

[First Reprint]

SENATE, No. 3065

STATE OF NEW JERSEY

213th LEGISLATURE

INTRODUCED NOVEMBER 23, 2009

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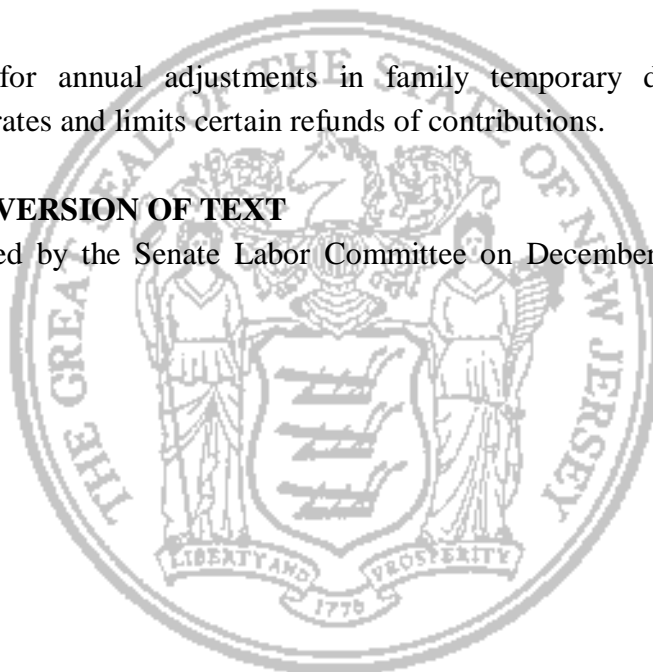
Senator Turner and Assemblywoman Greenstein

SYNOPSIS

Provides for annual adjustments in family temporary disability leave contribution rates and limits certain refunds of contributions.

CURRENT VERSION OF TEXT

As reported by the Senate Labor Committee on December 7, 2009, with amendments.



(Sponsorship Updated As Of: 1/12/2010)

1 AN ACT concerning contributions for family temporary disability
2 leave and amending R.S.43:21-7.

3

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

6

7 ¹ R.S.43:21-7 **[as]** ¹ amended to read as follows:

8 43:21-7. Contributions.¹ Employers other than governmental
9 entities, whose benefit financing provisions are set forth in section 4
10 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
11 liable for payment in lieu of contributions on the basis set forth in
12 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the
13 controller for the unemployment compensation fund, contributions
14 as set forth in subsections (a), (b) and (c) hereof, and the provisions
15 of subsections (d) and (e) shall be applicable to all employers,
16 consistent with the provisions of the "unemployment compensation
17 law" and the "Temporary Disability Benefits Law," P.L.1948, c.110
18 (C.43:21-25 et al.).

19 (a) Payment.

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

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

32 (b) Rate of contributions. Each employer shall pay the
33 following contributions:

34 (1) For the calendar year 1947, and each calendar year
35 thereafter, 2 7/10% of wages paid by him during each such calendar
36 year, except as otherwise prescribed by subsection (c) of this
37 section.

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SLA committee amendments adopted December 7, 2009.

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

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

32 (c) Future rates based on benefit experience.

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

1 years shall be charged against the account or accounts of the
2 employer or employers in whose employment such individual
3 established base weeks constituting the basis of such benefits,
4 except that, with respect to benefit years commencing after January
5 4, 1998, an employer's account shall not be charged for benefits
6 paid to a claimant if the claimant's employment by that employer
7 was ended in any way which, pursuant to subsection (a), (b), (c),
8 (f), (g) or (h) of R.S.43:21-5, would have disqualified the claimant
9 for benefits if the claimant had applied for benefits at the time when
10 that employment ended. Benefits paid under a given benefit
11 determination shall be charged against the account of the employer
12 to whom such determination relates. When each benefit payment is
13 made, either a copy of the benefit check or other form of
14 notification shall be promptly sent to the employer against whose
15 account the benefits are to be charged. Such copy or notification
16 shall identify the employer against whose account the amount of
17 such payment is being charged, shall show at least the name and
18 social security account number of the claimant and shall specify the
19 period of unemployment to which said check applies.

