 | 2.1 | 2.5 | 2.8 | 3.0 |
| 8  | 5.00% to 5.99%         | 1.9 | 2.4 | 2.8 | 3.1 | 3.4 |
| 9  | 4.00% to 4.99%         | 2.0 | 2.6 | 3.1 | 3.4 | 3.7 |
| 10 | 3.00% to 3.99%         | 2.1 | 2.7 | 3.2 | 3.6 | 3.9 |
| 11 | 2.00% to 2.99%         | 2.2 | 2.8 | 3.3 | 3.7 | 4.0 |
| 12 | 1.00% to 1.99%         | 2.3 | 2.9 | 3.4 | 3.8 | 4.1 |
| 13 | 0.00% to 0.99%         | 2.4 | 3.0 | 3.6 | 4.0 | 4.3 |
| 14 |                        |     |     |     |     |     |
| 15 | Deficit Reserve Ratio: |     |     |     |     |     |
| 16 | -0.00% to -2.99%       | 3.4 | 4.3 | 5.1 | 5.6 | 6.1 |
| 17 | -3.00% to -5.99%       | 3.4 | 4.3 | 5.1 | 5.7 | 6.2 |
| 18 | -6.00% to -8.99%       | 3.5 | 4.4 | 5.2 | 5.8 | 6.3 |
| 19 | -9.00% to -11.99%      | 3.5 | 4.5 | 5.3 | 5.9 | 6.4 |
| 20 | -12.00% to -14.99%     | 3.6 | 4.6 | 5.4 | 6.0 | 6.5 |
| 21 | -15.00% to -19.99%     | 3.6 | 4.6 | 5.5 | 6.1 | 6.6 |
| 22 | -20.00% to -24.99%     | 3.7 | 4.7 | 5.6 | 6.2 | 6.7 |
| 23 | -25.00% to -29.99%     | 3.7 | 4.8 | 5.6 | 6.3 | 6.8 |
| 24 | -30.00% to -34.99%     | 3.8 | 4.8 | 5.7 | 6.3 | 6.9 |
| 25 | -35.00% and under      | 5.4 | 5.4 | 5.8 | 6.4 | 7.0 |
| 26 | New Employer Rate      | 2.8 | 2.8 | 2.8 | 3.1 | 3.4 |

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

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

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

37 (G) On or after January 1, 1993, [and ending December 31,  
38 1997,] 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  
41 decreased by 0.1%, except that, during any experience rating year in  
42 which the fund reserve ratio is equal to or greater than 7.00%, there  
43 shall be no decrease pursuant to this subparagraph (G) in the  
44 contribution of any employer who has a deficit reserve ratio of  
45 negative 35.00% or under.

46 (H) On or after January 1, 1993 until December 31, 1993,

1 notwithstanding any other provisions of this paragraph (5), the  
2 contribution rate for each employer liable to pay contributions, as  
3 computed under subparagraph (E) of this paragraph (5), shall be  
4 decreased by a factor of 52.0% computed to the nearest multiple of  
5 1/10%, except that, if an employer has a deficit reserve ratio of  
6 negative 35.0% or under, the employer's rate of contribution shall not  
7 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
8 amount of the reduction in the employer contributions stipulated by  
9 this subparagraph (H) shall be in addition to the amount of the  
10 reduction in the employer contributions stipulated by subparagraph (G)  
11 of this paragraph (5), except that the rate of contribution of an  
12 employer who has a deficit reserve ratio of negative 35.0% or under  
13 shall not be reduced pursuant to this subparagraph (H) to less than  
14 5.4% and the rate of contribution of any other employer shall not be  
15 reduced to less than 0.0%.

