

SENATE, No. 2102

STATE OF NEW JERSEY

INTRODUCED MAY 22, 1997

By Senator LaROSSA

1 AN ACT providing family disability leave benefits and revising various
2 parts of the statutory law.

3

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

6

7 1. Section 2 of P.L.1948, c.110 (C. 43:21-26) is amended to read
8 as follows:

9 2. This act shall be liberally construed as remedial legislation
10 enacted upon the following declarations of public policy and legislative
11 findings of fact:

12 The public policy of this State, already established, is to protect
13 employees against the suffering and hardship generally caused by
14 involuntary unemployment. But the [unemployment compensation
15 law] "unemployment compensation law" provides benefit payments to
16 replace wage loss caused by involuntary unemployment only so long
17 as an individual is "able to work, and is available for work," and fails
18 to provide any protection against wage loss suffered because of
19 inability to perform the duties of a job interrupted by nonoccupational
20 illness, injury, or other disability of the individual or of members of the
21 individual's family. Nor is there any other comprehensive and
22 systematic provision for the protection of working people against loss
23 of earnings due to such nonoccupational sickness [or] , accident, or
24 other disability.

25 The prevalence and incidence of nonoccupational sickness [and],
26 accident, and other disability among employed people is greatest
27 among the lower income groups, who either cannot or will not
28 voluntarily provide out of their own resources against the hazard of
29 earnings loss caused by nonoccupational sickness [or], accident, or
30 other disability. Disabling sickness or accident occurs throughout the
31 working population at one time or another, and approximately fifteen
32 per centum (15%) of the number of people at work may be expected
33 to suffer disabling illness of more than one week each year.

34 It [has been] was found, prior to the enactment of the "Temporary

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 Disability Benefits Law," P.L.1948, c.110 (C. 43:21-25 et seq.), that
2 then existing voluntary plans for the payment of cash sickness benefits
3 [cover] covered less than one-half of the number of working people of
4 this State who [are now] were covered by the [unemployment
5 compensation law,] "unemployment compensation law," and that even
6 [this] that degree of voluntary protection [affords] afforded uneven,
7 unequal and sometimes uncertain protection among the various
8 voluntary benefit programs. While the enactment of that law has
9 provided stable protection for New Jersey's disabled workers, there
10 are very few workers who are currently protected from income losses
11 caused by the need to take time off from work to care for family
12 members who are disabled and unable to care for themselves, including
13 newborn and newly-adopted children. The growing portion of middle-
14 income families in which all adult family members work, largely due to
15 economic necessity, points to the desperate need for replacement
16 income when a working family member must take time to care for
17 family members who are unable to take care of themselves. Moreover,
18 the United States is the only industrialized nation in the world which
19 does not have a mandatory workplace-based program for such income
20 support. It is therefore desirable and necessary to fill the gap in
21 existing provisions for protection against the loss of earnings caused
22 by involuntary unemployment, by extending such protection to meet
23 the hazard of earnings loss due to inability to work caused by
24 nonoccupational sickness [or accident], accidents, or other disabilities
25 of workers and members of their families.

26 The foregoing facts and considerations require that there be a
27 uniform minimum program providing in a systematic manner for the
28 payment of reasonable benefits to replace partially such earnings loss
29 and to meet the continuing need for benefits where an individual
30 becomes disabled during unemployment or needs to care for family
31 members unable to care for themselves. In order to maintain consumer
32 purchasing power, relieve the serious menace to health, morals and
33 welfare of the people caused by insecurity and the loss of earnings, to
34 reduce the necessity for public relief of needy persons, to alleviate the
35 enormous and growing stress on working families of balancing the
36 demands of work and family needs, and in the interest of the health,
37 welfare and security of the people of this State, such a system, enacted
38 under the police power, is hereby established, requiring the payment
39 of reasonable cash benefits to eligible individuals [suffering] who are
40 subject to accident or illness which is not compensable under the
41 workmen's compensation law or who need to care for family members
42 unable to care for themselves.

43 In the almost five decades since the enactment of the "Temporary
44 Disability Benefits Law," P.L.1948, c.110 (C. 43:21-25 et seq.), the
45 State government-operated State temporary disability benefits plan, or
46 "State plan," has proven to be highly efficient and cost effective in

1 providing temporary disability benefits to New Jersey workers. The
2 State plan guarantees the availability of coverage for all employers,
3 regardless of experience, with low overhead costs and a rapid
4 processing of claims and appeals by knowledgeable, impartial public
5 employees. Consequently, the percentage of all employers using the
6 State plan increased from 64% in 1952 to 97% in 1994, while the
7 percentage of employees covered by the State plan increased from
8 28% to 79%. It is therefore found that a publicly-operated, nonprofit
9 State plan is indispensable to achieving the goals of the "Temporary
10 Disability Benefits Law," P.L.1948, c.110 (C. 43:21-25 et seq.).
11 (cf: P.L.1948, c.110, s.2)

12

13 2. Section 3 of P.L.1948, c.110 (C. 43:21-27) is amended to read
14 as follows:

15 3. As used in this act, unless the context clearly requires otherwise:

16 (a) (1) "Covered employer" means any individual or type of
17 organization, including any partnership, association, trust, estate,
18 joint-stock company, insurance company or corporation, whether
19 domestic or foreign, or the receiver, trustee in bankruptcy, trustee or
20 successor thereof, or the legal representative of a deceased person,
21 who is an employer subject to the chapter to which this act is a
22 supplement, designated as the [Unemployment Compensation Law]
23 "unemployment compensation law" (R.S.43:21-1 et seq.), except the
24 State, its political subdivisions, and any instrumentality of the State
25 unless such governmental entity elects to become a covered employer
26 under the [Temporary Disability Benefits Law] "Temporary Disability
27 Benefits Law"; provided, however, that commencing with the effective
28 date of this act the State of New Jersey, including Rutgers, The State
29 University, the University of Medicine and Dentistry of New Jersey
30 and the New Jersey Institute of Technology, shall be deemed a
31 covered employer, as defined herein.

32 (2) Any governmental entity or instrumentality which is an
33 employer under R.S.43:21-19(h)(5) may elect to become a "covered
34 employer" under this subsection beginning with the date on which its
35 coverage under subsection 19(h)(5) begins or as of January 1 of any
36 year thereafter by filing written notice of such election with the
37 division within at least 30 days of the effective date. Such election
38 shall remain in effect for at least two full calendar years and may be
39 terminated as of January 1 of any year thereafter by filing with the
40 division a written notice of termination at least 30 days prior to the
41 termination date.

42 (b) "Covered individual" means any person who is in employment,
43 as defined in the chapter to which this act is a supplement, for which
44 he is entitled to remuneration from a covered employer, or who has
45 been out of such employment for less than two weeks. However, a
46 "covered individual" who is employed by the State of New Jersey,

1 including Rutgers, The State University, the University of Medicine
2 and Dentistry of New Jersey and the New Jersey Institute of
3 Technology, or by any governmental entity or instrumentality which
4 elects to [becoming] become a "covered employer" pursuant to this
5 amendatory act, shall not be eligible to receive any benefits under the
6 [Temporary Disability Benefits Law] "Temporary Disability Benefits
7 Law" until such individual has exhausted all sick leave accumulated as
8 an employee in the classified service of the State or accumulated under
9 terms and conditions similar to classified employees or accumulated
10 under the terms and conditions pursuant to the laws of this State or as
11 the result of a negotiated contract with any governmental entity or
12 instrumentality which elects to become a "covered employer."

13 "Covered individual" shall not mean any member of the Division of
14 State Police in the Department of Law and Public Safety.

15 (c) "Division" or "commission" means the Division of
16 Unemployment and Temporary Disability Insurance of the Department
17 of Labor, and any transaction or exercise of authority by the director
18 of the division shall be deemed to be performed by the division.

19 (d) "Day" shall mean a full calendar day beginning and ending at
20 midnight.

21 (e) "Disability" shall mean such disability as is compensable under
22 section 5 of this act.

23 (f) "Disability benefits" shall mean any cash payments which are
24 payable to a covered individual pursuant to this act.

25 (g) "Period of disability" with respect to any individual shall mean
26 the entire period of time during which he is continuously and totally
27 unable to perform the duties of his employment, except that two
28 periods of disability due to the same or related cause or condition and
29 separated by a period of not more than 14 days shall be considered as
30 one continuous period of disability; provided the individual has earned
31 wages during such 14-day period with the employer who was his last
32 employer immediately preceding the first period of disability.

33 (h) "Wages" shall mean all compensation payable by covered
34 employers to covered individuals for personal services, including
35 commissions and bonuses and the cash value of all compensation
36 payable in any medium other than cash.

37 (i) (1) "Base week" with respect to periods of disability
38 commencing prior to October 1, 1984, means any calendar week
39 during which an individual earned not less than \$15.00 from a covered
40 employer, in employment as defined in the chapter to which this act is
41 a supplement.

42 (2) "Base week" with respect to periods of disability commencing
43 on or after October 1, 1984, and prior to October 1, 1985, means any
44 calendar week during which an individual earned in employment from
45 a covered employer remuneration equal to not less than 15% of the
46 Statewide average weekly remuneration as determined under

1 subsection (c) of R.S.43:21-3, which shall be adjusted to the next
2 higher multiple of \$1.00 if not already a multiple thereof.

3 (3) "Base week" with respect to periods of disability commencing
4 on or after October 1, 1985, means any calendar week during which
5 an individual earned in employment from a covered employer
6 remuneration equal to not less than 20% of the Statewide average
7 weekly remuneration as determined under subsection (c) of
8 R.S.43:21-3, which shall be adjusted to the next higher multiple of
9 \$1.00 if not already a multiple thereof.

10 (4) "Base week" with respect to periods of family disability leave
11 commencing after December 31, 1997 and before January 1, 2003
12 means any calendar week during which an individual earned in
13 employment from a covered employer remuneration equal to not less
14 than 20% of the Statewide average weekly remuneration as determined
15 under subsection (c) of R.S.43:21-3, which shall be adjusted to the
16 next higher multiple of \$1.00 if not already a multiple thereof.

17 (j) "Average weekly wage" means the amount derived by dividing
18 a covered individual's total wages earned from his most recent covered
19 employer during the base weeks in the eight calendar weeks
20 immediately preceding the calendar week in which disability or family
21 disability leave commenced, by the number of such base weeks. If this
22 computation yields a result which is less than the individual's average
23 weekly earnings in employment, as defined in the chapter to which this
24 act is a supplement, with all covered employers during the base weeks
25 in such eight calendar weeks, then the average weekly wage shall be
26 computed on the basis of earnings from all covered employers during
27 the eight base weeks immediately preceding the week in which the
28 disability or family disability leave commenced.

29 (k) "Child" means a biological, adopted, or foster child, stepchild
30 or legal ward who is less than 18 years of age or is 18 years of age or
31 older but incapable of self-care because of mental or physical
32 impairment.

