

[First Reprint]
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 ¹R.S. 43:21-3 and¹ 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 ¹1. R.S. 43:21-3 is amended to read as follows:

8 43:21-3. Benefits.

9 (a) Payment of benefits.

10 All benefits shall be promptly paid from the fund in accordance with
11 such regulations as may be prescribed hereunder.

12 (b) Weekly benefits for unemployment.

13 With respect to an individual's benefit year commencing on or after
14 July 1, 1961, such individual, if eligible and unemployed (as defined in
15 subsection (m) of R.S.43:21-19), shall be paid an amount (except as
16 to final payment) equal to his weekly benefit rate less any
17 remuneration, other than remuneration from self-employment paid to
18 an individual who is receiving a self-employment assistance allowance,
19 paid or payable to him for such week in excess of 20% of his weekly
20 benefit rate (fractional part of a dollar omitted) or \$5.00, whichever is
21 the greater; provided that such amount shall be computed to the next
22 lower multiple of \$1.00 if not already a multiple thereof.

23 (c) Weekly benefit rate.

24 (1) With respect to an individual whose benefit year commences
25 after September 30, 1984, his weekly benefit rate under each
26 determination shall be 60% of his average weekly wage, subject to a
27 maximum of $56 \frac{2}{3}$ % of the Statewide average weekly remuneration
28 paid to workers by employers subject to this chapter (R.S.43:21-1 et
29 seq.), as determined and promulgated by the Commissioner of Labor;
30 provided, however, that such individual's weekly benefit rate shall be
31 computed to the next lower multiple of \$1.00 if not already a multiple

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted February 10, 1997.

1 thereof.

2 (2) Dependency benefits.

3 (A) With respect to an individual whose benefit year commences
4 after September 30, 1984, the individual's weekly benefit rate as
5 determined in paragraph (1) of this subsection (c) will be increased by
6 7% for the first dependent and 4% each for the next two dependents
7 (up to a maximum of three dependents), computed to the next lower
8 multiple of \$1.00 if not already a multiple thereof, except that the
9 maximum weekly benefit rate payable for an individual claiming
10 dependency benefits shall not exceed the maximum amount determined
11 under paragraph (1) of this subsection (c).

12 (B) For the purposes of this paragraph (2), a dependent is defined
13 as an individual's unemployed spouse or an unemployed unmarried
14 child (including a stepchild or a legally adopted child) under the age
15 of 19 or an unemployed unmarried child, who is attending an
16 educational institution as defined in subsection (y) of R.S.43:21-19 on
17 a full-time basis and is under the age of 22. If an individual's spouse
18 is employed during the week the individual files an initial claim for
19 benefits, this paragraph (2) shall not apply. If both spouses establish
20 a claim for benefits in accordance with the provisions of this chapter
21 (R.S. 43:21-1 et seq.), only one shall be entitled to dependency
22 benefits as provided in this paragraph (2).

23 (C) Any determination establishing dependency benefits under this
24 paragraph (2) shall remain fixed for the duration of the individual's
25 benefit year and shall not be increased or decreased unless it is
26 determined by the division that the individual wrongfully claimed
27 dependency benefits as a result of false or fraudulent representation.

28 (D) Notwithstanding the provisions of any other law, the division
29 shall use every available administrative means to insure that
30 dependency benefits are paid only to individuals who meet the
31 requirements of this paragraph (2). These administrative actions may
32 include, but shall not be limited to, the following:

33 (i) All married individuals claiming dependents under this
34 paragraph (2) shall be required to provide the social security number
35 of the individual's spouse. If the individual indicates that the spouse
36 is unemployed, the division shall match the social security number of
37 the spouse against available wage records to determine whether
38 earnings were reported on the last quarterly earnings report filed by
39 employers under R.S. 43:21-14 of this chapter. If earnings were
40 reported, the division shall contact in writing the last employer to
41 determine whether the spouse is currently employed.

42 (ii) Where a child is claimed as a dependent by an individual under
43 this paragraph (2), the individual shall be required to provide to the
44 division the most recent federal income tax return filed by the
45 individual to assist the division in verifying the claim.

46 (3) For the purposes of this subsection (c), the "Statewide average

1 weekly remuneration paid to workers by employers" shall be computed
2 and determined by the Commissioner of Labor on or before September
3 1 of each year on the basis of one-fifty-second of the total
4 remuneration reported for the preceding calendar year by employers
5 subject to this chapter, divided by the average of the number of
6 workers reported by such employers, and shall be effective as to
7 benefit determinations in the calendar year following such computation
8 and determination.