16 On or after January 1, 1994 until December 31, 1995, except as  
17 provided pursuant to subparagraph (I) of this paragraph (5),  
18 notwithstanding any other provisions of this paragraph (5), the  
19 contribution rate for each employer liable to pay contributions, as  
20 computed under subparagraph (E) of this paragraph (5), shall be  
21 decreased by a factor of 36.0% computed to the nearest multiple of  
22 1/10%, except that, if an employer has a deficit reserve ratio of  
23 negative 35.0% or under, the employer's rate of contribution shall not  
24 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
25 amount of the reduction in the employer contributions stipulated by  
26 this subparagraph (H) shall be in addition to the amount of the  
27 reduction in the employer contributions stipulated by subparagraph (G)  
28 of this paragraph (5), except that the rate of contribution of an  
29 employer who has a deficit reserve ratio of negative 35.0% or under  
30 shall not be reduced pursuant to this subparagraph (H) to less than  
31 5.4% and the rate of contribution of any other employer shall not be  
32 reduced to less than 0.0%.

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

37 (6) Additional contributions.

38 Notwithstanding any other provision of law, any employer who has  
39 been assigned a contribution rate pursuant to subsection (c) of this  
40 section for the year commencing July 1, 1948, and for any year  
41 commencing July 1 thereafter, may voluntarily make payment of  
42 additional contributions, and upon such payment shall receive a  
43 recomputation of the experience rate applicable to such employer,  
44 including in the calculation the additional contribution so made. Any  
45 such additional contribution shall be made during the 30-day period  
46 following the date of the mailing to the employer of the notice of his

1 contribution rate as prescribed in this section, unless, for good cause,  
2 the time for payment has been extended by the controller for not to  
3 exceed an additional 60 days; provided that in no event may such  
4 payments which are made later than 120 days after the beginning of  
5 the year for which such rates are effective be considered in  
6 determining the experience rate for the year in which the payment is  
7 made. Any employer receiving any extended period of time within  
8 which to make such additional payment and failing to make such  
9 payment timely shall be, in addition to the required amount of  
10 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
11 greater, not to exceed \$50.00. Any adjustment under this subsection  
12 shall be made only in the form of credits against accrued or future  
13 contributions.

14 (7) Transfers.

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

36 (B) An employer who transfers part of his or its organization,  
37 trade, assets or business to a successor in interest, whether by merger,  
38 consolidation, sale, transfer, descent or otherwise, may jointly make  
39 application with such successor in interest for transfer of that portion  
40 of the employment experience of the predecessor employer relating to  
41 the portion of the organization, trade, assets or business transferred to  
42 the successor in interest, including credit for past years, contributions  
43 paid, annual payrolls, benefit charges, et cetera, applicable to such  
44 predecessor employer. The transfer of employment experience may be  
45 allowed pursuant to regulation only if it is found that the employment  
46 experience of the predecessor employer with respect to the portion of

1 the organization, trade, assets or business which has been transferred  
2 may be considered indicative of the future employment experience of  
3 the successor in interest. Credit shall be given to the successor in  
4 interest only for the years during which contributions were paid by the  
5 predecessor employer with respect to that part of the organization,  
6 trade, assets or business transferred.

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

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

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

31 (B) Effective January 1, 1978 there shall be no contributions by  
32 workers in the employ of any governmental or nongovernmental  
33 employer electing or required to make payments in lieu of  
34 contributions unless the employer is covered by the State plan under  
35 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
36 that case contributions shall be at the rate of 1/2 of 1%, except that  
37 commencing July 1, 1986, workers in the employ of any  
38 nongovernmental employer electing or required to make payments in  
39 lieu of contributions shall be required to make contributions to the  
40 fund at the same rate prescribed for workers of other nongovernmental  
41 employers.

42 (C)(i) Notwithstanding the above provisions of this paragraph (1),  
43 during the period starting July 1, 1986 and ending December 31, 1992,  
44 each worker shall contribute to the fund 1.125% of wages paid with  
45 respect to his employment with a governmental employer electing or  
46 required to pay contributions or nongovernmental employer, including

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

21 (ii) [Notwithstanding the above provisions of this paragraph (1),  
22 during the period starting January 1, 1998, each worker shall  
23 contribute to the fund 0.625% of wages paid with respect to his  
24 employment with a governmental employer electing or required to pay  
25 contributions, or nongovernmental employer, including a nonprofit  
26 organization which is an employer as defined under  
27 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization  
28 elects or is required to finance its benefit costs with contributions to  
29 the fund or by payments in lieu of contributions, after that employer  
30 has satisfied the conditions set forth in subsection R.S.43:21-19(h)  
31 with respect to becoming an employer, provided that such  
32 contributions shall be at the rate of 0.125% of wages paid with respect  
33 to employment with the State of New Jersey or any other  
34 governmental entity or instrumentality electing or required to make  
35 payments in lieu of contributions.](Deleted by amendment, P.L.1995,  
36 c. . .)