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

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

29 (3) No employer's rate shall be lower than 5.4% unless
30 assignment of such lower rate is consistent with the conditions
31 applicable to additional credit allowance for such year under section
32 3303(a)(1) of the Internal Revenue Code of 1986 (26
33 U.S.C.s.3303(a)(1)), any other provision of this section to the
34 contrary notwithstanding.

35 (4) Employer Reserve Ratio. (A) Each employer's rate shall be
36 $2 \frac{8}{10}\%$, except as otherwise provided in the following provisions.
37 No employer's rate for the 12 months commencing July 1 of any
38 calendar year shall be other than $2 \frac{8}{10}\%$, unless as of the
39 preceding January 31 such employer shall have paid contributions
40 with respect to wages paid in each of the three calendar years
41 immediately preceding such year, in which case such employer's
42 rate for the 12 months commencing July 1 of any calendar year
43 shall be determined on the basis of his record up to the beginning of
44 such calendar year. If, at the beginning of such calendar year, the
45 total of all his contributions, paid on his own behalf, for all past
46 years exceeds the total benefits charged to his account for all such
47 years, his contribution rate shall be:

- 1 (1) 2 5/10%, if such excess equals or exceeds 4%, but less than
2 5%, of his average annual payroll (as defined in paragraph (2),
3 subsection (a) of R.S.43:21-19);
- 4 (2) 2 2/10%, if such excess equals or exceeds 5%, but is less
5 than 6%, of his average annual payroll;
- 6 (3) 1 9/10%, if such excess equals or exceeds 6%, but is less
7 than 7%, of his average annual payroll;
- 8 (4) 1 6/10%, if such excess equals or exceeds 7%, but is less
9 than 8%, of his average annual payroll;
- 10 (5) 1 3/10%, if such excess equals or exceeds 8%, but is less
11 than 9%, of his average annual payroll;
- 12 (6) 1%, if such excess equals or exceeds 9%, but is less than
13 10%, of his average annual payroll;
- 14 (7) 7/10 of 1%, if such excess equals or exceeds 10%, but is less
15 than 11%, of his average annual payroll;
- 16 (8) 4/10 of 1%, if such excess equals or exceeds 11% of his
17 average annual payroll.
- 18 (B) If the total of an employer's contributions, paid on his own
19 behalf, for all past periods for the purposes of this paragraph (4), is
20 less than the total benefits charged against his account during the
21 same period, his rate shall be:
- 22 (1) 4%, if such excess is less than 10% of his average annual
23 payroll;
- 24 (2) 4 3/10%, if such excess equals or exceeds 10%, but is less
25 than 20%, of his average annual payroll;
- 26 (3) 4 6/10%, if such excess equals or exceeds 20% of his
27 average annual payroll.
- 28 (C) Specially assigned rates.
- 29 (i) If no contributions were paid on wages for employment in
30 any calendar year used in determining the average annual payroll of
31 an employer eligible for an assigned rate under this paragraph (4),
32 the employer's rate shall be specially assigned as follows:
- 33 if the reserve balance in its account is positive, its assigned rate
34 shall be the highest rate in effect for positive balance accounts for
35 that period, or 5.4%, whichever is higher, and
- 36 if the reserve balance in its account is negative, its assigned rate
37 shall be the highest rate in effect for deficit accounts for that period.
- 38 (ii) If, following the purchase of a corporation with little or no
39 activity, known as a corporate shell, the resulting employing unit
40 operates a new or different business activity, the employing unit
41 shall be assigned a new employer rate.
- 42 (iii) Entities operating under common ownership, management or
43 control, when the operation of the entities is not identifiable,
44 distinguishable and severable, shall be considered a single employer
45 for the purposes of this chapter (R.S.43:21-1 et seq.).
- 46 (D) The contribution rates prescribed by subparagraphs (A) and
47 (B) of this paragraph (4) shall be increased or decreased in

1 accordance with the provisions of paragraph (5) of this subsection
2 (c) for experience rating periods through June 30, 1986.