9 (d) Maximum total benefits.

10 (1) (A) With respect to an individual to whom benefits shall be
11 payable for benefit years commencing on or after January 1, 1975 and
12 prior to July 1, 1986, as provided in this section, such individual shall
13 be entitled to receive, under each successive benefit determination
14 relating to each of his base year employers, a total amount of benefits
15 equal to three-quarters of his base weeks from the employer in
16 question multiplied by his weekly benefit rate; but the amount of
17 benefits thus resulting under any such determination made with respect
18 to any employer shall be adjusted to the next lower multiple of \$1.00
19 if not already a multiple thereof.

20 (B) (i) With respect to an individual for whom benefits shall be
21 payable for benefit years commencing on or after July 1, 1986, as
22 provided in this section, the individual shall be entitled to receive a
23 total amount of benefits equal to three-quarters of the individual's base
24 weeks with all employers in the base year multiplied by the individual's
25 weekly benefit rate; but the amount of benefits thus resulting under
26 that determination shall be adjusted to the next lower multiple of \$1.00
27 if not already a multiple thereof.

28 (ii) [Except that benefits paid to an individual for benefit years
29 commencing on or after July 1, 1986 shall be charged against the
30 accounts of the individual's base year employers in the following
31 manner:

32 Each week of benefits paid to an eligible individual shall be charged
33 against each base year employer's account in the same proportion that
34 the wages paid by each employer to the individual during the base year
35 bear to the wages paid by all employers to that individual during the
36 base year.] (Deleted by amendment, P.L. , c. .)

37 (iii) [Wages earned during a base year, which had previously been
38 used to establish a benefit year commencing prior to July 1, 1986, may
39 also be used to establish benefit years commencing on or after July 1,
40 1986 but prior to October 1, 1987. No employer's account shall be
41 charged for any benefits payable based on base year wages which may
42 be used to establish entitlement under the provisions of this
43 subparagraph (iii).] (Deleted by amendment, P.L. , c. .)

44 (2) No such individual shall be entitled to receive benefits under
45 this chapter (R.S.43:21-1 et seq.) in excess of 26 times his weekly
46 benefit rate in any benefit year under either of subsections (c) and (f)

1 of section 43:21-4 of this chapter (R.S.43:21-1 et seq.). In the event
2 that any individual qualifies for benefits under both of said subsections
3 during any benefit year, the maximum total amount of benefits payable
4 under said subsections combined to such individual during the benefit
5 year shall be one and one-half times the maximum amount of benefits
6 payable under one of said subsections.

7 (3) (Deleted by amendment, P.L.1984, c.24.)¹
8 (cf: P.L.1995, c.394, s.6)

9
10 ¹[1.] 2.¹ R.S.43:21-7 is amended to read as follows:

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

22 (a) Payment.

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

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

34 (b) Rate of contributions. Each employer shall pay the following
35 contributions:

36 (1) For the calendar year 1947, and each calendar year thereafter,
37 $2\frac{7}{10}\%$ of wages paid by him during each such calendar year, except
38 as otherwise prescribed by subsection (c) of this section.

39 (2) The "wages" of any individual, with respect to any one
40 employer, as the term is used in this subsection (b) and in subsections
41 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid
42 during calendar year 1975, for services performed either within or
43 without this State; provided that no contribution shall be required by
44 this State with respect to services performed in another state if such
45 other state imposes contribution liability with respect thereto. If an
46 employer (hereinafter referred to as a successor employer) during any

1 calendar year acquires substantially all the property used in a trade or
2 business of another employer (hereinafter referred to as a
3 predecessor), or used in a separate unit of a trade or business of a
4 predecessor, and immediately after the acquisition employs in his
5 trade or business an individual who immediately prior to the
6 acquisition was employed in the trade or business of such predecessor,
7 then, for the purpose of determining whether the successor employer
8 has paid wages with respect to employment equal to the first
9 \$4,800.00 paid during calendar year 1975, any wages paid to such
10 individual by such predecessor during such calendar year and prior to
11 such acquisition shall be considered as having been paid by such
12 successor employer.

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

30 (c) Future rates based on benefit experience.