33 (l) "Family disability leave" means leave taken by a covered
34 individual from employment to provide care for a family member made
35 necessary by: the birth of a child of the individual; the placement of a
36 child with the individual in connection with the adoption of the child
37 by the individual; or a serious health condition of a family member of
38 the individual.

39 (m) "Family member" means a child, parent or spouse of a covered
40 individual;

41 (n) "Parent" means a biological parent, foster parent, adoptive
42 parent, or stepparent of a covered individual or a person who was a
43 legal guardian of the covered individual when the covered individual
44 was a child.

45 (o) "Period of family disability leave" means the period of leave
46 taken from employment by a covered individual to provide care for a

1 family member in a single one of the following events:

2 (1) The birth of a child of the individual;

3 (2) The placement of a child with the individual in connection with
4 the adoption of the child by the individual; or

5 (3) A serious health condition episode of a family member of the
6 individual.

7 (p) "Serious health condition" means an illness, injury, or physical
8 or mental condition which requires: inpatient care in a hospital,
9 hospice, or residential medical care facility; or continuing medical
10 treatment or continuing supervision by a health care provider.

11 (cf: P.L.1984, c.104, s.1)

12

13 3. Section 8 of P.L.1948, c.110 (C. 43:21-32) is amended to read
14 as follows:

15 8. Establishment of private plans

16 Any covered employer may establish a private plan for the payment
17 of disability benefits in lieu of the benefits of the State plan hereinafter
18 established. Benefits under such a private plan may be provided by a
19 contract of insurance issued by an insurer duly authorized and
20 admitted to do business in this State, or by an agreement between the
21 employer and a union or association representing his employees, or by
22 a specific undertaking by the employer as a self-insurer. Subject to the
23 insurance laws of this State, such a contract of insurance may be
24 between the insurer and the employer; or may be between the insurer
25 and two or more employers, acting for the purpose through a
26 nominee, designee or trustee; or may be between the insurer and the
27 union or association with which the employer has an agreement with
28 respect thereto. Each such private plan shall be submitted in detail to
29 the Division of Employment Security and shall be approved by the
30 division, to take effect as of the first day of the calendar quarter next
31 following, or as of an earlier date if requested by the employer and
32 approved by the Division of Employment Security, if it finds that:

33 (a) all of the employees of the employer are to be covered under
34 the provisions of such plan with respect to any disability and, after
35 December 31, 1997 and before January 1, 2003, any family disability
36 leave, commencing after the effective date of such plan, except as
37 otherwise provided in this section; and

38 (b) eligibility requirements for benefits are no more restrictive than
39 as provided in this act for benefits payable by the State plan; and

40 (c) the weekly benefits payable under such plan for any week of
41 disability or family disability leave are at least equal to the weekly
42 benefit amount payable by the State plan, taking into consideration any
43 coverage with respect to concurrent employment by another employer,
44 and the total number of weeks of disability or family disability leave
45 for which benefits are payable under such plan is at least equal to the
46 total number of weeks for which benefits would have been payable by

1 the State plan; and

2 (d) no greater amount is required to be paid by employees toward
3 the cost of benefits than that prescribed by law as the amount of
4 worker contribution to the State disability benefits fund for covered
5 individuals under the State plan; and

6 (e) coverage is continued under the plan while an employee
7 remains a covered individual as defined in section three of this act, but
8 not after the employee may become employed by another employer
9 following termination of employment to which the plan relates; and

10 (f) a majority of the employees to be covered by the plan have or
11 shall have agreed to the plan prior to the effective date thereof, if
12 employees are required to contribute to the cost of the private plan, as
13 provided in section nine.

14 Subject to the approval of the Division of Employment Security,
15 any such private plan may exclude a class or classes of employees,
16 except a class or classes determined by the age, sex or race of the
17 employees, or by the wages paid such employees, the exclusion of
18 which, in the opinion of the division, will result in a substantial
19 selection of risk adverse to the State plan. Covered individuals so
20 excluded shall be covered by the State plan and subject to the
21 employee contribution required by law to be paid into the State
22 disability benefits fund.

23 (cf: P.L.1953, c.426, s.1)

24

25 4. Section 9 of P.L.1948, c.110 (C.43:21-33) is amended to read
26 as follows:

27 9. Election by employees: deduction of contributions.

28 If employees are to be required to contribute toward the cost of
29 benefits under a private plan, such plan shall not become effective
30 unless prior to the effective date a majority of the employees in the
31 class or classes to be covered thereby have agreed thereto by written
32 election. In such event, the employer may during the continuance of
33 the approved private plan collect the required contributions thereto by
34 deduction from the wages paid to covered individuals under such plan,
35 which deduction may be combined with that deduction required by
36 Revised Statutes, section 43:21-7(d)(1) if reasonable notice is given
37 covered individuals concerning such combined deduction by the
38 employer; provided, that if any employer fails to deduct the
39 contributions of any of his employees at the time their wages are paid,
40 or fails to make a deduction therefor at the time wages are paid for the
41 next succeeding payroll period, he may not thereafter collect a
42 contribution with respect to such wages previously paid.

43 A covered individual shall not be entitled to any benefits from the
44 State disability benefits fund with respect to any period of disability or

1 family disability leave commencing while he is covered under an
2 approved private plan.

3 (cf: P.L.1950, c.173, s.3)

4

5 5. Section 10 of P.L.1948, c.110 (C.43:21-34) is amended to read
6 as follows:

7 10. If upon the effective date of this act a covered employer has in
8 effect a plan for the payment of cash disability benefits to his
9 employees or to any class or classes thereof, or has in effect an
10 agreement with a union or association whereby there is in effect a plan
11 for the payment of cash disability benefits to his employees or to any
12 class or classes thereof (and to the cost of which plan the employer is
13 obligated to contribute,) such plan shall, regardless of the requirements
14 of this article, be deemed to be an approved private plan until the
15 earliest date upon which the employer shall have the right to modify
16 the benefits of or discontinue such plan, or to discontinue
17 contributions toward the cost thereof. In such case the employer shall
18 notify the commission of the circumstances. During the continuance
19 of such private plan the employees covered thereunder shall not be
20 entitled to any benefits under the State plan with respect to any period
21 of disability or family disability leave commencing while they are
22 covered under such private plan. If any such private plan covers only
23 a class or classes of covered individuals, the employer may effect
24 another private plan for his remaining employees or for a class or
25 classes of them, subject to the requirements and limitations of section
26 eight.

27 (cf: P.L.1948, c.110, s.10)

28

29 6. Section 11 of P.L.1948, c.110 (C.43:21-35) is amended to read
30 as follows:

31 11. (a) If the division is furnished satisfactory evidence that a
32 majority of the employees covered by an approved private plan have
33 made election in writing to discontinue such plan, the division shall
34 withdraw its approval of such plan effective at the end of the calendar
35 quarter next succeeding that in which such evidence is furnished.
36 Upon receipt of a petition therefor signed by not less than 10% of the
37 employees covered by an approved private plan, the division shall
38 require the employer upon 30 days' written notice to conduct an
39 election by ballot in writing to determine whether or not a majority of
40 the employees covered by such private plan favor discontinuance
41 thereof; provided, that such election shall not be required more often
42 than once in any 12-month period.

43 (b) Unless sooner permitted, for cause, by the division, no
44 approved private plan shall be terminated by an employer, in whole or
45 in part, until at least 30 days after written notice of intention so to do
46 has been given by the employer to the division and after notices are

1 conspicuously posted so as reasonably to assure their being seen, or
2 after individual notices are given to the employees concerned.

3 (c) The division may, after notice and hearing, withdraw its
4 approval of any approved private plan if it finds that there is danger
5 that the benefits accrued or to accrue will not be paid, that the security
6 for such payment is insufficient, or for other good cause shown. No
7 employer, and no union or association representing employees, shall
8 so administer or apply the provisions of an approved private plan as
9 to derive any profit therefrom. The division may withdraw its approval
10 from any private plan which is administered or applied in violation of
11 this provision.

12 (d) No termination of an approved private plan shall affect the
13 payment of benefits, in accordance with the provisions of the plan, to
14 [disabled] employees whose period of disability or family disability
15 leave commenced prior to the date of termination. Employees who
16 have ceased to be covered by an approved private plan because of its
17 termination shall, subject to the limitations and restrictions of this act,
18 become eligible forthwith for benefits from the State Disability
19 Benefits Fund for disability or family disability leave commencing after
20 such cessation, and contributions with respect to their wages shall
21 immediately become payable as otherwise provided by law. Any
22 withdrawal of approval of a private plan pursuant to this section shall
23 be reviewable by writ of certiorari or by such other procedure as may
24 be provided by law.

25 (e) Anything in this act to the contrary notwithstanding, a covered
26 employer who, under an approved private plan, is providing benefits
27 at least equal to those required by the State plan, may modify the
28 benefits under the private plan so as to provide benefits not less than
29 the benefits required by the State plan; provided, that individuals
30 covered under such plan shall not be required to contribute to such
31 plan at a rate exceeding 3/4 of 1% of the amount of "wages"
32 established for any calendar year under the provisions of
33 R.S.43:21-7(b) prior to January 1, 1975, and 1/2 of 1% for calendar
34 years beginning on or after January 1, 1975. Notification of such
35 proposed modification shall be given by the employer to the division
36 and to the individuals covered under such plan, on or before May 1,
37 1975.

38 (cf: P.L.1974, c.86, s.8)

39

40 7. Section 15 of P.L.1948, c.110 (C.43:21-39) is amended to read
41 as follows:

42 15. Limitation of benefits. Notwithstanding any other provision of
43 the "Temporary Disability Benefits Law," P.L.1948, c.110
44 (C.43:21-25 et seq.), no benefits shall be payable under the State plan
45 to any person:

46 (a) (1) for the first seven consecutive days of each period of

1 disability; except that if benefits shall be payable for three consecutive
2 weeks with respect to any period of disability commencing on or after
3 January 1, 1968, then benefits shall also be payable with respect to the
4 first seven days thereof;

5 (2) for the first seven consecutive days of each period of family
6 disability leave; except that if benefits are payable for three weeks with
7 respect to any period of family disability leave, then benefits shall also
8 be payable with respect to the first seven days thereof and, in the case
9 of intermittent leave in a single period of leave the seven-day waiting
10 period shall apply only one time during the entire period of leave;

11 (b) (1) for more than 26 weeks with respect to any one period of
12 disability;

13 (2) for more than 12 weeks with respect to any one period of
14 family disability leave;

15 (3) for more than 12 weeks of family disability leave during any 12-
16 month period;

17 (4) for more than 26 weeks, with respect to all periods of disability
18 and family disability leave, during any 12-month period, except that
19 when the individual is paid benefits for more than 26 weeks with
20 respect to periods of disability during the 12-month period, the total
21 number of weeks of all benefits may exceed 26 weeks, but only by the
22 number of weeks that the disability benefits exceed 26 weeks;

23 (c) for any period of disability or family disability leave which did
24 not commence while the claimant was a covered individual;

25 (d) for any period of disability during which the claimant, or, in a
26 case of family disability leave for a serious health condition of a family
27 member of the claimant, the family member, is not under the care of a
28 legally licensed physician, dentist, optometrist, podiatrist, practicing
29 psychologist, [or] chiropractor, or other health care provider approved
30 by, or meeting standards set by, the division who, when requested by
31 the division, shall certify within the scope of the practitioner's practice,
32 the disability of the claimant or the serious health condition of the
33 family member, the probable duration thereof, and, where applicable,
34 the medical facts within the practitioner's knowledge;

35 (e) (Deleted by amendment, P.L.1980, c.90.)