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

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

18 Each worker shall, starting on January 1, 1996 [and ending  
19 December 31, 1997, or, if the unemployment compensation fund  
20 reserve ratio, as determined pursuant to paragraph (5) of subsection  
21 (c) of this section, decreases to a level of less than 4.00% on March 31  
22 of calendar year 1994 or calendar year 1995, starting on July 1 of that  
23 calendar year and ending December 31, 1997], contribute to the  
24 unemployment compensation fund 0.60% of wages paid with respect  
25 to the worker's employment with a governmental employer electing or  
26 required to pay contributions or nongovernmental employer, including  
27 a nonprofit organization which is an employer as defined under  
28 paragraph 6 of subsection (h) of R.S.43:21-19, regardless of whether  
29 that nonprofit organization elects or is required to finance its benefit  
30 costs with contributions to the fund or by payments in lieu of  
31 contributions, after that employer has satisfied the conditions set forth  
32 in subsection (h) of R.S.43:21-19 with respect to becoming an  
33 employer, provided that the contributions shall be at the rate of 0.10%  
34 of wages paid with respect to employment with the State of New  
35 Jersey or any other governmental entity or instrumentality electing or  
36 required to make payments in lieu of contributions.

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

1 next succeeding payroll period, he alone shall thereafter be liable for  
2 such contributions, and for the purpose of R.S.43:21-14, such  
3 contributions shall be treated as employer's contributions required  
4 from him.

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

8 (G) Each worker shall, starting on July 1, 1994, contribute to the  
9 State disability benefits fund an amount equal to 0.50% of wages paid  
10 with respect to the worker's employment with a government employer  
11 electing or required to pay contributions to the State disability benefits  
12 fund or nongovernmental employer, including a nonprofit organization  
13 which is an employer as defined under paragraph 6 of subsection (h)  
14 of R.S. 43:21-19, unless the employer is covered by an approved  
15 private disability plan or is exempt from the provisions of the  
16 "Temporary Disability Benefits Law," P.L.1948 c.110 (C.43:21-25 et  
17 seq.) under section 7 of that law (C.43:21-31) or any other provision  
18 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  
26 and ending June 30, 1994, there shall be deposited in and credited to  
27 the State disability benefits fund all worker contributions received by  
28 the controller.

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

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

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

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

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

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

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

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

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

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

1 disability in such calendar year and in preceding calendar years shall be  
2 charged against the account of the employer by whom such individual  
3 was employed at the commencement of such disability or by whom he  
4 was last employed, if out of employment.

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

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

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

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

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

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

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

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

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

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

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

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

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

46 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds

1 1% of his average annual payroll.

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

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

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

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

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

38 (iii) If the percentage determined in accordance with paragraph  
39 (E)(1) of this subsection is less than 3/4 of 1%, but in excess of 1/4 of  
40 1%, the final employer rates shall be the preliminary employer rates  
41 determined as provided in (D) hereof increased by the difference  
42 between 3/4 of 1% and such percentage taken to the nearest 5/100 of  
43 1%; provided, however, that no such final rate shall be more than 1/4  
44 of 1% in the case of an employer whose preliminary rate is determined  
45 as provided in (D)(2) hereof, more than 1/2 of 1% in the case of an  
46 employer whose preliminary rate is determined as provided in (D)(1)

1 and (D)(3) hereof, nor more than  $\frac{3}{4}$  of 1% in the case of an employer  
2 whose preliminary rate is determined as provided in (D)(4) hereof.

