ASSEMBLY, No. 5691

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 12, 2021

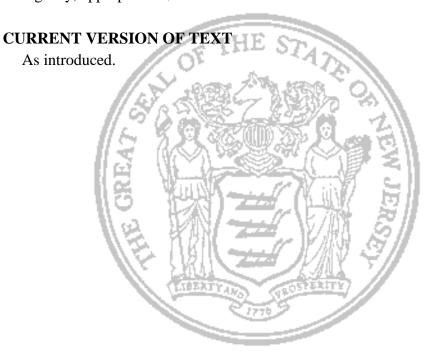
Sponsored by:

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.



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

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

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

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- 1. Section 1 of P.L.2020, c.150 (C.43:21-7.9) is amended to read as follows:
- 1. a. The costs of any unemployment compensation benefits paid to employees of an employer during the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of that public health emergency and state of emergency, shall not be considered when calculating that employer's reserve ratio for the purposes of determining the rate of the employer's contributions to the State unemployment compensation fund pursuant to R.S.43:21-7.
- b. Any employer that is a nonprofit organization which elects to make payments in lieu of contributions pursuant to section 3 of P.L.1971, c.346 (C.43:21-7.2) [and any] or is a governmental entity or instrumentality which elects to make payments in lieu of contributions pursuant to section 4 of P.L.1971, c.346 (C.43:21-7.3), shall <u>not</u> be liable for payments in lieu of contributions with respect to [only 50% of] the payments of unemployment compensation benefits made pursuant to either of those two sections during the public health emergency and state of emergency declared by the Governor on March 9, 2020, and any subsequent extensions of that public health emergency and state of emergency, except that the employer shall be required to make payments in lieu of contributions from any available funds held in trust for that purpose from contributions made by its employees. Any portion of the payments of unemployment benefits which are not paid from the employee contributions held in trust or from funds provided by the federal government pursuant to the federal CARES Act, public law 116-136, pursuant to section 9012 of the American Rescue Plan Act of 2021, or pursuant to any other applicable federal law, shall not result in a liability for the employer but shall be regarded as State liability relief to the employer and shall be paid from the unemployment compensation fund. Any reimbursing employer who, prior to the effective date of this act, made payments in lieu of contributions during the public health emergency shall be entitled to a reimbursement from the unemployment compensation fund of all of those payments in lieu of contributions made during this period, 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.

A5691 GREENWALD, MURPHY

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

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

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

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3. This act shall take effect immediately.

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STATEMENT

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

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