36 (f) for any period of disability due to willfully and intentionally
37 self-inflicted injury, or to injury sustained in the perpetration by the
38 claimant of a crime of the first, second, or third degree;

39 (g) for any period during which the claimant performs any work for
40 remuneration or profit;

41 (h) in a weekly amount which together with any remuneration the
42 claimant continues to receive from the employer would exceed regular
43 weekly wages immediately prior to disability or family disability leave;

44 (i) for any period during which a covered individual would be
45 disqualified for unemployment compensation benefits under subsection
46 (d) of R.S.43:21-5, unless the disability commenced prior to such

1 disqualification; and there shall be no other cause of disqualification
2 or ineligibility to receive disability benefits hereunder except as may be
3 specifically provided in this act.

4 (cf: P.L.1989, c.213, s.2)

5

6 8. Section 16 of P.L.1948, c.110 (C.43:21-40) is amended to read
7 as follows:

8 16. With respect to periods of disability commencing on or after
9 July 1, 1961, an individual's weekly benefit amount shall be determined
10 and computed by the division on the same basis as the weekly benefit
11 rate is determined and computed pursuant to subsection (c) of
12 R.S.43:21-3, except that for periods of disability commencing on or
13 after October 1, 1984 and periods of family disability leave
14 commencing after December 31, 1997 and before January 1, 2003, an
15 individual's weekly benefit rate shall be two-thirds of his average
16 weekly wage, subject to a maximum of 53% of the Statewide average
17 weekly remuneration paid to workers by employers, as determined
18 under subsection (c) of R.S.43:21-3; provided, however, that such
19 individual's benefit rate shall be computed to the next lower multiple
20 of \$1.00 if not already a multiple thereof. The amount of benefits for
21 each day of disability or family disability leave for which benefits are
22 payable shall be one-seventh of the corresponding weekly benefit
23 amount; provided that the total benefits for a fractional part of a week
24 shall be computed to the next lower multiple of \$1.00 if not already a
25 multiple thereof.

26 (cf: P.L.1984, c.104, s.3)

27

28 9. Section 17 of P.L.1948, c.110 (C.43:21-41) is amended to read
29 as follows:

30 17. (a) (Deleted by amendment, P.L.1975, c.355.)

31 (b) [With respect to periods of disability commencing on or after
32 January 1, 1953, and prior to January 1, 1976, no individual shall be
33 entitled to benefits under this article unless he has established at least
34 17 base weeks within the 52 calendar weeks preceding the week in
35 which his period of disability commenced, nor unless he shall duly file
36 notice and proof of claim, and submit to such reasonable examinations
37 as are required by this act and the rules and regulations of the
38 division.] (Deleted by amendment, P.L. _____, c. _____)(pending before the
39 Legislature as this bill)

40 (c) [With respect to periods of disability commencing on or after
41 January 1, 1976, and prior to October 1, 1984, no individual shall be
42 entitled to benefits under this article unless he has established at least
43 17 base weeks within the 52 calendar weeks preceding the week in
44 which his period of disability commenced, or, in the alternative, has
45 earned \$2,200.00 or more within the 52 calendar weeks preceding the
46 week in which his period of disability commenced, nor unless he shall

1 duly file notice and proof of claim, and submit to such reasonable
2 examinations as are required by this act and the rules and regulations
3 of the division.

4 Notwithstanding any provisions of this section to the contrary, the
5 provision of subsection 17(c) shall apply to any claim pending before
6 the division or the courts on the effective date of this act.] (Deleted by
7 amendment, P.L. _____, c. _____)(pending before the Legislature as this
8 bill)

9 (d) With respect to periods of disability commencing on or after
10 October 1, 1984, no individual shall be entitled to benefits under this
11 act unless he has established at least 20 base weeks within the 52
12 calendar weeks preceding the week in which his period of disability
13 commenced, or, in the alternative, the individual has earned twelve
14 times the Statewide average weekly remuneration paid to workers, as
15 determined under subsection (c) of R.S.43:21-3, raised to the next
16 higher multiple of \$100.00, if not already a multiple thereof, or more
17 within the 52 calendar weeks preceding the week in which his period
18 of disability commenced, nor shall the individual be entitled to benefits
19 unless he shall duly file notice and proof of claim, and submit to such
20 reasonable examinations as are required by this act and the rules and
21 regulations of the division.

22 (e) With respect to periods of family disability leave commencing
23 after December 31, 1998 and before January 1, 2003, no individual
24 shall be entitled to benefits under this act unless he has established at
25 least 20 base weeks within the 52 calendar weeks preceding the week
26 in which the period of family disability leave commenced, or, in the
27 alternative, the individual has earned twelve times the Statewide
28 average weekly remuneration paid to workers, as determined under
29 subsection (c) of R.S.43:21-3, raised to the next higher multiple of
30 \$100.00, if not already a multiple thereof, or more within the 52
31 calendar weeks preceding the week in which the period of family
32 disability leave commenced, nor shall the individual be entitled to
33 benefits unless he files all notices, proofs and certifications required by
34 this act.

35 (cf: P.L.1984, c.104, s.4)

36

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

39 23. Withdrawal from Federal Treasury. (a) The State Treasurer is
40 hereby authorized and directed to requisition and withdraw on or
41 before December 31, 1948, the sum of \$50,000,000.00 from the
42 amount of worker contributions heretofore accumulated in the State
43 unemployment compensation fund and deposited in and credited to the
44 account of this State in the unemployment trust fund of the United
45 States of America, established and maintained pursuant to section 904
46 of the Social Security Act, as amended (42 U.S.C.1104), and to

1 deposit such sums in the State disability benefits fund, established
2 under the "Temporary Disability Benefits Law." The State Treasurer
3 is further authorized and empowered to make such requisitions or
4 withdrawals in accordance with such regulations relating thereto as
5 may be prescribed by the United States Secretary of the Treasury. No
6 portion of the amount requisitioned or withdrawn from the Federal
7 Treasury shall be expended for the purpose of administering the
8 "Temporary Disability Benefits Law."

9 (b) The State Treasurer is hereby authorized and directed to
10 requisition and withdraw within 90 days of this enactment, an
11 additional sum of \$50,000,000.00 from the amount of worker
12 contributions heretofore accumulated in the State unemployment
13 compensation fund and deposited in and credited to the account of this
14 State in the unemployment trust fund of the United States of America,
15 established and maintained pursuant to section 904 of the Social
16 Security Act, as amended (42 U.S.C.1104), and to deposit such sums
17 in the State disability benefits fund, established under the "Temporary
18 Disability Benefits Law." The State Treasurer is further authorized and
19 empowered to make such requisitions or withdrawals in accordance
20 with such regulations relating thereto as may be prescribed by the
21 United States Secretary of the Treasury. If the balance in the State
22 disability benefits fund as of December 31 of any calendar year,
23 increased by the contributions credited thereto on or before, or as of
24 January 31 immediately thereafter is in excess of \$75,000,000.00, the
25 excess shall be withdrawn from the State disability benefits fund and
26 deposited to the account of this State in the unemployment trust fund
27 until the entire \$50,000,000.00 requisitioned and withdrawn under this
28 subsection (b) has been returned and deposited to the account of this
29 State in the unemployment trust fund pursuant to the provisions of this
30 subsection (b) and subsection (c) hereof. Such repayment to the
31 unemployment trust fund shall be considered in determining
32 contribution rates by employers to the State disability benefits fund
33 under R.S.43:21-7(e). No portion of the amount requisitioned or
34 withdrawn from the Federal Treasury shall be expended for the
35 purpose of administering the "Temporary Disability Benefits Law."

36 (c) The State Treasurer shall transfer from the State disability
37 benefits fund to the clearing account of the unemployment
38 compensation fund, as established under R.S.43:21-9, the sum of
39 \$25,000,000.00. Such transfer may be made at such times and in such
40 installments as the State Treasurer may deem proper, except that the
41 total sum shall have been transferred by no later than April 30, 1971.
42 Amounts transferred to the clearing account of the unemployment
43 compensation fund under this subsection shall be clear immediately
44 and shall be deposited with the Secretary of the Treasury of the United

1 States of America in accordance with the provisions of
2 R.S.43:21-9(b).

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

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

22 (f) The State Treasurer, in consultation with the Commissioner of
23 Labor, is hereby authorized and directed to requisition and withdraw
24 on or after July 1, 1994 from revenues received pursuant to paragraph
25 (1) of subsection (e) of R.S.43:21-7, an amount from the State
26 disability benefits fund not greater than 25% of the balance in that fund
27 as of June 30, 1994 and to deposit that amount in the clearing account
28 of the unemployment compensation fund established under
29 R.S.43:21-9. The amount transferred under this subsection (f) shall be
30 cleared immediately and shall be deposited with the Secretary of the
31 Treasury of United States of America, in accordance with the
32 provisions of R.S.43:21-9(b).

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

39 (h) The amount transferred from the State disability benefits fund
40 to the clearing account of the unemployment compensation fund under
41 subsection (f) of this section plus any amount reimbursed to the
42 General Fund in accordance with subsection (g) shall be repaid to the
43 State disability benefits fund from general State revenues with interest
44 at the rate earned by the investments made with moneys remaining in
45 the State disability benefits fund. The repayment period shall not
46 exceed ten years. The amount repaid each year shall be not less than

1 one tenth of the total amount transferred from the State disability
2 benefits fund to the clearing account of the unemployment
3 compensation fund under subsection (f) of this section, plus not less
4 than one tenth of the amount reimbursed to the General Fund in
5 accordance with subsection (g), plus accrued interest. The State
6 Treasurer shall, on or before the thirty-first day of January in 1995 and
7 in each subsequent year determine what amount shall be repaid to the
8 State disability benefits fund in the next commencing fiscal year, which
9 amount shall be consistent with the provisions of this subsection (h).
10 The Legislature shall appropriate that amount from the General Fund
11 to the State disability benefits fund. For purposes of determining the
12 balance in the State disability benefits fund as prescribed pursuant to
13 subparagraph (1) of subparagraph (E) of paragraph (3) of subsection
14 (e) of R.S.43:21-7, the amount transferred from the State disability
15 benefits fund to the unemployment compensation fund pursuant to
16 subsection (f) of this section and reimbursed to the General Fund
17 pursuant to subsection (g) of this section less repayments or other
18 reductions, plus accrued interest shall be included therein.