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

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

41 (B) If on March 31 of any calendar year the balance in the
42 unemployment trust fund equals or exceeds 10% but is less than $12\frac{1}{2}\%$
43 of the total taxable wages reported to the controller as of that
44 date in respect to employment during the preceding calendar year,
45 the contribution rate, effective July 1 following, of each employer
46 eligible for a contribution rate calculation based upon benefit
47 experience, shall be reduced by $\frac{3}{10}$ of 1% under the contribution
48 rate otherwise established under the provisions of paragraphs (3)

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

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

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

29 (E) (i) (Deleted by amendment, P.L.1997, c.263).

30 (ii) (Deleted by amendment, P.L.2001, c.152).

31 (iii) (Deleted by amendment, P.L.2003, c.107).

32 (iv) (Deleted by amendment, P.L.2004, c.45).

33 (v) (Deleted by amendment, P.L.2008, c.17).

34 (vi) With respect to experience rating years beginning on or after
35 July 1, 2004, the new employer rate or the unemployment
36 experience rate of an employer under this section shall be the rate
37 which appears in the column headed by the Unemployment Trust
38 Fund Reserve Ratio as of the applicable calculation date and on the
39 line with the Employer Reserve Ratio, as defined in paragraph **[4]**
40 **(4)** of this subsection (R.S.43:21-7 (c)(4)), as set forth in the
41 following table:

EXPERIENCE RATING TAX TABLE					
Fund Reserve Ratio ¹					
	1.40%	1.00%	0.75%	0.50%	0.49%
Employer	and	to	to	to	and
Reserve	Over	1.39%	0.99%	0.74%	Under
Ratio ²	A	B	C	D	E
Positive Reserve Ratio:					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
Deficit Reserve Ratio:					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

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

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

(F) (i) (Deleted by amendment, P.L.1997, c.263).

(ii) (Deleted by amendment, P.L.2008, c.17).

(iii) With respect to experience rating years beginning on or after July 1, 2004, if the fund reserve ratio, based on the fund balance as

1 of the prior March 31, is less than 0.50%, the contribution rate for
2 each employer liable to pay contributions, as computed under
3 subparagraph (E) of this paragraph (5), shall be increased by a
4 factor of 10% computed to the nearest multiple of 1/10% if not
5 already a multiple thereof.

6 (G) On or after January 1, 1993, notwithstanding any other
7 provisions of this paragraph (5), the contribution rate for each
8 employer liable to pay contributions, as computed under
9 subparagraph (E) of this paragraph (5), shall be decreased by 0.1%,
10 except that, during any experience rating year starting before
11 January 1, 1998 in which the fund reserve ratio is equal to or greater
12 than 7.00% or during any experience rating year starting on or after
13 January 1, 1998, in which the fund reserve ratio is equal to or
14 greater than 3.5%, there shall be no decrease pursuant to this
15 subparagraph (G) in the contribution of any employer who has a
16 deficit reserve ratio of negative 35.00% or under.

17 (H) On and after January 1, 1998 until December 31, 2000 and
18 on or after January 1, 2002 until June 30, 2006, the contribution rate
19 for each employer liable to pay contributions, as computed under
20 subparagraph (E) of this paragraph (5), shall be decreased by a
21 factor, as set out below, computed to the nearest multiple of 1/10%,
22 except that, if an employer has a deficit reserve ratio of negative
23 35.0% or under, the employer's rate of contribution shall not be
24 reduced pursuant to this subparagraph (H) to less than 5.4%:

25 From January 1, 1998 until December 31, 1998, a factor of 12%;
26 From January 1, 1999 until December 31, 1999, a factor of 10%;
27 From January 1, 2000 until December 31, 2000, a factor of 7%;
28 From January 1, 2002 until March 31, 2002, a factor of 36%;
29 From April 1, 2002 until June 30, 2002, a factor of 85%;
30 From July 1, 2002 until June 30, 2003, a factor of 15%;
31 From July 1, 2003 until June 30, 2004, a factor of 15%;
32 From July 1, 2004 until June 30, 2005, a factor of 7%;
33 From July 1, 2005 until December 31, 2005, a factor of 16%; and
34 From January 1, 2006 until June 30, 2006, a factor of 34%.

