

SENATE, No. 1616

STATE OF NEW JERSEY

INTRODUCED OCTOBER 28, 1996

By Senators CAFIERO and LITTELL

1 AN ACT concerning employer contributions to the unemployment
2 compensation fund and amending R.S.43:21-7.

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:

33 (1) For the calendar year 1947, and each calendar year thereafter,
34 2 7/10% of wages paid by him during each such calendar year, except

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 as otherwise prescribed by subsection (c) of this section.

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

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

39 (c) Future rates based on benefit experience.

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

1 has paid on or before the next succeeding day which is not a Saturday
2 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
3 construed to grant any employer or individuals in his service prior
4 claims or rights to the amounts paid by him into the fund either on his
5 own behalf or on behalf of such individuals. Benefits paid with respect
6 to benefit years commencing on and after January 1, 1953, to any
7 individual on or before December 31 of any calendar year with respect
8 to unemployment in such calendar year and in preceding calendar years
9 shall be charged against the account or accounts of the employer or
10 employers in whose employment such individual established base
11 weeks constituting the basis of such benefits, except that, with respect
12 to benefit years commencing after December 31, 1996, an employer's
13 account shall not be charged for benefits paid to a claimant if the
14 claimant's employment by that employer was ended in any way which,
15 pursuant to R.S.43:21-5, would have disqualified the claimant for
16 benefits if the claimant had applied for benefits at the time when that
17 employment ended and the benefits shall instead be charged to other
18 employers in whose employment the claimant established base weeks
19 constituting the basis of the benefits and who ended the claimant's
20 employment in a way which would have made the claimant eligible for
21 benefits at the time, or, if there are no other employers in whose
22 employment the claimant established base weeks constituting the basis
23 of the benefits and who ended the claimant's employment in a way
24 which would have made the claimant eligible for benefits at the time,
25 to the employer who last employed the claimant prior to the claimant
26 making a successful claim for benefits. Benefits paid under a given
27 benefit determination shall be charged against the account of the
28 employer to whom such determination relates. When each benefit
29 payment is made, either a copy of the benefit check or other form of
30 notification shall be promptly sent to the employer against whose
31 account the benefits are to be charged. Such copy or notification shall
32 identify the employer against whose account the amount of such
33 payment is being charged, shall show at least the name and social
34 security account number of the claimant and shall specify the period
35 of unemployment to which said check applies. If the total amount of
36 benefits paid to a claimant and charged to the account of the
37 appropriate employer exceeds 50% of the total base year, base week
38 wages paid to the claimant by that employer, then such employer shall
39 have canceled from his account such excess benefit charges as
40 specified above.

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

43 (2) Regulations may be prescribed for the establishment,
44 maintenance, and dissolution of joint accounts by two or more
45 employers, and shall, in accordance with such regulations and upon
46 application by two or more employers to establish such an account, or

1 to merge their several individual accounts in a joint account, maintain
2 such joint account as if it constituted a single employer's account.

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

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

20 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than
21 5%, of his average annual payroll (as defined in paragraph (2),
22 subsection (a) of R.S.43:21-19);

23 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less than
24 6%, of his average annual payroll;

25 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less than
26 7%, of his average annual payroll;

27 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less than
28 8%, of his average annual payroll;

29 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less than
30 9%, of his average annual payroll;

31 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
32 of his average annual payroll;

33 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
34 than 11%, of his average annual payroll;

35 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
36 average annual payroll.

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

41 (1) 4%, if such excess is less than 10% of his average annual
42 payroll;

43 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less than
44 20%, of his average annual payroll;

45 (3) 4 6/10%, if such excess equals or exceeds 20% of his average
46 annual payroll.

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

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

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

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

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

1 commencing July 1, 1984 and ending June 30, 1986, the contribution
2 rate for each employer liable to pay contributions under R.S.43:21-7
3 shall be increased by a factor of 10% computed to the nearest multiple
4 of 1/10% if not already a multiple thereof.

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

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

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

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

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

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

5

6 **EXPERIENCE RATING TAX TABLE**

7 **Fund Reserve Ratio¹**

8

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

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

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

3
4 (F)(i) With respect to experience rating years beginning on or after
5 July 1, 1986 and before July 1, 1997, if the balance of the
6 unemployment trust fund as of the prior March 31 is negative, the
7 contribution rate for each employer liable to pay contributions, as
8 computed under subparagraph E of this paragraph (5), shall be
9 increased by a factor of 10% computed to the nearest multiple of
10 1/10% if not already a multiple thereof.