19 (i) The State Treasurer is hereby authorized and directed to
20 requisition and withdraw on or after July 1, 1996 an amount not
21 greater than \$250,000,000 from the State disability benefits fund and
22 to deposit that amount in the General Fund. For purposes of
23 determining the balance in the State disability benefits fund as
24 prescribed pursuant to subparagraph (1) of subparagraph (E) of
25 paragraph (3) of subsection (e) of R.S.43:21-7, the amount transferred
26 from the State disability benefits fund to the General Fund pursuant to
27 this subsection (i) shall be included therein.

28 (j) To ensure that the provisions of subsection (i) of this section do
29 not reduce or delay benefits payable pursuant to the "Temporary
30 Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et seq.),
31 whenever the amount in the State disability benefits fund is less than
32 the amount required to pay the benefits provided under that law and
33 the necessary costs of administering those benefits, the additional
34 amount required to pay the benefits and the administrative costs shall
35 be paid from the General Fund. The amounts paid from the General
36 Fund for benefits and administrative costs pursuant to this subsection
37 shall be repaid to the General Fund from the State disability benefits
38 fund at such time as the Treasurer determines that the repayment may
39 be made without reducing or delaying benefits payable pursuant to the
40 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
41 seq.). The repayment to the General Fund from the State disability
42 benefits fund pursuant to this subsection (j) shall not effect an increase
43 in employee or employer contributions under subsection (d) or (e) of
44 R.S.43:21-7.

45 (k) One half of the amount transferred from the State disability
46 benefits fund to the General Fund in accordance with subsection (i)

1 shall be repaid to the State disability benefits fund from general State
2 revenues with interest at the rate earned by the investments made with
3 moneys remaining in the State disability benefits fund. The repayment
4 period shall be five years. The amount repaid each year shall be one
5 fifth of the total amount transferred from the State disability benefits
6 fund to the General Fund in accordance with subsection (i), plus
7 accrued interest on the amount remaining to be repaid pursuant to this
8 subsection (k). The State Treasurer shall, on or before the thirty-first
9 day of January in 1998 and in each subsequent year determine what
10 amount shall be repaid to the State disability benefits fund in the next
11 commencing fiscal year, which amount shall be consistent with the
12 provisions of this subsection (k). The Legislature shall appropriate
13 that amount from the General Fund to the State disability benefits
14 fund.

15 (cf: P.L.1996, c.47, s.1)

16

17 11. Section 24 of P.L.1948, c.110 (C.43:21-48) is amended to read
18 as follows:

19 24. Assessment of costs of administration.

20 (a) If officers or employees of the Division of Employment
21 Security perform duties in part related to the administration of this act
22 and of the [unemployment compensation law,] "unemployment
23 compensation law." or if there be expenses otherwise incurred jointly
24 in connection with administration of such acts, the division shall make
25 an equitable apportionment to determine the portion of total expense
26 to be charged to administration of this act including R.S.43:21-4(f).
27 So far as possible such apportionment shall be based upon records to
28 be maintained with the respect to activities undertaken in administering
29 this act.

30 (b) The Division of Employment Security shall, at the end of each
31 fiscal year, determine the total amount expended by it for
32 administrative cost directly attributable to the supervision and
33 operation of approved private plans, together with a proportionate
34 part of the administrative cost of R.S.43:21-4(f), and such total
35 amount shall be prorated among the approved private plans in effect
36 during that year on the basis of the total amount of taxable wages that
37 were paid to all employees covered under such private plans. The
38 prorated amounts shall be assessed against the respective employers
39 but shall not exceed 1/20 of 1% of such wages, and such amounts shall
40 be collectible by the division in the same manner as provided for the
41 collection of employer contributions under the chapter to which this
42 act is a supplement. In making this assessment, the division shall
43 furnish to each affected employer a brief summary of the
44 apportionment of expense to be charged to administration of this act,
45 and of the facts upon which the calculation of the assessment is based.
46 The amounts of such assessments shall be credited to the

1 administration account.

2 (c) The division shall, at the end of each fiscal year, determine the
3 total amount expended by it for administrative cost directly
4 attributable to maintaining separate disability benefits accounts for
5 employers required to contribute to the State disability benefits fund
6 and assigning modified rates of contribution to such employers in
7 accordance with the provisions of R.S.43:21-7(e)(3). Such total
8 amount of administrative costs shall be prorated among such employer
9 accounts on the basis of the total amount of taxable wages paid to all
10 employees during the preceding calendar year with respect to which
11 contributions were payable to the State disability benefits fund. The
12 prorated amounts shall be assessed against the respective employers,
13 and such amounts shall be collectible by the division in the same
14 manner as provided for the collection of employer contributions in
15 R.S.43:21-14. The amounts of such assessments shall be credited to
16 the administration account.

17 (d) Any expenses which the Task Force on Work and the Family
18 determines are necessary to carry out its duties pursuant to section 17
19 of this 1997 amendatory and supplementary act shall be prorated
20 among employers required to contribute to the State disability benefits
21 fund and employers covered by approved private plans on the basis of
22 the total amount of taxable wages paid to all employees by each
23 employer. The prorated amounts shall be assessed against the
24 respective employers, and such amounts shall be collectible by the
25 division in the same manner as provided for the collection of employer
26 contributions in R.S.43:21-14.

27 (cf: P.L.1970, c.324, s.3)

28

29 12. Section 25 of P.L.1948, c.110 (C.43:21-49) is amended to read
30 as follows:

31 25. (a) In the event of the disability or family disability leave of any
32 individual covered under the State plan, the employer shall on the
33 ninth day of disability or family disability leave issue to the individual
34 and to the division printed notices on division forms containing the
35 name, address and Social Security number of the individual, such wage
36 information as the division may require to determine the individual's
37 eligibility for benefits, and the name, address, and division identity
38 number of the employer, together with a printed copy of benefit
39 instructions of the division. Not later than 30 days after the
40 commencement of the period of disability or family disability leave for
41 which such notice is furnished, the individual shall furnish to the
42 division a notice and claim for disability or family disability leave
43 benefits under the State plan or for disability during unemployment.
44 Upon the submission of such notices by the employer and the
45 individual, the division may issue benefit payments for periods not
46 exceeding 3 weeks pending the receipt of medical proof and other

1 required certification. When requested by the division, such notice
2 and proof shall include certification of total disability by the attending
3 physician, or a record of hospital confinement or, in the case of family
4 disability leave, the certifications required pursuant to section 15 of
5 this 1997 amendatory and supplemental act. Failure to furnish notice
6 and proof within the time or in the manner above provided shall not
7 invalidate or reduce any claim if it shall be shown to the satisfaction of
8 the division not to have been reasonably possible to furnish such
9 notice and proof and that such notice and proof was furnished as soon
10 as reasonably possible.

11 (b) A person claiming benefits under the State plan or for disability
12 during unemployment shall, when requested by the division, submit at
13 intervals, but not more often than once a week, to an examination by
14 a legally licensed physician, dentist, podiatrist, chiropractor, or public
15 health nurse designated by the division. In all cases of physical
16 examination of a claimant, the examination shall be made by a designee
17 of the division, who shall be the same sex as the claimant if so
18 requested by the claimant. All such examinations by physicians,
19 dentists, podiatrists, chiropractors or nurses designated by the
20 division shall be without cost to the claimant and shall be held at a
21 reasonable time and place. Refusal to submit to such a requested
22 examination shall disqualify the claimant from all benefits for the
23 period of disability in question, except as to benefits already paid.

24 (c) All medical records of the division, except to the extent
25 necessary for the proper administration of this act, shall be confidential
26 and shall not be published or be open to public inspection (other than
27 to public employees in the performance of their public duties) in any
28 manner revealing the identity of the claimant, or the nature or cause of
29 disability nor admissible in evidence in any action or special
30 proceeding other than one arising under this act.

31 (cf: P.L.1980, c.90, s.15)

32

33 13. Section 31 of P.L.1948, c.110 (C.43:21-55) is amended to read
34 as follows:

35 31. Penalties. (a) Whoever makes a false statement or
36 representation knowing it to be false or knowingly fails to disclose a
37 material fact, and each such false statement or representation or failure
38 to disclose a material fact shall constitute a separate offense, to obtain
39 or increase any benefit under the State plan or an approved private
40 plan, or for a disability during unemployment, either for himself or for
41 any other person, shall be liable to a fine of twenty dollars (\$20.00) to
42 be paid to the Division of Employment Security. Upon refusal to pay
43 such fine, the same shall be recovered in a civil action by the division
44 in the name of the State of New Jersey. If in any case liability for the
45 payment of a fine as aforesaid shall be determined, any person who
46 shall have received any benefits hereunder by reason of the making of

1 such false statements or representations or failure to disclose a
2 material fact, shall pay to the division, the employer or insurer, as the
3 case may be, an amount equal to the sum of any benefits hereunder
4 received from the division, employer or insurer by reason thereof, and
5 such person shall not be entitled to any benefits under this act for any
6 disability or family disability leave occurring prior to the time he shall
7 have discharged his liability hereunder to pay such fine, and to
8 reimburse the division, employer or insurer.

9 (b) Any employer or any officer or agent of any employer or any
10 other person who makes a false statement or representation knowing
11 it to be false or knowingly fails to disclose a material fact, to prevent
12 or reduce the benefits to any person entitled thereto, or to avoid
13 becoming or remaining subject hereto or to avoid or reduce any
14 contribution or other payment required from an employer under this
15 act, or who willfully fails or refuses to make any such contributions or
16 other payment or to furnish any reports required hereunder or to
17 produce or permit the inspection or copying of records as required
18 hereunder, shall be liable to a fine of twenty dollars (\$20.00) to be
19 paid to the division. Upon refusal to pay such fine, the same shall be
20 recovered in a civil action by the division in the name of the State of
21 New Jersey.

22 (c) Any person who shall willfully violate any provision hereof or
23 any rule or regulation made hereunder, for which a fine is neither
24 prescribed herein nor provided by any other applicable statute, shall be
25 liable to a fine of fifty dollars (\$50.00) to be paid to the division. Upon
26 the refusal to pay such fine, the same shall be recovered in a civil
27 action by the division in the name of the State of New Jersey.

28 (d) Any person, employing unit, employer or entity violating any
29 of the provisions of the above subsections with intent to defraud the
30 Division of Employment Security of the State of New Jersey shall in
31 addition to the penalties hereinbefore described, be liable for each
32 offense upon conviction before the Superior Court or any municipal
33 court to a fine not to exceed two hundred fifty dollars (\$250.00) or by
34 imprisonment for a term not to exceed ninety days, or both, at the
35 discretion of the court. The fine upon conviction shall be payable to
36 the State disability benefits fund of the Division of Employment
37 Security. Any penalties imposed by this subsection shall be in addition
38 to those otherwise prescribed in this chapter (R.S.43:21-1 et seq.).