35 The amount of the reduction in the employer contributions
36 stipulated by this subparagraph (H) shall be in addition to the
37 amount of the reduction in the employer contributions stipulated by
38 subparagraph (G) of this paragraph (5), except that the rate of
39 contribution of an employer who has a deficit reserve ratio of
40 negative 35.0% or under shall not be reduced pursuant to this
41 subparagraph (H) to less than 5.4% and the rate of contribution of
42 any other employer shall not be reduced to less than 0.0%.

43 (I) (Deleted by amendment, P.L.2008, c.17).

44 (J) On or after July 1, 2001, notwithstanding any other
45 provisions of this paragraph (5), the contribution rate for each
46 employer liable to pay contributions, as computed under
47 subparagraph (E) of this paragraph (5), shall be decreased by
48 0.0175%, except that, during any experience rating year starting on

1 or after July 1, 2001, in which the fund reserve ratio is equal to or
2 greater than 3.5%, there shall be no decrease pursuant to this
3 subparagraph (J) in the contribution of any employer who has a
4 deficit reserve ratio of negative 35.00% or under. The amount of the
5 reduction in the employer contributions stipulated by this
6 subparagraph (J) shall be in addition to the amount of the reduction
7 in the employer contributions stipulated by subparagraphs (G) and
8 (H) of this paragraph (5), except that the rate of contribution of an
9 employer who has a deficit reserve ratio of negative 35.0% or under
10 shall not be reduced pursuant to this subparagraph (J) to less than
11 5.4% and the rate of contribution of any other employer shall not be
12 reduced to less than 0.0%.

13 ¹(K) With respect to experience rating years beginning on or
14 after July 1, 2009, if the fund reserve ratio, based on the fund
15 balance as of the prior March 31, is:

16 (1) Equal to or greater than 5.00% but less than 7.5%, the
17 contribution rate for each employer liable to pay contributions, as
18 computed under subparagraph (E) of this paragraph (5), shall be
19 reduced by a factor of 25% computed to the nearest multiple of
20 1/10% if not already a multiple thereof except that there shall be no
21 decrease pursuant to this subparagraph (K) in the contribution of
22 any employer who has a deficit reserve ratio of 35.00% or under.

23 (2) Equal to or greater than 7.5% but less than 10.0%, the
24 contribution rate for each employer liable to pay contributions, as
25 computed under subparagraph (E) of this paragraph (5), shall be
26 reduced by a factor of 50% computed to the nearest multiple of
27 1/10% if not already a multiple thereof except that there shall be no
28 decrease pursuant to this subparagraph (K) in the contribution of
29 any employer who has a deficit reserve ratio of 35.00% or under.¹

30 (6) Additional contributions.

31 Notwithstanding any other provision of law, any employer who
32 has been assigned a contribution rate pursuant to subsection (c) of
33 this section for the year commencing July 1, 1948, and for any year
34 commencing July 1 thereafter, may voluntarily make payment of
35 additional contributions, and upon such payment shall receive a
36 recomputation of the experience rate applicable to such employer,
37 including in the calculation the additional contribution so made,
38 except that, following a transfer as described under R.S.43:21-
39 7(c)(7)(D), neither the predecessor nor successor in interest shall be
40 eligible to make a voluntary payment of additional contributions
41 during the year the transfer occurs and the next full calendar year.
42 Any such additional contribution shall be made during the 30-day
43 period following the date of the mailing to the employer of the
44 notice of his contribution rate as prescribed in this section, unless,
45 for good cause, the time for payment has been extended by the
46 controller for not to exceed an additional 60 days; provided that in
47 no event may such payments which are made later than 120 days
48 after the beginning of the year for which such rates are effective be

1 considered in determining the experience rate for the year in which
2 the payment is made. Any employer receiving any extended period
3 of time within which to make such additional payment and failing
4 to make such payment timely shall be, in addition to the required
5 amount of additional payment, liable for a penalty of 5% thereof or
6 \$5.00, whichever is greater, not to exceed \$50.00. Any adjustment
7 under this subsection shall be made only in the form of credits
8 against accrued or future contributions.

9 (7) Transfers.

