

ASSEMBLY, No. 5691

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 12, 2021

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Benson

SYNOPSIS

Concerns liability of certain non-profit and governmental employers for unemployment benefits paid during coronavirus disease 2019 pandemic state of emergency; appropriates \$50 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/17/2021)

1 AN ACT concerning the liability of certain non-profit and
 2 governmental employers for unemployment benefits paid during
 3 coronavirus disease 2019 pandemic state of emergency,
 4 amending P.L.2020, c.150, and making an appropriation.
 5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 7 *of New Jersey:*
 8

9 1. Section 1 of P.L.2020, c.150 (C.43:21-7.9) is amended to
 10 read as follows:

11 1. a. The costs of any unemployment compensation benefits
 12 paid to employees of an employer during the public health
 13 emergency and state of emergency declared by the Governor on
 14 March 9, 2020, and any subsequent extensions of that public health
 15 emergency and state of emergency, shall not be considered when
 16 calculating that employer's reserve ratio for the purposes of
 17 determining the rate of the employer's contributions to the State
 18 unemployment compensation fund pursuant to R.S.43:21-7.

19 b. Any employer that is a nonprofit organization which elects
 20 to make payments in lieu of contributions pursuant to section 3 of
 21 P.L.1971, c.346 (C.43:21-7.2) [and any] or is a governmental
 22 entity or instrumentality which elects to make payments in lieu of
 23 contributions pursuant to section 4 of P.L.1971, c.346 (C.43:21-
 24 7.3), shall not be liable for payments in lieu of contributions with
 25 respect to [only 50% of] the payments of unemployment
 26 compensation benefits made pursuant to either of those two sections
 27 during the public health emergency and state of emergency declared
 28 by the Governor on March 9, 2020, and any subsequent extensions
 29 of that public health emergency and state of emergency, except that
 30 the employer shall be required to make payments in lieu of
 31 contributions from any available funds held in trust for that purpose
 32 from contributions made by its employees. Any portion of the
 33 payments of unemployment benefits which are not paid from the
 34 employee contributions held in trust or from funds provided by the
 35 federal government pursuant to the federal CARES Act, public law
 36 116-136, pursuant to section 9012 of the American Rescue Plan Act
 37 of 2021, or pursuant to any other applicable federal law, shall not
 38 result in a liability for the employer but shall be regarded as State
 39 liability relief to the employer and shall be paid from the
 40 unemployment compensation fund. Any reimbursing employer
 41 who, prior to the effective date of this act, made payments in lieu of
 42 contributions during the public health emergency shall be entitled to
 43 a reimbursement from the unemployment compensation fund of all
 44 of those payments in lieu of contributions made during this period,
 45 except that the employer shall not be reimbursed for payments made

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

Matter underlined thus is new matter.

1 in lieu of contributions from funds held in trust for that purpose
2 from contributions made by its employees.

3 (cf: P.L.2020, c.150, s.1)
4

5 2. There is appropriated from the General Fund the sum of \$50
6 million to be used to reimburse the unemployment compensation
7 fund for any costs of providing State liability relief to employers
8 pursuant to subsection b. of section 1 of P.L.2020, c.150 (C.43:21-
9 7.9).
10

11 3. This act shall take effect immediately.
12
13

14 STATEMENT 15

16 This bill, for the period of the public health emergency and state
17 of emergency declared by the Governor on March 9, 2020, and any
18 subsequent extensions of the emergency or state of emergency,
19 exempts any nonprofit or governmental employer which has elected
20 to make payments in lieu of contributions from liability for
21 payments in lieu of contributions for unemployment benefits paid to
22 employees laid off by the employer during that public health
23 emergency and any extensions of it, except that the employer is
24 required to make payments in lieu of contributions from any
25 available funds held in trust for that purpose from contributions
26 made by its employees. The bill provides that those employers are
27 not liable for any portion of the payments of unemployment benefits
28 which are not paid from the employee contributions held in trust or
29 from funds provided by the federal government pursuant to the
30 federal CARES Act, public law 116-136, pursuant to section 9012
31 of the American Rescue Plan Act of 2021, or pursuant to any other
32 applicable federal law, but that portion shall be regarded as State
33 liability relief to the employer and paid from the unemployment
34 compensation fund. If the employer made the payments during the
35 public health emergency before the effective date of the bill, the
36 employer is entitled to a reimbursement of all of those payments in
37 lieu of contributions made during that period, except for payments
38 made from funds held in trust for that purpose from contributions
39 made by its employees.

40 The bill appropriates from the General Fund the sum of \$50
41 million to be used to reimburse the unemployment compensation
42 fund for any costs of providing State liability relief to employers
43 pursuant to the bill.