39 (cf: P.L.1991, c.91, s.422)

40

41 14. (New section) Family disability leave shall be compensable
42 subject to the limitations of this 1997 amendatory and supplementary
43 act for any period of family disability leave taken by a covered
44 individual which commences after December 31, 1998 and before
45 January 1, 2003, and, if the individual is not entitled to family
46 disability leave benefits for that leave under an approved private plan,

1 the individual shall be entitled to the benefits under the State plan.
2 The benefits shall be payable with respect to the eighth consecutive
3 day of the leave period and each day thereafter and if the period
4 continues for longer than three weeks, then benefits shall also be
5 payable for the first seven days of the leave period. In the case of
6 intermittent leave taken pursuant to the provisions of this act, the
7 seven-day waiting period shall only apply one time during the entire
8 leave period. The maximum total benefits payable to a covered
9 individual during a period of family disability leave shall be either 12
10 times the individual's weekly benefit or one third of the total wages in
11 the individual's base year, whichever is less, provided that the
12 maximum amount shall be computed in the next lower multiple of
13 \$1.00 if not already a multiple thereof.

14 In the case of a family member who has a serious health condition,
15 the period of family disability leave may be taken intermittently when
16 medically necessary, if:

17 a. The total time within which the leave is taken does not exceed
18 12 months.

19 b. The covered individual provides the employer with prior notice
20 of the leave in a manner which is reasonable and practicable; and

21 c. The covered individual makes a reasonable effort to schedule the
22 leave so as not to disrupt unduly the operations of the employer.

23 In the case of the birth or adoption of a healthy child, the leave may
24 be taken intermittently if agreed to by the covered individual and the
25 employer of the individual.

26 Leave taken because of the birth or placement for adoption of a
27 child may commence at any time within a year after the date of the
28 birth or placement for adoption.

29

30 15. (New section) a. Any period of family disability leave shall be
31 supported by certification issued by a duly licensed health care
32 provider or any other health care provider determined by the division
33 to be capable of providing adequate certification. If the certification
34 is for the serious health condition of a family member of the covered
35 individual, the certification shall be sufficient if it states:

36 (1) The date on which the serious health condition commenced;

37 (2) The probable duration of the condition;

38 (3) The medical facts within the provider's knowledge regarding
39 the condition;

40 (4) A statement that the covered individual is needed to care for
41 the family member and an estimate of the amount of time that the
42 covered individual is needed to care for the family member;

43 (5) If the leave is intermittent, a statement of the medical necessity
44 for the intermittent leave and the expected duration of the intermittent
45 leave; and

46 (6) If the leave is intermittent and for planned medical treatment,

1 the dates of the treatment.

2 If the certification is for the birth or placement of the child, the
3 certification need only state the date of birth or date of placement,
4 whichever is appropriate.

5 b. If the employer has reason to doubt the validity of the
6 certification provided pursuant to this section, the employer may
7 require, at his own expense, that a covered individual obtain an
8 opinion regarding the serious health condition from a second health
9 care provider designated or approved, but not employed on a regular
10 basis, by the employer. If the second opinion differs from the
11 certification provided pursuant to this section, the employer may
12 require, at its own expense, that the covered individual obtain the
13 opinion of a third health care provider designated or approved jointly
14 by the employer and the covered individual concerning the serious
15 health condition. The opinion of the third health care provider shall be
16 considered to be final and shall be binding on the covered individual
17 and the employer.

18 c. A covered individual claiming benefits to provide care for a
19 family member with a serious health condition under the State plan or
20 during unemployment shall, if requested by the division, have the
21 family member submit to an examination by a duly licensed health care
22 provider or other health care provider designated by the division. The
23 examinations shall not be more frequent than once a week, shall be
24 made without cost to the claimant and shall be held at a reasonable
25 time and place. Refusal to have the family member submit to an
26 examination requested pursuant to this subsection c. shall disqualify
27 the claimant from all benefits for the period in question, except from
28 benefits already paid.

29

30 16. (New section) In any case in which the necessity for family
31 disability leave under this act is foreseeable, based upon an expected
32 birth or placement of the child for adoption, the covered individual
33 shall provide the employer with prior notice of the expected birth or
34 placement of the child for adoption in a manner which is reasonable
35 and practicable.

36

37 17. (New section) There is established in, but not of, the
38 Department of Labor, a Task Force on Work and the Family. The task
39 force shall consist of 15 members as follows: the Commissioner of
40 Labor and 14 public members, appointed by the Governor with the
41 advice and consent of the Senate, including: four representatives of
42 women's organizations; four representatives of labor organizations;
43 four representatives of business organizations, and two individuals
44 with expertise on the impact of work on family life. Not more than
45 seven of the public members shall be of the same political party. Each
46 member shall serve on the commission for a term lasting until the

1 commission is dissolved. Any member may be removed from office by
2 the Governor, for cause, after a hearing and may be suspended by the
3 Governor pending the completion of the hearing. All vacancies shall
4 be filled in the same manner as the original appointment. Members
5 shall serve without compensation.

6 The task force shall organize itself within 15 days after the
7 appointment of its members. In organizing itself, the task force shall
8 elect a chairperson and vice-chairperson from among its members.
9 Each member shall be entitled to one vote on all matters which may
10 come before the task force. No determination, decision or action of
11 the board shall be made or taken unless a majority of the members
12 votes in favor of the action.

13 The task force shall issue a report not later than June 1, 2001 which
14 evaluates and describes the impact of the provisions of this act on the
15 State disability benefits fund, and other effects of the provisions of this
16 act, including the costs and benefits resulting from the provisions of
17 this act for:

18 a. Employees and their families;

19 b. Employers, including benefits such as reduced training and other
20 costs related to reduced turnover of personnel, and increased
21 affordability of family disability leave insurance through the State plan,
22 with special attention given to small businesses; and

23 c. The public, including savings caused by any reduction in the
24 number of people receiving public assistance. The task force shall
25 evaluate the impact of the provisions of this act on the temporary
26 disability benefits fund, on welfare costs, and on the stability of
27 employment of participants.

28 The report shall include recommendations regarding whether to
29 continue or modify the provisions of this act after December 31, 2002
30 and any draft legislation needed to implement the recommendations.
31 The task force shall dissolve immediately after issuing the report.

32 The task force may hold public hearings and shall have access to all
33 files and records of the Department of the Treasury, the Department
34 of Labor and other relevant State agencies and may call to its
35 assistance and avail itself of the services of the employees of those
36 departments and agencies to provide whatever information the task
37 force deems necessary in the performance of its functions.

38 The total amount of expenses which the task force determines is
39 necessary to carry out its duties pursuant to this section, if any, shall
40 be charged to the administration account, except that the amount shall
41 in no case exceed \$150,000 during any fiscal year. The task force
42 shall make that determination in consultation with the Commissioner
43 of Labor and shall report that determination to the commissioner not
44 later than the 60th day following its organization.

45

46 18. R.S.43:21-4 is amended to read as follows:

1 43:21-4. Benefit eligibility conditions. An unemployed individual
2 shall be eligible to receive benefits with respect to any week only if:

3 (a) The individual has filed a claim at an unemployment insurance
4 claims office and thereafter continues to report at an employment
5 service office or unemployment insurance claims office, as directed by
6 the division in accordance with such regulations as the division may
7 prescribe, except that the division may, by regulation, waive or alter
8 either or both of the requirements of this subsection as to individuals
9 attached to regular jobs, and as to such other types of cases or
10 situations with respect to which the division finds that compliance with
11 such requirements would be oppressive, or would be inconsistent with
12 the purpose of this act; provided that no such regulation shall conflict
13 with subsection (a) of R.S.43:21-3.

14 (b) The individual has made a claim for benefits in accordance with
15 the provisions of subsection (a) of R.S.43:21-6.

16 (c) (1) The individual is able to work, and is available for work, and
17 has demonstrated to be actively seeking work, except as hereinafter
18 provided in this subsection or in subsection (f) of this section.

19 (2) The director may modify the requirement of actively seeking
20 work if such modification of this requirement is warranted by
21 economic conditions.

22 (3) No individual, who is otherwise eligible, shall be deemed
23 ineligible, or unavailable for work, because the individual is on
24 vacation, without pay, during said week, if said vacation is not the
25 result of the individual's own action as distinguished from any
26 collective action of a collective bargaining agent or other action
27 beyond the individual's control.

28 (4) (A) Subject to such limitations and conditions as the division
29 may prescribe, an individual, who is otherwise eligible, shall not be
30 deemed unavailable for work or ineligible because the individual is
31 attending a training program approved for the individual by the
32 division to enhance the individual's employment opportunities or
33 because the individual failed or refused to accept work while attending
34 such program.

35 (B) For the purpose of this paragraph (4), any training program
36 shall be regarded as approved by the division for the individual if the
37 program and the individual meet the following requirements:

38 (i) The training is for a labor demand occupation and is likely to
39 enhance the individual's marketable skills and earning power;

40 (ii) The training is provided by a competent and reliable private or
41 public entity approved by the Commissioner of Labor pursuant to the
42 provisions of section 8 of the "1992 New Jersey Employment and
43 Workforce Development Act," P.L.1992, c.43 (C.34:15D-8);

44 (iii) The individual can reasonably be expected to complete the
45 program, either during or after the period of benefits;

46 (iv) The training does not include on the job training or other

1 training under which the individual is paid by an employer for work
2 performed by the individual during the time that the individual receives
3 benefits; and

4 (v) The individual enrolls in vocational training, remedial education
5 or a combination of both on a full-time basis.

6 (C) If the requirements of subparagraph (B) of this paragraph (4)
7 are met, the division shall not withhold approval of the training
8 program for the individual for any of the following reasons:

9 (i) The training includes remedial basic skills education necessary
10 for the individual to successfully complete the vocational component
11 of the training;

12 (ii) The training is provided in connection with a program under
13 which the individual may obtain a college degree, including a
14 post-graduate degree;

15 (iii) The length of the training period under the program; or

16 (iv) The lack of a prior guarantee of employment upon completion
17 of the training.

18 (D) For the purpose of this paragraph (4), "labor demand
19 occupation" means an occupation for which there is or is likely to be
20 an excess of demand over supply for adequately trained workers,
21 including, but not limited to, an occupation designated as a labor
22 demand occupation by the New Jersey Occupational Information
23 Coordinating Committee pursuant to the provisions of subsection h.
24 of section 1 of P.L.1987, c.457 (C.34:1A-76) or section 12 of
25 P.L.1992, c.43 (C.34:1A-78).

26 (5) An unemployed individual, who is otherwise eligible, shall not
27 be deemed unavailable for work or ineligible solely by reason of the
28 individual's attendance before a court in response to a summons for
29 service on a jury.