31 (1) A separate account for each employer shall be maintained and
32 this shall be credited with all the contributions which he has paid on
33 his own behalf on or before January 31 of any calendar year with
34 respect to employment occurring in the preceding calendar year;
35 provided, however, that if January 31 of any calendar year falls on a
36 Saturday or Sunday, an employer's account shall be credited as of
37 January 31 of such calendar year with all the contributions which he
38 has paid on or before the next succeeding day which is not a Saturday
39 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
40 construed to grant any employer or individuals in his service prior
41 claims or rights to the amounts paid by him into the fund either on his
42 own behalf or on behalf of such individuals. Benefits paid with respect
43 to benefit years commencing on and after January 1, 1953, to any
44 individual on or before December 31 of any calendar year with respect
45 to unemployment in such calendar year and in preceding calendar years
46 shall be charged against the account or accounts of the employer or

1 employers in whose employment such individual established base
2 weeks constituting the basis of such benefits, except that, with respect
3 to benefit years commencing after ¹[December 31, 1996] July 1, 1997¹
4 , an employer's account shall not be charged for benefits paid to a
5 claimant if the claimant's employment by that employer was ended in
6 any way which, pursuant to R.S.43:21-5, would have disqualified the
7 claimant for benefits if the claimant had applied for benefits at the time
8 when that employment ended ¹[and the benefits shall instead be
9 charged to other employers in whose employment the claimant
10 established base weeks constituting the basis of the benefits and who
11 ended the claimant's employment in a way which would have made the
12 claimant eligible for benefits at the time, or, if there are no other
13 employers in whose employment the claimant established base weeks
14 constituting the basis of the benefits and who ended the claimant's
15 employment in a way which would have made the claimant eligible for
16 benefits at the time, to the employer who last employed the claimant
17 prior to the claimant making a successful claim for benefits]¹. Benefits
18 paid under a given benefit determination shall be charged against the
19 account of the employer to whom such determination relates. When
20 each benefit payment is made, either a copy of the benefit check or
21 other form of notification shall be promptly sent to the employer
22 against whose account the benefits are to be charged. Such copy or
23 notification shall identify the employer against whose account the
24 amount of such payment is being charged, shall show at least the name
25 and social security account number of the claimant and shall specify
26 the period of unemployment to which said check applies. If the total
27 amount of benefits paid to a claimant and charged to the account of
28 the appropriate employer exceeds 50% of the total base year, base
29 week wages paid to the claimant by that employer, then such employer
30 shall have canceled from his account such excess benefit charges as
31 specified above.

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

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

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

45 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
46 8/10%, except as otherwise provided in the following provisions. No

1 employer's rate for the 12 months commencing July 1 of any calendar
2 year shall be other than $2\frac{8}{10}\%$, unless as of the preceding January 31
3 such employer shall have paid contributions with respect to wages paid
4 in each of the three calendar years immediately preceding such year,
5 in which case such employer's rate for the 12 months commencing July
6 1 of any calendar year shall be determined on the basis of his record up
7 to the beginning of such calendar year. If, at the beginning of such
8 calendar year, the total of all his contributions, paid on his own behalf,
9 for all past years exceeds the total benefits charged to his account for
10 all such years, his contribution rate shall be:

11 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
12 5%, of his average annual payroll (as defined in paragraph (2),
13 subsection (a) of R.S.43:21-19);

14 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
15 6%, of his average annual payroll;

16 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
17 7%, of his average annual payroll;

18 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
19 8%, of his average annual payroll;

20 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
21 9%, of his average annual payroll;

22 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
23 of his average annual payroll;

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

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

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

32 (1) 4%, if such excess is less than 10% of his average annual
33 payroll;

34 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
35 20%, of his average annual payroll;

36 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
37 annual payroll.

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

43 (i) if the reserve balance in its account is positive, its assigned rate
44 shall be the highest rate in effect for positive balance accounts for that
45 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
46 its account is negative, its assigned rate shall be the highest rate in

1 effect for deficit accounts for that period.

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

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

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

42 (B) If on March 31 of any calendar year the balance in the
43 unemployment trust fund equals or exceeds 10% but is less than 12
44 1/2% of the total taxable wages reported to the controller as of that
45 date in respect to employment during the preceding calendar year, the
46 contribution rate, effective July 1 following, of each employer eligible

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

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

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

30 (E)(i) With respect to experience rating years beginning on or after
31 July 1, 1986 and before July 1, 1997, the new employer rate or the
32 unemployment experience rate of an employer under this section shall
33 be the rate which appears in the column headed by the Unemployment
34 Trust Fund Reserve Ratio as of the applicable calculation date and on
35 the line with the Employer Reserve Ratio, as defined in paragraph 4 of
36 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 ¹[2.] 3.¹ This act shall take effect immediately.

42
43
44
45 Eliminates charges against UI accounts of employers who do not lay
46 off claimants.