3 (iv) If the amount of the State disability benefits fund determined  
4 as provided in paragraph (E)(1) of this subsection is equal to or less  
5 than  $\frac{1}{4}$  of 1%, then the final rate shall be  $\frac{2}{5}$  of 1% in the case of an  
6 employer whose preliminary rate is determined as provided in (D)(2)  
7 hereof,  $\frac{7}{10}$  of 1% in the case of an employer whose preliminary rate  
8 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
9 case of an employer whose preliminary rate is determined as provided  
10 in (D)(4) hereof. Notwithstanding any other provision of law or any  
11 determination made by the controller with respect to any 12-month  
12 period commencing on July 1, 1970, the final rates for all employers  
13 for the period beginning January 1, 1971, shall be as set forth herein.  
14 (cf: P.L.1994, c.112, s.1)

15

16 2. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to read as  
17 follows:

18 4. a. The Workforce Development Partnership Program is hereby  
19 established in the Department of Labor and shall be administered by  
20 the Commissioner of Labor. The purpose of the program is to provide  
21 qualified displaced, disadvantaged and employed workers with the  
22 employment and training services most likely to provide the greatest  
23 opportunity for long-range career advancement with high levels of  
24 productivity and earning power. To implement that purpose, the  
25 program shall provide those services by means of training grants or  
26 customized training services, to the extent that funding for the services  
27 is not available from federal or other sources. The commissioner is  
28 authorized to expend moneys from the Workforce Development  
29 Partnership Fund to provide the training grants or customized training  
30 services and provide for each of the following:

31 (1) The cost of counseling required pursuant to section 7 of  
32 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding for  
33 counseling is not available from federal or other sources;

34 (2) Reasonable administrative costs not to exceed 10% of the  
35 revenues collected pursuant to section 2 of P.L.1992, c.44  
36 (C.34:15D-13) during any one fiscal year, except for additional  
37 start-up administrative costs approved by the Director of the Office of  
38 Management and Budget during the first year of the program's  
39 operation;

40 (3) Reasonable costs, not exceeding 0.5% of the revenues collected  
41 pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13) during any one  
42 fiscal year, as required by the State Employment and Training  
43 Commission to design criteria and conduct an annual evaluation of the  
44 program; and

45 (4) The cost of reimbursement to individuals for excess  
46 contributions pursuant to section 6 of P.L.1992, c.44 (C.34:15D-17).

1 b. Not more than 10% of the moneys received by any service  
2 provider pursuant to this act shall be expended on anything other than  
3 direct costs to the provider of providing the employment and training  
4 services, which direct costs shall not include any administrative or  
5 overhead expense of the provider.

6 c. Training and employment services shall be provided to a worker  
7 who receives counseling pursuant to section 7 of P.L.1992, c.43  
8 (C.34:15D-7) only if the counselor who evaluates the worker pursuant  
9 to that section determines that the worker can reasonably be expected  
10 to successfully complete the training and education identified in the  
11 Employability Development Plan developed pursuant to that section  
12 for the worker.

13 d. All vocational training provided under this act:

14 (1) Shall be training which is likely to substantially enhance the  
15 individual's marketable skills and earning power; and

16 (2) Shall be training for a labor demand occupation, except for:

17 (a) Customized training provided to the present employees of a  
18 business which the commissioner deems to be in need of the training  
19 to prevent job loss caused by obsolete skills, technological change or  
20 national or global competition; or

21 (b) Customized training provided to employees at a facility which  
22 is being relocated from another state into New Jersey.