30 (6) An unemployed individual, who is otherwise eligible, shall not
31 be deemed unavailable for work or ineligible solely by reason of the
32 individual's attendance at the funeral of an immediate family member,
33 provided that the duration of the attendance does not extend beyond
34 a two-day period.

35 For purposes of this paragraph, "immediate family member"
36 includes any of the following individuals: father, mother,
37 mother-in-law, father-in-law, grandmother, grandfather, grandchild,
38 spouse, child, foster child, sister or brother of the unemployed
39 individual and any relatives of the unemployed individual residing in
40 the unemployed individual's household.

41 (7) No individual, who is otherwise eligible, shall be deemed
42 ineligible or unavailable for work with respect to any week because,
43 during that week, the individual fails or refuses to accept work while
44 the individual is participating on a full-time basis in self-employment
45 assistance activities authorized by the division, whether or not the
46 individual is receiving a self-employment allowance during that week.

1 (8) Any individual who is determined to be likely to exhaust
2 regular benefits and need reemployment services based on information
3 obtained by the worker profiling system shall not be eligible to receive
4 benefits if the individual fails to participate in available reemployment
5 services to which the individual is referred by the division or in similar
6 services, unless the division determines that:

7 (A) The individual has completed the reemployment services; or

8 (B) There is justifiable cause for the failure to participate, which
9 shall include participation in employment and training,
10 self-employment assistance activities or other activities authorized by
11 the division to assist reemployment or enhance the marketable skills
12 and earning power of the individual and which shall include any other
13 circumstance indicated pursuant to this section in which an individual
14 is not required to be available for and actively seeking work to receive
15 benefits.

16 (d) The individual has been totally or partially unemployed for a
17 waiting period of one week in the benefit year which includes that
18 week. When benefits become payable with respect to the third
19 consecutive week next following the waiting period, the individual
20 shall be eligible to receive benefits as appropriate with respect to the
21 waiting period. No week shall be counted as a week of unemployment
22 for the purposes of this subsection:

23 (1) If benefits have been paid, or are payable with respect thereto;
24 provided that the requirements of this paragraph shall be waived with
25 respect to any benefits paid or payable for a waiting period as provided
26 in this subsection;

27 (2) If it has constituted a waiting period week under the
28 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
29 seq.);

30 (3) Unless the individual fulfills the requirements of subsections (a)
31 and (c) of this section;

32 (4) If with respect thereto, claimant was disqualified for benefits
33 in accordance with the provisions of subsection (d) of R.S.43:21-5.

34 (e) (1) With respect to a base year as defined in subsection (c) of
35 R.S.43:21-19, the individual has established at least 20 base weeks as
36 defined in subsection (t) of R.S.43:21-19, or, in those instances in
37 which the individual has not established 20 base weeks, except as
38 otherwise provided in paragraph (3) of this subsection, for benefit
39 years commencing on or after October 1, 1984 and before January 1,
40 1996, the individual has earned 12 times the Statewide average weekly
41 remuneration paid to workers, as determined under R.S.43:21-3(c),
42 raised to the next higher multiple of \$100.00 if not already a multiple
43 thereof, or more in the individual's base year.

44 (2) With respect to benefit years commencing on or after January
45 1, 1996, except as otherwise provided in paragraph (3) of this
46 subsection, the individual has, during his base year as defined in

1 subsection (c) of R.S.43:21-19:

2 (A) Established at least 20 base weeks as defined in paragraph (2)
3 of subsection (t) of R.S.43:21-19; or

4 (B) If the individual has not met the requirements of subparagraph
5 (A) of this paragraph (2), earned remuneration not less than an amount
6 12 times the Statewide average weekly remuneration paid to workers,
7 as determined under R.S.43:21-3(c), which amount shall be adjusted
8 to the next higher multiple of \$100.00 if not already a multiple thereof;
9 or

10 (C) If the individual has not met the requirements of subparagraph
11 (A) or (B) of this paragraph (2), earned remuneration not less than an
12 amount 1,000 times the minimum wage in effect pursuant to section
13 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar
14 year preceding the calendar year in which the benefit year commences,
15 which amount shall be adjusted to the next higher multiple of \$100.00
16 if not already a multiple thereof.

17 (3) Notwithstanding the provisions of paragraph (1) or paragraph
18 (2) of this subsection, an unemployed individual claiming benefits on
19 the basis of service performed in the production and harvesting of
20 agricultural crops shall, subject to the limitations of subsection (i) of
21 R.S.43:21-19, be eligible to receive benefits if during his base year, as
22 defined in subsection (c) of R.S.43:21-19, the individual:

23 (A) Has established at least 20 base weeks as defined in paragraph
24 (1) of subsection (t) of R.S.43:21-19; or

25 (B) Has earned 12 times the Statewide average weekly
26 remuneration paid to workers, as determined under R.S.43:21-3(c),
27 raised to the next higher multiple of \$100.00 if not already a multiple
28 thereof, or more; or

29 (C) Has performed at least 770 hours of service in the production
30 and harvesting of agricultural crops.

31 (4) The individual applying for benefits in any successive benefit
32 year has earned at least six times his previous weekly benefit amount
33 and has had four weeks of employment since the beginning of the
34 immediately preceding benefit year. This provision shall be in addition
35 to the earnings requirements specified in paragraph (1), (2), or (3) of
36 this subsection, as applicable.

37 (f) (1) The individual has suffered any accident or sickness not
38 compensable under the workers' compensation law, R.S.34:15-1 et
39 seq. and resulting in the individual's total disability to perform any
40 work for remuneration, and would be eligible to receive benefits under
41 this chapter (R.S.43:21-1 et seq.) (without regard to the maximum
42 amount of benefits payable during any benefit year) except for the
43 inability to work and has furnished notice and proof of claim to the
44 division, in accordance with its rules and regulations, and payment is
45 not precluded by the provisions of R.S.43:21-3(d); provided, however,
46 that benefits paid under this subsection (f) shall be computed on the

1 basis of only those base year wages earned by the claimant as a
2 "covered individual," as defined in R.S.43:21-27(b); provided further
3 that no benefits shall be payable under this subsection to any
4 individual:

5 (A) For any period during which such individual is not under the
6 care of a legally licensed physician, dentist, optometrist, podiatrist,
7 practicing psychologist or chiropractor;

8 (B) (Deleted by amendment, P.L.1980, c.90.)

9 (C) For any period of disability due to willfully or intentionally
10 self-inflicted injury, or to injuries sustained in the perpetration by the
11 individual of a crime of the first, second or third degree;

12 (D) For any week with respect to which or a part of which the
13 individual has received or is seeking benefits under any unemployment
14 compensation or disability benefits law of any other state or of the
15 United States; provided that if the appropriate agency of such other
16 state or the United States finally determines that the individual is not
17 entitled to such benefits, this disqualification shall not apply;

18 (E) For any week with respect to which or part of which the
19 individual has received or is seeking disability benefits under the
20 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
21 seq.);

22 (F) For any period of disability commencing while such individual
23 is a "covered individual," as defined in subsection (b) of section 3 of
24 the "Temporary Disability Benefits Law," P.L.1948, c.110
25 (C.43:21-27).

26 (2) The individual is taking family disability leave to provide care
27 for a family member made necessary by the birth of a child of the
28 individual, the placement of a child with the individual in connection
29 with the adoption of the child by the individual, or a serious health
30 condition of a family member of the individual, and the individual
31 would be eligible to receive benefits under this chapter (R.S.43:21-1
32 et seq.) (without regard to the maximum amount of benefits payable
33 during any benefit year) except for the individual's unavailability for
34 work while taking the family disability leave and the individual has
35 furnished notice and proof of claim to the division, in accordance with
36 its rules and regulations, and payment is not precluded by the
37 provisions of R.S.43:21-3(d); provided, however, that benefits paid
38 under this subsection (f) shall be computed on the basis of only those
39 base year wages earned by the claimant as a "covered individual," as
40 defined in R.S.43:21-27(b); provided further that no benefits shall be
41 payable under this subsection to any individual:

42 (A) For any period during which such individual does not meet the
43 requirements of section 15 of this 1997 amendatory and supplementary
44 act to be eligible for family disability leave;

45 (B) For any week with respect to which or a part of which the
46 individual has received or is seeking benefits under any unemployment

1 compensation or disability benefits law of any other state or of the
2 United States; provided that if the appropriate agency of such other
3 state or the United States finally determines that the individual is not
4 entitled to such benefits, this disqualification shall not apply:

5 (C) For any week with respect to which or part of which the
6 individual has received or is seeking disability benefits under the
7 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
8 seq.); or

9 (D) For any period of family disability leave commencing while the
10 individual is a "covered individual," as defined in subsection (b) of
11 section 3 of the "Temporary Disability Benefits Law," P.L.1948, c.110
12 (C.43:21-27).

13 [(2)] (3) Benefit payments under this subsection f shall be
14 charged to and paid from the State disability benefits fund established
15 by the "Temporary Disability Benefits Law," P.L.1948, c.110
16 (C.43:21-25 et seq.), and shall not be charged to any employer
17 account in computing any employer's experience rate for contributions
18 payable under this chapter.

19 (g) Benefits based on service in employment defined in
20 subparagraphs (B) and (C) of R.S.43:21-19(i)(1) shall be payable in
21 the same amount and on the terms and subject to the same conditions
22 as benefits payable on the basis of other service subject to the
23 "unemployment compensation law"; except that, notwithstanding any
24 other provisions of the "unemployment compensation law":

25 (1) With respect to service performed after December 31, 1977, in
26 an instructional research, or principal administrative capacity for an
27 educational institution, benefits shall not be paid based on such
28 services for any week of unemployment commencing during the period
29 between two successive academic years, or during a similar period
30 between two regular terms, whether or not successive, or during a
31 period of paid sabbatical leave provided for in the individual's contract,
32 to any individual if such individual performs such services in the first
33 of such academic years (or terms) and if there is a contract or a
34 reasonable assurance that such individual will perform services in any
35 such capacity for any educational institution in the second of such
36 academic years or terms;

37 (2) With respect to weeks of unemployment beginning after
38 September 3, 1982, on the basis of service performed in any other
39 capacity for an educational institution, benefits shall not be paid on the
40 basis of such services to any individual for any week which commences
41 during a period between two successive academic years or terms if
42 such individual performs such services in the first of such academic
43 years or terms and there is a reasonable assurance that such individual
44 will perform such services in the second of such academic years or
45 terms, except that if benefits are denied to any individual under this
46 paragraph (2) and the individual was not offered an opportunity to

1 perform these services for the educational institution for the second of
2 any academic years or terms, the individual shall be entitled to a
3 retroactive payment of benefits for each week for which the individual
4 filed a timely claim for benefits and for which benefits were denied
5 solely by reason of this clause;

6 (3) With respect to those services described in paragraphs (1) and
7 (2) above, benefits shall not be paid on the basis of such services to
8 any individual for any week which commences during an established
9 and customary vacation period or holiday recess if such individual
10 performs such services in the period immediately before such vacation
11 period or holiday recess, and there is a reasonable assurance that such
12 individual will perform such services in the period immediately
13 following such period or holiday recess;

14 (4) With respect to any services described in paragraphs (1) and
15 (2) above, benefits shall not be paid as specified in paragraphs (1), (2),
16 and (3) above to any individual who performed those services in an
17 educational institution while in the employ of an educational service
18 agency, and for this purpose the term "educational service agency"
19 means a governmental agency or governmental entity which is
20 established and operated exclusively for the purpose of providing
21 those services to one or more educational institutions.