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

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

26 (H) On or after January 1, 1993 until December 31, 1993,
27 notwithstanding any other provisions of this paragraph (5), the
28 contribution rate for each employer liable to pay contributions, as
29 computed under subparagraph (E) of this paragraph (5), shall be
30 decreased by a factor of 52.0% computed to the nearest multiple of
31 1/10%, except that, if an employer has a deficit reserve ratio of
32 negative 35.0% or under, the employer's rate of contribution shall not
33 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
34 amount of the reduction in the employer contributions stipulated by
35 this subparagraph (H) shall be in addition to the amount of the
36 reduction in the employer contributions stipulated by subparagraph (G)
37 of this paragraph (5), except that the rate of contribution of an
38 employer who has a deficit reserve ratio of negative 35.0% or under
39 shall not be reduced pursuant to this subparagraph (H) to less than
40 5.4% and the rate of contribution of any other employer shall not be
41 reduced to less than 0.0%.

42 On or after January 1, 1994 until December 31, 1995, except as
43 provided pursuant to subparagraph (I) of this paragraph (5),
44 notwithstanding any other provisions of this paragraph (5), the
45 contribution rate for each employer liable to pay contributions, as
46 computed under subparagraph (E) of this paragraph (5), shall be

1 decreased by a factor of 36.0% computed to the nearest multiple of
2 1/10%, except that, if an employer has a deficit reserve ratio of
3 negative 35.0% or under, the employer's rate of contribution shall not
4 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
5 amount of the reduction in the employer contributions stipulated by
6 this subparagraph (H) shall be in addition to the amount of the
7 reduction in the employer contributions stipulated by subparagraph (G)
8 of this paragraph (5), except that the rate of contribution of an
9 employer who has a deficit reserve ratio of negative 35.0% or under
10 shall not be reduced pursuant to this subparagraph (H) to less than
11 5.4% and the rate of contribution of any other employer shall not be
12 reduced to less than 0.0%.

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

27 On or after January 1, 1997 until December 31, 1997, the
28 contribution rate for each employer liable to pay contributions, as
29 computed under subparagraph (E) of this paragraph (5), shall be
30 decreased by a factor of 10.0% computed to the nearest multiple of
31 1/10%, except that, if an employer has a deficit reserve ratio of
32 negative 35.0% or under, the employer's rate of contribution shall not
33 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
34 amount of the reduction in the employer contributions stipulated by
35 this subparagraph (H) shall be in addition to the amount of the
36 reduction in the employer contributions stipulated by subparagraph (G)
37 of this paragraph (5), except that the rate of contribution of an
38 employer who has a deficit reserve ratio of negative 35.0% or under
39 shall not be reduced pursuant to this subparagraph (H) to less than
40 5.4% and the rate of contribution of any other employer shall not be
41 reduced to less than 0.0%.

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

46 If, upon calculating the unemployment compensation fund reserve

1 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997, the
2 controller finds that the fund reserve ratio has decreased to a level of
3 less than 3.00%, the Commissioner of Labor shall notify the State
4 Treasurer of this fact and of the dollar amount necessary to bring the
5 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,
6 prior to March 31, 1997, transfer from the General Fund to the
7 unemployment compensation fund, revenues in the amount specified
8 by the commissioner and which, upon deposit in the unemployment
9 compensation fund, shall result, upon recalculation, in a fund reserve
10 ratio used to determine employer contributions beginning July 1, 1997,
11 of at least 3.00%.

12 If, upon calculating the unemployment compensation fund reserve
13 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1998, the
14 controller finds that the fund reserve ratio has decreased to a level of
15 less than 3.00%, the Commissioner of Labor shall notify the State
16 Treasurer of this fact and of the dollar amount necessary to bring the
17 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,
18 prior to March 31, 1998, transfer from the General Fund to the
19 unemployment compensation fund, revenues in the amount specified
20 by the commissioner and which, upon deposit in the unemployment
21 compensation fund, shall result, upon recalculation, in a fund reserve
22 ratio used to determine employer contributions beginning July 1, 1998
23 of at least 3.00%.