10 (A) Upon the transfer of the organization, trade or business, or
11 substantially all the assets of an employer to a successor in interest,
12 whether by merger, consolidation, sale, transfer, descent or
13 otherwise, the controller shall transfer the employment experience
14 of the predecessor employer to the successor in interest, including
15 credit for past years, contributions paid, annual payrolls, benefit
16 charges, et cetera, applicable to such predecessor employer,
17 pursuant to regulation, if it is determined that the employment
18 experience of the predecessor employer with respect to the
19 organization, trade, assets or business which has been transferred
20 may be considered indicative of the future employment experience
21 of the successor in interest. The successor in interest may, within
22 four months of the date of such transfer of the organization, trade,
23 assets or business, or thereafter upon good cause shown, request a
24 reconsideration of the transfer of employment experience of the
25 predecessor employer. The request for reconsideration shall
26 demonstrate, to the satisfaction of the controller, that the
27 employment experience of the predecessor is not indicative of the
28 future employment experience of the successor.

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

47 (C) A transfer of the employment experience in whole or in part
48 having become final, the predecessor employer thereafter shall not

1 be entitled to consideration for an adjusted rate based upon his or its
2 experience or the part thereof, as the case may be, which has thus
3 been transferred. A successor in interest to whom employment
4 experience or a part thereof is transferred pursuant to this
5 subsection shall, as of the date of the transfer of the organization,
6 trade, assets or business, or part thereof, immediately become an
7 employer if not theretofore an employer subject to this chapter
8 (R.S.43:21-1 et seq.).

9 (D) If an employer transfers in whole or in part his or its
10 organization, trade, assets or business to a successor in interest,
11 whether by merger, consolidation, sale, transfer, descent or
12 otherwise and both the employer and successor in interest are at the
13 time of the transfer under common ownership, management or
14 control, then the employment experience attributable to the
15 transferred business shall also be transferred to and combined with
16 the employment experience of the successor in interest. The
17 transfer of the employment experience is mandatory and not subject
18 to appeal or protest.

19 (E) The transfer of part of an employer's employment experience
20 to a successor in interest shall become effective as of the first day of
21 the calendar quarter following the acquisition by the successor in
22 interest. As of the effective date, the successor in interest shall
23 have its employer rate recalculated by merging its existing
24 employment experience, if any, with the employment experience
25 acquired. If the successor in interest is not an employer as of the
26 date of acquisition, it shall be assigned the new employer rate until
27 the effective date of the transfer of employment experience.

28 (F) Upon the transfer in whole or in part of the organization,
29 trade, assets or business to a successor in interest, the employment
30 experience shall not be transferred if the successor in interest is not
31 an employer at the time of the acquisition and the controller finds
32 that the successor in interest acquired the business solely or
33 primarily for the purpose of obtaining a lower rate of contributions.

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

36 (1) (A) For periods after January 1, 1975, each worker shall
37 contribute to the fund 1% of his wages with respect to his
38 employment with an employer, which occurs on and after January
39 1, 1975, after such employer has satisfied the condition set forth in
40 subsection (h) of R.S.43:21-19 with respect to becoming an
41 employer; provided, however, that such contributions shall be at the
42 rate of 1/2 of 1% of wages paid with respect to employment while
43 the worker is in the employ of the State of New Jersey, or any
44 governmental entity or instrumentality which is an employer as
45 defined under R.S.43:21-19(h)(5), or is covered by an approved
46 private plan under the "Temporary Disability Benefits Law" or
47 while the worker is exempt from the provisions of the "Temporary

1 Disability Benefits Law" under section 7 of that law, P.L.1948,
2 c.110 (C.43:21-31).

3 (B) Effective January 1, 1978 there shall be no contributions by
4 workers in the employ of any governmental or nongovernmental
5 employer electing or required to make payments in lieu of
6 contributions unless the employer is covered by the State plan under
7 the "Temporary Disability Benefits Law" (C.43:21-25 et al.), and in
8 that case contributions shall be at the rate of 1/2 of 1%, except that
9 commencing July 1, 1986, workers in the employ of any
10 nongovernmental employer electing or required to make payments
11 in lieu of contributions shall be required to make contributions to
12 the fund at the same rate prescribed for workers of other
13 nongovernmental employers.