22 (h) Benefits shall not be paid to any individual on the basis of any
23 services, substantially all of which consist of participating in sports or
24 athletic events or training or preparing to so participate, for any week
25 which commences during the period between two successive sports
26 seasons (or similar periods) if such individual performed such services
27 in the first of such seasons (or similar periods) and there is a
28 reasonable assurance that such individual will perform such services in
29 the later of such seasons (or similar periods).

30 (i) (1) Benefits shall not be paid on the basis of services performed
31 by an alien unless such alien is an individual who was lawfully admitted
32 for permanent residence at the time the services were performed and
33 was lawfully present for the purpose of performing the services or
34 otherwise was permanently residing in the United States under color
35 of law at the time the services were performed (including an alien who
36 is lawfully present in the United States as a result of the application of
37 the provisions of [section 203(a)(7) (8 U.S.C.1153 (a)(7))] or section
38 212(d)(5) (8 U.S.C.§1182 (d)(5)) of the Immigration and Nationality
39 Act (8 U.S.C.§1101 et seq.)); provided that any modifications of the
40 provisions of section 3304(a)(14) of the Federal Unemployment Tax
41 Act (26 U.S.C.§3304 (a)(14)), as provided by Pub.L.94-566, which
42 specify other conditions or other effective dates than stated herein for
43 the denial of benefits based on services performed by aliens and which
44 modifications are required to be implemented under State law as a
45 condition for full tax credit against the tax imposed by the Federal
46 Unemployment Tax Act, shall be deemed applicable under the

1 provisions of this section.

2 (2) Any data or information required of individuals applying for
3 benefits to determine whether benefits are not payable to them because
4 of their alien status shall be uniformly required from all applicants for
5 benefits.

6 (3) In the case of an individual whose application for benefits
7 would otherwise be approved, no determination that benefits to such
8 individual are not payable because of alien status shall be made except
9 upon a preponderance of the evidence.

10 (j) Notwithstanding any other provision of this chapter, the
11 director may, to the extent that it may be deemed efficient and
12 economical, provide for consolidated administration by one or more
13 representatives or deputies of claims made pursuant to subsection (f)
14 of this section with those made pursuant to Article III (State plan) of
15 the "Temporary Disability Benefits Law," P.L.1948, c.110
16 (C.43:21-25 et seq.).

17 (cf: P.L.1995, c.394, s.7)

18

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

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

31 (a) Payment.

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

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

43 (b) Rate of contributions. Each employer shall pay the following
44 contributions:

45 (1) For the calendar year 1947, and each calendar year thereafter,
46 2 7/10% of wages paid by him during each such calendar year, except

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. Benefits paid under a
12 given benefit determination shall be charged against the account of the
13 employer to whom such determination relates. When each benefit
14 payment is made, either a copy of the benefit check or other form of
15 notification shall be promptly sent to the employer against whose
16 account the benefits are to be charged. Such copy or notification shall
17 identify the employer against whose account the amount of such
18 payment is being charged, shall show at least the name and social
19 security account number of the claimant and shall specify the period
20 of unemployment to which said check applies. If the total amount of
21 benefits paid to a claimant and charged to the account of the
22 appropriate employer exceeds 50% of the total base year, base week
23 wages paid to the claimant by that employer, then such employer shall
24 have canceled from his account such excess benefit charges as
25 specified above.

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

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

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

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

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

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

8 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
9 6%, of his average annual payroll;

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

12 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
13 8%, of his average annual payroll;

14 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
15 9%, of his average annual payroll;

16 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
17 of his average annual payroll;

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

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

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

26 (1) 4%, if such excess is less than 10% of his average annual
27 payroll;

28 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
29 20%, of his average annual payroll;

30 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
31 annual payroll.

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

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

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

46 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31

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

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

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

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

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

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

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

31
 32 EXPERIENCE RATING TAX TABLE

| | Fund Reserve Ratio ¹ | | | | |
|---|---------------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| Employer Reserve Ratio ² | 10.00% and Over A | 7.00% to 9.99% B | 4.00% to 6.99% C | 2.50% to 3.99% D | 2.49% and Under E |
| 41 Positive Reserve Ratio: | | | | | |
| 42 17% and over | 0.3 | 0.4 | 0.5 | 0.6 | 1.2 |
| 43 16.00% to 16.99% | 0.4 | 0.5 | 0.6 | 0.6 | 1.2 |
| 44 15.00% to 15.99% | 0.4 | 0.6 | 0.7 | 0.7 | 1.2 |
| 45 14.00% to 14.99% | 0.5 | 0.6 | 0.7 | 0.8 | 1.2 |
| 46 13.00% to 13.99% | 0.6 | 0.7 | 0.8 | 0.9 | 1.2 |
| 47 12.00% to 12.99% | 0.6 | 0.8 | 0.9 | 1.0 | 1.2 |
| 48 11.00% to 11.99% | 0.7 | 0.8 | 1.0 | 1.1 | 1.2 |
| 49 10.00% to 10.99% | 0.9 | 1.1 | 1.3 | 1.5 | 1.6 |

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

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

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

27

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

35

36 EXPERIENCE RATING TAX TABLE

37

38 Fund Reserve Ratio¹

39

40

| | | | | | | |
|----|--------------------|-------|-------|-------|-------|-------|
| 41 | | 6.00% | 4.00% | 3.00% | 2.50% | 2.49% |
| 42 | Employer | and | to | to | to | and |
| 43 | Reserve | Over | 5.99% | 3.99% | 2.99% | Under |
| 44 | Ratio ² | A | B | C | D | E |

45

46 Positive Reserve Ratio:

| | | | | | | |
|----|------------------|-----|-----|-----|-----|-----|
| 47 | 17% and over | 0.3 | 0.4 | 0.5 | 0.6 | 1.2 |
| 48 | 16.00% to 16.99% | 0.4 | 0.5 | 0.6 | 0.6 | 1.2 |
| 49 | 15.00% to 15.99% | 0.4 | 0.6 | 0.7 | 0.7 | 1.2 |
| 50 | 14.00% to 14.99% | 0.5 | 0.6 | 0.7 | 0.8 | 1.2 |
| 51 | 13.00% to 13.99% | 0.6 | 0.7 | 0.8 | 0.9 | 1.2 |
| 52 | 12.00% to 12.99% | 0.6 | 0.8 | 0.9 | 1.0 | 1.2 |
| 53 | 11.00% to 11.99% | 0.7 | 0.8 | 1.0 | 1.1 | 1.2 |
| 54 | 10.00% to 10.99% | 0.9 | 1.1 | 1.3 | 1.5 | 1.6 |

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

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

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

27

28 (F)(i) With respect to experience rating years beginning on or after
29 July 1, 1986 and before July 1, 1997, if the balance of the
30 unemployment trust fund as of the prior March 31 is negative, the
31 contribution rate for each employer liable to pay contributions, as
32 computed under subparagraph E of this paragraph (5), shall be
33 increased by a factor of 10% computed to the nearest multiple of
34 1/10% if not already a multiple thereof.

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

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

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

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

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

33 On or after April 1, 1996 until December 31, 1996, the contribution
34 rate for each employer liable to pay contributions, as computed under
35 subparagraph (E) of this paragraph (5), shall be decreased by a factor
36 of 25.0% computed to the nearest multiple of 1/10%, except that, if
37 an employer has a deficit reserve ratio of negative 35.0% or under, the
38 employer's rate of contribution shall not be reduced pursuant to this
39 subparagraph (H) to less than 5.4%. The amount of the reduction in
40 the employer contributions stipulated by this subparagraph (H) shall
41 be in addition to the amount of the reduction in the employer
42 contributions stipulated by subparagraph (G) of this paragraph (5),
43 except that the rate of contribution of an employer who has a deficit
44 reserve ratio of negative 35.0% or under shall not be reduced pursuant
45 to this subparagraph (H) to less than 5.4% and the rate of contribution
46 of any other employer shall not be reduced to less than 0.0%.

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

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

20 If, upon calculating the unemployment compensation fund reserve
21 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997, the
22 controller finds that the fund reserve ratio has decreased to a level of
23 less than 3.00%, the Commissioner of Labor shall notify the State
24 Treasurer of this fact and of the dollar amount necessary to bring the
25 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,
26 prior to March 31, 1997, transfer from the General Fund to the
27 unemployment compensation fund, revenues in the amount specified
28 by the commissioner and which, upon deposit in the unemployment
29 compensation fund, shall result, upon recalculation, in a fund reserve
30 ratio used to determine employer contributions beginning July 1, 1997,
31 of at least 3.00%.

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

44 (6) Additional contributions.

45 Notwithstanding any other provision of law, any employer who has
46 been assigned a contribution rate pursuant to subsection (c) of this

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

21 (7) Transfers.

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

43 (B) An employer who transfers part of his or its organization,
44 trade, assets or business to a successor in interest, whether by merger,
45 consolidation, sale, transfer, descent or otherwise, may jointly make
46 application with such successor in interest for transfer of that portion

1 of the employment experience of the predecessor employer relating to
2 the portion of the organization, trade, assets or business transferred to
3 the successor in interest, including credit for past years, contributions
4 paid, annual payrolls, benefit charges, et cetera, applicable to such
5 predecessor employer. The transfer of employment experience may be
6 allowed pursuant to regulation only if it is found that the employment
7 experience of the predecessor employer with respect to the portion of
8 the organization, trade, assets or business which has been transferred
9 may be considered indicative of the future employment experience of
10 the successor in interest. Credit shall be given to the successor in
11 interest only for the years during which contributions were paid by the
12 predecessor employer with respect to that part of the organization,
13 trade, assets or business transferred.

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

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

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

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

1 fund at the same rate prescribed for workers of other nongovernmental
2 employers.