24 (6) Additional contributions.

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

1 (7) Transfers.

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

23 (B) An employer who transfers part of his or its organization,
24 trade, assets or business to a successor in interest, whether by merger,
25 consolidation, sale, transfer, descent or otherwise, may jointly make
26 application with such successor in interest for transfer of that portion
27 of the employment experience of the predecessor employer relating to
28 the portion of the organization, trade, assets or business transferred to
29 the successor in interest, including credit for past years, contributions
30 paid, annual payrolls, benefit charges, et cetera, applicable to such
31 predecessor employer. The transfer of employment experience may be
32 allowed pursuant to regulation only if it is found that the employment
33 experience of the predecessor employer with respect to the portion of
34 the organization, trade, assets or business which has been transferred
35 may be considered indicative of the future employment experience of
36 the successor in interest. Credit shall be given to the successor in
37 interest only for the years during which contributions were paid by the
38 predecessor employer with respect to that part of the organization,
39 trade, assets or business transferred.

40 (C) A transfer of the employment experience in whole or in part
41 having become final, the predecessor employer thereafter shall not be
42 entitled to consideration for an adjusted rate based upon his or its
43 experience or the part thereof, as the case may be, which has thus been
44 transferred. A successor in interest to whom employment experience
45 or a part thereof is transferred pursuant to this subsection shall, as of
46 the date of the transfer of the organization, trade, assets or business,

1 or part thereof, immediately become an employer if not theretofore an
2 employer subject to this chapter (R.S.43:21-1 et seq.).

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

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

18 (B) Effective January 1, 1978 there shall be no contributions by
19 workers in the employ of any governmental or nongovernmental
20 employer electing or required to make payments in lieu of
21 contributions unless the employer is covered by the State plan under
22 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in
23 that case contributions shall be at the rate of 1/2 of 1%, except that
24 commencing July 1, 1986, workers in the employ of any
25 nongovernmental employer electing or required to make payments in
26 lieu of contributions shall be required to make contributions to the
27 fund at the same rate prescribed for workers of other nongovernmental
28 employers.

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

1 payments in lieu of contributions and which is covered by the State
2 plan under the "Temporary Disability Benefits Law," except that, while
3 the worker is exempt from the provisions of the "Temporary Disability
4 Benefits Law" under section 7 of that law, P.L.1948, c.110
5 (C.43:21-31) or any other provision of that law, or is covered for
6 disability benefits by an approved private plan of the employer, the
7 contributions to the fund shall be 0.125%.

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

9 (D) Notwithstanding any other provisions of this paragraph (1),
10 during the period starting January 1, 1993 and ending June 30, 1994,
11 each worker shall contribute to the unemployment compensation fund
12 0.5% of wages paid with respect to the worker's employment with a
13 governmental employer electing or required to pay contributions or
14 nongovernmental employer, including a nonprofit organization which
15 is an employer as defined under paragraph (6) of subsection (h) of
16 R.S.43:21-19, regardless of whether that nonprofit organization elects
17 or is required to finance its benefit costs with contributions to the fund
18 or by payments in lieu of contributions, after that employer has
19 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
20 with respect to becoming an employer. No contributions, however,
21 shall be made by the worker while the worker is covered by an
22 approved private plan under the "Temporary Disability Benefits Law,"
23 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
24 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
25 provision of that law; provided that the contributions shall be at the
26 rate of 0.50% of wages paid with respect to employment with the
27 State of New Jersey or any other governmental entity or
28 instrumentality electing or required to make payments in lieu of
29 contributions and which is covered by the State plan under the
30 "Temporary Disability Benefits Law," except that, while the worker is
31 exempt from the provisions of the "Temporary Disability Benefits
32 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
33 other provision of that law, or is covered for disability benefits by an
34 approved private plan of the employer, no contributions shall be made
35 to the fund.

36 Each worker shall, starting on January 1, 1996 and ending March
37 31, 1996, contribute to the unemployment compensation fund 0.60%
38 of wages paid with respect to the worker's employment with a
39 governmental employer electing or required to pay contributions or
40 nongovernmental employer, including a nonprofit organization which
41 is an employer as defined under paragraph (6) of subsection (h) of
42 R.S.43:21-19, regardless of whether that nonprofit organization elects
43 or is required to finance its benefit costs with contributions to the fund
44 or by payments in lieu of contributions, after that employer has
45 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
46 with respect to becoming an employer, provided that the contributions

1 shall be at the rate of 0.10% of wages paid with respect to
2 employment with the State of New Jersey or any other governmental
3 entity or instrumentality electing or required to make payments in lieu
4 of contributions.