23 e. Not less than ~~[27%]~~25% of the total revenues dedicated to the  
24 program during any one fiscal year shall be reserved to provide  
25 employment and training services for qualified displaced workers.  
26 ~~[Eight]~~ Not less than six percent of the total revenues dedicated to the  
27 program during any one fiscal year shall be reserved to provide  
28 employment and training services for qualified disadvantaged workers.  
29 Not less than 45% of the total revenues dedicated to the program  
30 during any one fiscal year shall be reserved for and appropriated to the  
31 Office of Customized Training. Not less than 3% of the total revenues  
32 dedicated to the program during any one fiscal year shall be reserved  
33 for occupational safety and health training. Beginning July 1, 1994,  
34 5% of the total revenues dedicated to the program during any one  
35 fiscal year shall be reserved for and appropriated to the Youth  
36 Transitions to Work Partnership created pursuant to P.L.1993, c.268  
37 (C.34:15E-1 et seq.).

38 f. Funds available under the program shall not be used for activities  
39 which induce, encourage or assist: any displacement of currently  
40 employed workers by trainees, including partial displacement by  
41 means such as reduced hours of currently employed workers; any  
42 replacement of laid off workers by trainees; or any relocation of  
43 operations resulting in a loss of employment at a previous workplace  
44 located in the State.

45 g. On-the-job training shall not be funded by the program for any  
46 employment found by the commissioner to be of a level of skill and

1 complexity too low to merit training. The duration of on-the-job  
2 training funded by the program for any worker shall not exceed the  
3 duration indicated by the Specific Vocational Preparation Code  
4 developed by the United States Department of Labor for the  
5 occupation for which the training is provided and shall in no case  
6 exceed 26 weeks. The department shall set the duration of on-the-job  
7 training for a worker for less than the indicated maximum, when  
8 training for the maximum duration is not warranted because of the  
9 level of the individual's previous training, education or work  
10 experience. On-the-job training shall not be funded by the program  
11 unless it is accompanied, concurrently or otherwise, by whatever  
12 amount of classroom-based vocational training, remedial education or  
13 both, is deemed appropriate for the worker by the commissioner.

14 h. Employment and training services funded by the program shall  
15 not replace, supplant, compete with or duplicate in any way approved  
16 apprenticeship programs.

17 i. No activities funded by the program shall impair existing  
18 contracts for services or collective bargaining agreements, except that  
19 activities which would be inconsistent with the terms of a collective  
20 bargaining agreement may be undertaken with the written concurrence  
21 of the collective bargaining unit and employer who are parties to the  
22 agreement.

23 (cf: P.L.1994, c.73, s.1)

24

25 3. Section 13 of P.L.1992, c.43 (C.34:15C-8.1) is amended to read  
26 as follows:

27 13. The State Employment and Training Commission shall, in a  
28 manner which complies with all provisions of this act and with the  
29 provisions of section 11 of P.L.1989, c.293 (C.34:15C-8):

30 a. Establish criteria and procedures for the evaluation of  
31 employment and training services funded pursuant to this act;

32 b. Establish criteria and procedures for the evaluation and approval  
33 of service providers pursuant to section 8 of this act; and

34 c. Conduct an annual evaluation of the program and make an  
35 annual report to the Governor and the Legislature regarding the  
36 effectiveness of the program in implementing the purposes of this act  
37 during the previous State fiscal year. The report shall include  
38 information regarding the effectiveness of the program and of  
39 individual service providers in enhancing the long-term productivity  
40 and earning power of trainees and in placing the trainees in permanent  
41 employment. [The report made by the commission pursuant to this  
42 subsection for the fiscal year ending June 30, 1996 shall be provided  
43 to the Governor and the Legislature not later than December 31, 1996  
44 and shall include an assessment of the appropriateness of continuing  
45 the program and, if the commission determines that the program  
46 should be continued, draft legislation to do so, which shall include any

1 modifications in this act deemed appropriate by the commission.]  
2 (cf: P.L.1992, c.43, s.13)

3  
4 4. Section 2 of P.L.1992, c.44 (C.34:15D-13) is amended to read  
5 as follows:

6 2. Beginning on January 1, 1993 [and ending on December 31,  
7 1997], each worker shall contribute to the Workforce Development  
8 Partnership Fund an amount equal to 0.025% of the worker's wages  
9 as determined in accordance with paragraph (3) of subsection (b) of  
10 R.S.43:21-7 regarding the worker's employment with an employer.