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

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

29 (D) Notwithstanding any other provisions of this paragraph (1),
30 during the period starting January 1, 1993 and ending June 30, 1994,
31 each worker shall contribute to the unemployment compensation fund
32 0.5% of wages paid with respect to the worker's employment with a
33 governmental employer electing or required to pay contributions or
34 nongovernmental employer, including a nonprofit organization which
35 is an employer as defined under paragraph (6) of subsection (h) of
36 R.S.43:21-19, regardless of whether that nonprofit organization elects
37 or is required to finance its benefit costs with contributions to the fund
38 or by payments in lieu of contributions, after that employer has
39 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
40 with respect to becoming an employer. No contributions, however,
41 shall be made by the worker while the worker is covered by an
42 approved private plan under the "Temporary Disability Benefits Law,"
43 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
44 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
45 provision of that law; provided that the contributions shall be at the
46 rate of 0.50% of wages paid with respect to employment with the

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

10 Each worker shall, starting on January 1, 1996 and ending March
11 31, 1996, contribute to the unemployment compensation fund 0.60%
12 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, provided that the contributions
21 shall be at the rate of 0.10% of wages paid with respect to
22 employment with the State of New Jersey or any other governmental
23 entity or instrumentality electing or required to make payments in lieu
24 of contributions.

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

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

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

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

10 (G) Each worker shall, [starting on] during the period starting on
11 July 1, 1994 and ending on December 31, 1996 and during the period
12 starting on January 1, 2003, contribute to the State disability benefits
13 fund an amount equal to 0.50% of wages paid with respect to the
14 worker's employment with a government employer electing or required
15 to pay contributions to the State disability benefits fund or
16 nongovernmental employer, including a nonprofit organization which
17 is an employer as defined under paragraph (6) of subsection (h) of R.S.
18 43:21-19, unless the employer is covered by an approved private
19 disability plan or is exempt from the provisions of the "Temporary
20 Disability Benefits Law," P.L.1948 c.110 (C.43:21-25 et seq.) under
21 section 7 of that law (C.43:21-31) or any other provision of that law.

22 (H) Each worker shall, during the period starting on January 1,
23 1997 and ending on December 31, 1997, contribute to the State
24 disability benefits fund an amount equal to 0.60% of wages paid with
25 respect to the worker's employment with a government employer
26 electing or required to pay contributions to the State disability benefits
27 fund or nongovernmental employer, including a nonprofit organization
28 which is an employer as defined under paragraph (6) of subsection (h)
29 of R.S. 43:21-19, unless the employer is covered by an approved
30 private disability plan or is exempt from the provisions of the
31 "Temporary Disability Benefits Law," P.L.1948 c.110 (C.43:21-25 et
32 seq.) under section 7 of that law (C.43:21-31) or any other provision
33 of that law.

34 (I) Each worker shall, starting on January 1, 1998 and ending on
35 December 31, 2002, contribute to the State disability benefits fund an
36 amount equal to 0.70% of wages paid with respect to the worker's
37 employment with a government employer electing or required to pay
38 contributions to the State disability benefits fund or nongovernmental
39 employer, including a nonprofit organization which is an employer as
40 defined under paragraph (6) of subsection (h) of R.S.43:21-19, unless
41 the employer is covered by an approved private disability plan or is
42 exempt from the provisions of the "Temporary Disability Benefits
43 Law," P.L.1948 c.110 (C.43:21-25 et seq.) under section 7 of that law
44 (C.43:21-31) or any other provision of that law.

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

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

1 (C) (Deleted by amendment, P.L.1994, c.112.)
2 (D) (Deleted by amendment, P.L.1994, c.112.)
3 (E) (i) (Deleted by amendment, P.L.1994, c.112.)
4 (ii) (Deleted by amendment, P.L.1996, c.28).
5 (iii) (Deleted by amendment, P.L.1994, c.112.)
6 (3) If an employee receives wages from more than one employer
7 during any calendar year, and either the sum of his contributions
8 deposited in and credited to the State disability benefits fund plus the
9 amount of his contributions, if any, required towards the costs of
10 benefits under one or more approved private plans under the
11 provisions of section 9 of the "Temporary Disability Benefits Law"
12 (C.43:21-33) and deducted from his wages, or the sum of such latter
13 contributions, if the employee is covered during such calendar year
14 only by two or more private plans, exceeds an amount equal to 1/2 of
15 1% of the "wages" determined in accordance with the provisions of
16 R.S.43:21-7(b)(3) during the calendar years beginning on or after
17 January 1, 1976 and ending before January 1, 1997 or during calendar
18 years beginning on or after January 1, 2003, or if the sum exceeds an
19 amount equal to 0.60% of wages during the calendar year beginning
20 on January 1, 1997, or if the sum exceeds an amount equal to 0.70%
21 of wages during the calendar years beginning on or after January 1,
22 1998 and ending before January 1, 2003, the employee shall be entitled
23 to a refund of the excess if he makes a claim to the controller within
24 two years after the end of the calendar year in which the wages are
25 received with respect to which the refund is claimed and establishes his
26 right to such refund. Such refund shall be made by the controller from
27 the State disability benefits fund. No interest shall be allowed or paid
28 with respect to any such refund. The controller shall, in accordance
29 with prescribed regulations, determine the portion of the aggregate
30 amount of such refunds made during any calendar year which is
31 applicable to private plans for which deductions were made under
32 section 9 of the "Temporary Disability Benefits Law," such
33 determination to be based upon the ratio of the amount of such wages
34 exempt from contributions to such fund, as provided in subparagraph
35 (B) of paragraph (1) of this subsection with respect to coverage under
36 private plans, to the total wages so exempt plus the amount of such
37 wages subject to contributions to the disability benefits fund, as
38 provided in [subparagraph] subparagraphs (G), (H) or (I) of paragraph
39 (1) of this subsection. The controller shall, in accordance with
40 prescribed regulations, prorate the amount so determined among the
41 applicable private plans in the proportion that the wages covered by
42 each plan bear to the total private plan wages involved in such refunds,
43 and shall assess against and recover from the employer, or the insurer
44 if the insurer has indemnified the employer with respect thereto, the
45 amount so prorated. The provisions of R.S.43:21-14 with respect to
46 collection of employer contributions shall apply to such assessments.

1 The amount so recovered by the controller shall be paid into the State
2 disability benefits fund.

3 (4) If an individual does not receive any wages from the employing
4 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is
5 treated as his employer, or receives his wages from some other
6 employing unit, such employer shall nevertheless be liable for such
7 individual's contributions in the first instance; and after payment
8 thereof such employer may deduct the amount of such contributions
9 from any sums payable by him to such employing unit, or may recover
10 the amount of such contributions from such employing unit, or, in the
11 absence of such an employing unit, from such individual, in a civil
12 action; provided proceedings therefor are instituted within three
13 months after the date on which such contributions are payable. General
14 rules shall be prescribed whereby such an employing unit may recover
15 the amount of such contributions from such individuals in the same
16 manner as if it were the employer.

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

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

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

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

1 amounts to \$0.005 or more, in which case it shall be increased to
2 \$0.01.

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

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

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

34 (C) The controller may prescribe regulations 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 (D) Prior to July 1 of each calendar year, the controller shall make
41 a preliminary determination of the rate of contribution for the 12
42 months commencing on such July 1 for each employer subject to the
43 contribution requirements of this subsection (e).

44 (1) Such preliminary rate shall be 1/2 of 1% unless on the
45 preceding January 31 of such year such employer shall have been a
46 covered employer who has paid contributions to the State disability

1 benefits fund with respect to employment in the three calendar years
2 immediately preceding such year.

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

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

9 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
10 $\frac{1}{4}$ % but is less than $1\frac{1}{2}$ % of his average annual payroll;

11 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
12 $\frac{1}{2}$ % of his average annual payroll.

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

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

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

23 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
24 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

25 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
26 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

27 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
28 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

29 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
30 1% of his average annual payroll.

31 (5) Determination of the preliminary rate as specified in (2), (3)
32 and (4) above shall be subject, however, to the condition that it shall
33 in no event be decreased by more than $\frac{1}{10}$ of 1% of wages or
34 increased by more than $\frac{2}{10}$ of 1% of wages from the preliminary rate
35 determined for the preceding year in accordance with (1), (2), (3) or
36 (4), whichever shall have been applicable.

37 (E) (1) Prior to July 1 of each calendar year the controller shall
38 determine the amount of the State disability benefits fund as of
39 December 31 of the preceding calendar year, increased by the
40 contributions paid thereto during January of the current calendar year
41 with respect to employment occurring in the preceding calendar year.
42 If such amount exceeds the net amount withdrawn from the
43 unemployment trust fund pursuant to section 23 of the "Temporary
44 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the
45 amount at the end of such preceding calendar year of the
46 unemployment disability account (as defined in section 22 of said law

1 (C.43:21-46)), such excess shall be expressed as a percentage of the
2 wages on which contributions were paid to the State disability benefits
3 fund on or before January 31 with respect to employment in the
4 preceding calendar year.

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

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

17 (ii) If the percentage determined in accordance with paragraph
18 (E)(1) of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than
19 $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer
20 rates.

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

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

43 (F) Notwithstanding any other provisions of this subsection (e),
44 starting on January 1, 1998 and ending on December 31, 2003,
45 employer rates of contribution shall be determined as if no benefits
46 have been paid with respect to periods of family disability leave and as

1 if no worker paid contributions to the State disability benefits fund in
2 an amount exceeding 0.50% of wages paid to the worker during any
3 calendar year.

4 (cf: P.L.1996, c.30, s.6)

5
6 20. This act shall take effect immediately.

7
8
9 STATEMENT

10 This bill extends the State's existing temporary disability insurance
11 system to provide each worker participating in the system with paid
12 family disability leave time to care for members of the worker's family
13 unable to care for themselves, including sick family members and
14 newborn and newly adopted children. The bill provides a worker with
15 up to 12 weeks of family disability leave benefits at the same weekly
16 rate as current temporary disability benefits. The total maximum
17 amount of family disability leave benefits permitted for a worker in a
18 one-year period for regular temporary disability and family disability
19 leave combined would not be increased over what is currently
20 provided for regular temporary disability alone, which is usually a
21 maximum of 26 weeks.

22 The bill ensures that there will be no increase in total payroll taxes
23 charged to either employers or workers because of the new benefits
24 provided by the bill. The bill requires that employer tax rates be
25 calculated as if no family disability leave benefits had been paid.
26 Family leave benefits would instead be funded by shifting 0.2% in
27 worker payroll taxes from unemployment compensation taxes to
28 temporary disability benefit taxes and by having the State, over five
29 years, repay half of the \$250 million that was diverted from the State
30 disability benefits fund pursuant to P.L.1996, c.47, together with
31 accrued interest.

32 The bill makes family leave benefits available for a five-year period
33 starting in 1998. The bill also establishes a task force to study the
34 impact of family leave benefits on workers, their families, employers,
35 and the public and to make recommendations regarding the possible
36 continuation of the benefits after that five-year period.

37 Finally, the bill reaffirms the State's commitment to sustaining the
38 State-operated, nonprofit State disability benefits plan, which has
39 proven to be a highly efficient and cost-effective means of ensuring the
40 availability of coverage for employers and workers with low overhead
41 costs and impartial claims processing.

42
43
44
45
46 Provides family disability leave.