5 Each worker shall, starting on January 1, 1998 contribute to the
6 unemployment compensation fund 0.40% of wages paid with respect
7 to the worker's employment with a governmental employer electing or
8 required to pay contributions or nongovernmental employer, including
9 a nonprofit organization which is an employer as defined under
10 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether
11 that nonprofit organization elects or is required to finance its benefit
12 costs with contributions to the fund or by payments in lieu of
13 contributions, after that employer has satisfied the conditions set forth
14 in subsection (h) of R.S.43:21-19 with respect to becoming an
15 employer, provided that the contributions shall be at the rate of 0.10%
16 of wages paid with respect to employment with the State of New
17 Jersey or any other governmental entity or instrumentality electing or
18 required to make payments in lieu of contributions.

19 (E) Each employer shall, notwithstanding any provision of law in
20 this State to the contrary, withhold in trust the amount of his workers'
21 contributions from their wages at the time such wages are paid, shall
22 show such deduction on his payroll records, shall furnish such
23 evidence thereof to his workers as the division or controller may
24 prescribe, and shall transmit all such contributions, in addition to his
25 own contributions, to the office of the controller in such manner and
26 at such times as may be prescribed. If any employer fails to deduct the
27 contributions of any of his workers at the time their wages are paid, or
28 fails to make a deduction therefor at the time wages are paid for the
29 next succeeding payroll period, he alone shall thereafter be liable for
30 such contributions, and for the purpose of R.S.43:21-14, such
31 contributions shall be treated as employer's contributions required
32 from him.

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

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

- 1 (2) (A) (Deleted by amendment, P.L.1984, c.24.)
2 (B) (Deleted by amendment, P.L.1984, c.24.)
3 (C) (Deleted by amendment, P.L.1994, c.112.)
4 (D) (Deleted by amendment, P.L.1994, c.112.)
5 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
6 (ii) (Deleted by amendment, P.L.1996, c.28.)
7 (iii) (Deleted by amendment, P.L.1994, c.112.)
8 (3) If an employee receives wages from more than one employer
9 during any calendar year, and either the sum of his contributions
10 deposited in and credited to the State disability benefits fund plus the
11 amount of his contributions, if any, required towards the costs of
12 benefits under one or more approved private plans under the
13 provisions of section 9 of the "Temporary Disability Benefits Law"
14 (C.43:21-33) and deducted from his wages, or the sum of such latter
15 contributions, if the employee is covered during such calendar year
16 only by two or more private plans, exceeds an amount equal to 1/2 of
17 1% of the "wages" determined in accordance with the provisions of
18 R.S.43:21-7(b)(3) during the calendar years beginning on or after
19 January 1, 1976, the employee shall be entitled to a refund of the
20 excess if he makes a claim to the controller within two years after the
21 end of the calendar year in which the wages are received with respect
22 to which the refund is claimed and establishes his right to such refund.
23 Such refund shall be made by the controller from the State disability
24 benefits fund. No interest shall be allowed or paid with respect to any
25 such refund. The controller shall, in accordance with prescribed
26 regulations, determine the portion of the aggregate amount of such
27 refunds made during any calendar year which is applicable to private
28 plans for which deductions were made under section 9 of the
29 "Temporary Disability Benefits Law," such determination to be based
30 upon the ratio of the amount of such wages exempt from contributions
31 to such fund, as provided in subparagraph (B) of paragraph (1) of this
32 subsection with respect to coverage under private plans, to the total
33 wages so exempt plus the amount of such wages subject to
34 contributions to the disability benefits fund, as provided in
35 subparagraph (G) of paragraph (1) of this subsection. The controller
36 shall, in accordance with prescribed regulations, prorate the amount
37 so determined among the applicable private plans in the proportion
38 that the wages covered by each plan bear to the total private plan
39 wages involved in such refunds, and shall assess against and recover
40 from the employer, or the insurer if the insurer has indemnified the
41 employer with respect thereto, the amount so prorated. The
42 provisions of R.S.43:21-14 with respect to collection of employer
43 contributions shall apply to such assessments. The amount so
44 recovered by the controller shall be paid into the State disability
45 benefits fund.
46 (4) If an individual does not receive any wages from the employing