11 Also beginning on January 1, 1993 [and ending on December 31,  
12 1997], each employer shall contribute to the Workforce Development  
13 Partnership Fund an amount equal to the amount that the employer's  
14 contribution to the Unemployment Compensation Fund is decreased  
15 pursuant to subparagraph (G) of paragraph (5) of subsection (c) of  
16 R.S.43:21-7.

17 (cf: P.L.1992, c.44, s.2)

18

19 5. Section 6 of P.L.1992, c.44 (C.34:15D-17) is amended to read  
20 as follows:

21 6. a. If an employee receives wages from more than one employer  
22 during any calendar year, and the sum of the employee's contributions  
23 deposited in the Workforce Development Partnership Fund exceeds an  
24 amount equal to 0.025% of the wages determined in accordance with  
25 the provisions of paragraph (3) of subsection (b) of R.S.43:21-7  
26 during the calendar year beginning January 1, 1993 or any subsequent  
27 calendar year [ending prior to January 1, 1998], the employee shall be  
28 entitled to a refund of the excess if a claim establishing the employee's  
29 right to the refund is made within two years after the end of the  
30 respective calendar year in which the wages are received and are the  
31 subject of the claim. The commissioner shall refund any overpayment  
32 from the fund without interest.

33 b. Any employee who is a taxpayer and entitled, pursuant to the  
34 provisions of subsection a. of this section, to a refund of contributions  
35 deducted during a tax year from his wages shall, in lieu of the refund,  
36 be entitled to a credit in the full amount thereof against the tax  
37 otherwise due on his New Jersey gross income for that tax year if he  
38 submits his claim for the credit and accompanies that claim with  
39 evidence of his right to the credit in the manner provided by regulation  
40 by the Director of the Division of Taxation. In any case in which the  
41 amount, or any portion thereof, of any credit allowed hereunder results  
42 in or increases an excess of income tax payment over income tax  
43 liability, the amount of the new or increased excess shall be considered  
44 an overpayment and shall be refunded to the taxpayer in the manner  
45 provided by subsection (a) of N.J.S.54A:9-7.

46 (cf: P.L.1992, c.44, s.6)

1       6. Section 16 of P.L.1992, c.43 is amended to read as follows:

2       16. This act shall take effect immediately [and sections 1 through  
3 13 of this act shall expire on December 31, 1997].

4 (cf: P.L.1992, c.43, s.16)

5

6       7. Section 13 of P.L.1992, c.47 is amended to read as follows:

7       13. This act shall take effect immediately [and sections 1 through  
8 11 of this act shall expire on December 31, 1997].

9 (cf: P.L.1992, c.47, s.13)

10

11       8. Section 10 of P.L.1992, c.47 (C.43:21-66) is repealed.

12

13       9. This act shall take effect immediately.

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#### STATEMENT

17

18       This bill amends P.L.1992, c.43 (C.34:15D-1 et seq.), the "1992  
19 New Jersey Employment and Workforce Development Act" which  
20 established the Workforce Development Partnership Program, and  
21 P.L.1992, c.47 (C.43:21-57 et seq.) which concerns improving  
22 employment opportunities for displaced workers, to make them  
23 permanent as they were to sunset in 1997. The bill modifies some of  
24 the funding levels of the various components of the Workforce  
25 Development Partnership Program as follows: the minimum portion  
26 allocated to displaced workers is decreased from 27% to 25%; the  
27 portion allocated to disadvantaged workers is changed from 8% to not  
28 less than 6%; and the minimum portion allocated to customized  
29 training is set at 45%. Finally, the bill removes requirements that the  
30 State Employment and Training Commission (1) prepare a report  
31 assessing the effectiveness of benefits provided pursuant to P.L.1992,  
32 c.47 (C.43:21-57 et seq.) in enhancing occupational training and  
33 education opportunities for displaced workers and (2) include in the  
34 1996 report on the Workforce Development Partnership Program an  
35 assessment of the appropriateness of continuing that program.

36

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40       Concerns job training programs.