1 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is
2 treated as his employer, or receives his wages from some other
3 employing unit, such employer shall nevertheless be liable for such
4 individual's contributions in the first instance; and after payment
5 thereof such employer may deduct the amount of such contributions
6 from any sums payable by him to such employing unit, or may recover
7 the amount of such contributions from such employing unit, or, in the
8 absence of such an employing unit, from such individual, in a civil
9 action; provided proceedings therefor are instituted within three
10 months after the date on which such contributions are payable. General
11 rules shall be prescribed whereby such an employing unit may recover
12 the amount of such contributions from such individuals in the same
13 manner as if it were the employer.

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

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

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

25 (1) Except as hereinafter provided, each employer shall, in addition
26 to the contributions required by subsections (a), (b), and (c) of this
27 section, contribute 1/2 of 1% of the wages paid by such employer to
28 workers with respect to employment unless he is not a covered
29 employer as defined in section 3 of the "Temporary Disability Benefits
30 Law" (C.43:21-27 (a)), except that the rate for the State of New
31 Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first
32 six months of 1981. Prior to July 1, 1981 and prior to July 1 each
33 year thereafter, the controller shall review the experience accumulated
34 in the account of the State of New Jersey and establish a rate for the
35 next following fiscal year which, in combination with worker
36 contributions, will produce sufficient revenue to keep the account in
37 balance; except that the rate so established shall not be less than 1/10
38 of 1%. Such contributions shall become due and be paid by the
39 employer to the controller for the State disability benefits fund as
40 established by law, in accordance with such regulations as may be
41 prescribed, and shall not be deducted, in whole or in part, from the
42 remuneration of individuals in his employ. In the payment of any
43 contributions, a fractional part of a cent shall be disregarded unless it
44 amounts to \$0.005 or more, in which case it shall be increased to
45 \$0.01.

46 (2) During the continuance of coverage of a worker by an

1 approved private plan of disability benefits under the "Temporary
2 Disability Benefits Law," the employer shall be exempt from the
3 contributions required by subparagraph (1) above with respect to
4 wages paid to such worker.

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

8 (B) A separate disability benefits account shall be maintained for
9 each employer required to contribute to the State disability benefits
10 fund and such account shall be credited with contributions deposited
11 in and credited to such fund with respect to employment occurring on
12 and after January 1, 1949. Each employer's account shall be credited
13 with all contributions paid on or before January 31 of any calendar
14 year on his own behalf and on behalf of individuals in his service with
15 respect to employment occurring in preceding calendar years;
16 provided, however, that if January 31 of any calendar year falls on a
17 Saturday or Sunday an employer's account shall be credited as of
18 January 31 of such calendar year with all the contributions which he
19 has paid on or before the next succeeding day which is not a Saturday
20 or Sunday. But nothing in this act shall be construed to grant any
21 employer or individuals in his service prior claims or rights to the
22 amounts paid by him to the fund either on his own behalf or on behalf
23 of such individuals. Benefits paid to any covered individual in
24 accordance with Article III of the "Temporary Disability Benefits
25 Law" on or before December 31 of any calendar year with respect to
26 disability in such calendar year and in preceding calendar years shall be
27 charged against the account of the employer by whom such individual
28 was employed at the commencement of such disability or by whom he
29 was last employed, if out of employment.

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

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

40 (1) Such preliminary rate shall be 1/2 of 1% unless on the
41 preceding January 31 of such year such employer shall have been a
42 covered employer who has paid contributions to the State disability
43 benefits fund with respect to employment in the three calendar years
44 immediately preceding such year.

45 (2) If the minimum requirements in (1) above have been fulfilled
46 and the credited contributions exceed the benefits charged by more

1 than \$500.00, such preliminary rate shall be as follows:
2 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is less
3 than $1\frac{1}{4}\%$ of his average annual payroll (as defined in this chapter
4 (R.S.43:21-1 et seq.));
5 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
6 $\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;
7 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
8 $\frac{1}{2}\%$ of his average annual payroll.
9 (3) If the minimum requirements in (1) above have been fulfilled
10 and the contributions credited exceed the benefits charged but by not
11 more than \$500.00 plus 1% of his average annual payroll, or if the
12 benefits charged exceed the contributions credited but by not more
13 than \$500.00, the preliminary rate shall be $\frac{1}{4}$ of 1%.
14 (4) If the minimum requirements in (1) above have been fulfilled
15 and the benefits charged exceed the contributions credited by more
16 than \$500.00, such preliminary rate shall be as follows:
17 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of 1%
18 of his average annual payroll;
19 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
20 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;
21 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
22 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;
23 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
24 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;
25 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
26 1% of his average annual payroll.
27 (5) Determination of the preliminary rate as specified in (2), (3)
28 and (4) above shall be subject, however, to the condition that it shall
29 in no event be decreased by more than $\frac{1}{10}$ of 1% of wages or
30 increased by more than $\frac{2}{10}$ of 1% of wages from the preliminary rate
31 determined for the preceding year in accordance with (1), (2), (3) or
32 (4), whichever shall have been applicable.
33 (E) (1) Prior to July 1 of each calendar year the controller shall
34 determine the amount of the State disability benefits fund as of
35 December 31 of the preceding calendar year, increased by the
36 contributions paid thereto during January of the current calendar year
37 with respect to employment occurring in the preceding calendar year.
38 If such amount exceeds the net amount withdrawn from the
39 unemployment trust fund pursuant to section 23 of the "Temporary
40 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the
41 amount at the end of such preceding calendar year of the
42 unemployment disability account (as defined in section 22 of said law
43 (C.43:21-46)), such excess shall be expressed as a percentage of the
44 wages on which contributions were paid to the State disability benefits
45 fund on or before January 31 with respect to employment in the
46 preceding calendar year.

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

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

13 (ii) If the percentage determined in accordance with paragraph
14 (E)(1) of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than
15 $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer
16 rates.

17 (iii) If the percentage determined in accordance with paragraph
18 (E)(1) of this subsection is less than $\frac{3}{4}$ of 1%, but in excess of $\frac{1}{4}$ of
19 1%, the final employer rates shall be the preliminary employer rates
20 determined as provided in (D) hereof increased by the difference
21 between $\frac{3}{4}$ of 1% and such percentage taken to the nearest $\frac{5}{100}$ of
22 1%; provided, however, that no such final rate shall be more than $\frac{1}{4}$
23 of 1% in the case of an employer whose preliminary rate is determined
24 as provided in (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
25 employer whose preliminary rate is determined as provided in (D)(1)
26 and (D)(3) hereof, nor more than $\frac{3}{4}$ of 1% in the case of an employer
27 whose preliminary rate is determined as provided in (D)(4) hereof.

28 (iv) If the amount of the State disability benefits fund determined
29 as provided in paragraph (E)(1) of this subsection is equal to or less
30 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
31 employer whose preliminary rate is determined as provided in (D)(2)
32 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
33 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
34 case of an employer whose preliminary rate is determined as provided
35 in (D)(4) hereof. Notwithstanding any other provision of law or any
36 determination made by the controller with respect to any 12-month
37 period commencing on July 1, 1970, the final rates for all employers
38 for the period beginning January 1, 1971, shall be as set forth herein.
39 (cf: P.L.1996, c.30, s.6)

40
41 2. This act shall take effect immediately.

42
43 STATEMENT

44
45 This bill provides that no employer's account will be charged for
46 unemployment insurance benefits paid to a claimant if the claimant's

1 employment by that employer was ended in any way which would have
2 disqualified the claimant for benefits if the claimant had applied for
3 benefits at the time when that employment ended. The bill provides
4 instead that the benefits shall be charged to other employers in whose
5 employment the claimant established base weeks constituting the basis
6 of the benefits and who ended the claimant's employment in a way
7 which would have made the claimant eligible for benefits at the time,
8 or, if there are no other employers in whose employment the claimant
9 established base weeks constituting the basis of the benefits and who
10 ended the claimant's employment in a way which would have made the
11 claimant eligible for benefits at the time, to the employer who last
12 employed the claimant prior to the claimant making a successful claim
13 for benefits.

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18 Eliminates charges against UI accounts of employers who do not lay
19 off claimants.