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

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

41 (D) Notwithstanding any other provisions of this paragraph (1),
42 during the period starting January 1, 1993 and ending June 30,
43 1994, each worker shall contribute to the unemployment
44 compensation fund 0.5% of wages paid with respect to the worker's
45 employment with a governmental employer electing or required to
46 pay contributions or nongovernmental employer, including a
47 nonprofit organization which is an employer as defined under
48 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of

1 whether that nonprofit organization elects or is required to finance
2 its benefit costs with contributions to the fund or by payments in
3 lieu of contributions, after that employer has satisfied the conditions
4 set forth in subsection (h) of R.S.43:21-19 with respect to becoming
5 an employer. No contributions, however, shall be made by the
6 worker while the worker is covered by an approved private plan
7 under the "Temporary Disability Benefits Law," P.L.1948, c.110
8 (C.43:21-25 et al.) or while the worker is exempt under section 7 of
9 P.L.1948, c.110 (C.43:21-31) or any other provision of that law;
10 provided that the contributions shall be at the rate of 0.50% of
11 wages paid with respect to employment with the State of New
12 Jersey or any other governmental entity or instrumentality electing
13 or required to make payments in lieu of contributions and which is
14 covered by the State plan under the "Temporary Disability Benefits
15 Law," except that, while the worker is exempt from the provisions
16 of the "Temporary Disability Benefits Law" under section 7 of that
17 law, P.L.1948, c.110 (C.43:21-31) or any other provision of that
18 law, or is covered for disability benefits by an approved private plan
19 of the employer, no contributions shall be made to the fund.

20 Each worker shall, starting on January 1, 1996 and ending March
21 31, 1996, contribute to the unemployment compensation fund
22 0.60% of wages paid with respect to the worker's employment with
23 a governmental employer electing or required to pay contributions
24 or nongovernmental employer, including a nonprofit organization
25 which is an employer as defined under paragraph (6) of subsection
26 (h) of R.S.43:21-19, regardless of whether that nonprofit
27 organization elects or is required to finance its benefit costs with
28 contributions to the fund or by payments in lieu of contributions,
29 after that employer has satisfied the conditions set forth in
30 subsection (h) of R.S.43:21-19 with respect to becoming an
31 employer, provided that the contributions shall be at the rate of
32 0.10% of wages paid with respect to employment with the State of
33 New Jersey or any other governmental entity or instrumentality
34 electing or required to make payments in lieu of contributions.

35 Each worker shall, starting on January 1, 1998 and ending
36 December 31, 1998, contribute to the unemployment compensation
37 fund 0.10% of wages paid with respect to the worker's employment
38 with a governmental employer electing or required to pay
39 contributions or nongovernmental employer, including a nonprofit
40 organization which is an employer as defined under paragraph (6)
41 of subsection (h) of R.S.43:21-19, regardless of whether that
42 nonprofit organization elects or is required to finance its benefit
43 costs with contributions to the fund or by payments in lieu of
44 contributions, after that employer has satisfied the conditions set
45 forth in subsection (h) of R.S.43:21-19 with respect to becoming an
46 employer, provided that the contributions shall be at the rate of
47 0.10% of wages paid with respect to employment with the State of

1 New Jersey or any other governmental entity or instrumentality
2 electing or required to make payments in lieu of contributions.

3 Each worker shall, starting on January 1, 1999 until December
4 31, 1999, contribute to the unemployment compensation fund
5 0.15% of wages paid with respect to the worker's employment with
6 a governmental employer electing or required to pay contributions
7 or nongovernmental employer, including a nonprofit organization
8 which is an employer as defined under paragraph (6) of subsection
9 (h) of R.S.43:21-19, regardless of whether that nonprofit
10 organization elects or is required to finance its benefit costs with
11 contributions to the fund or by payments in lieu of contributions,
12 after that employer has satisfied the conditions set forth in
13 subsection (h) of R.S.43:21-19 with respect to becoming an
14 employer, provided that the contributions shall be at the rate of
15 0.10% of wages paid with respect to employment with the State of
16 New Jersey or any other governmental entity or instrumentality
17 electing or required to make payments in lieu of contributions.

18 Each worker shall, starting on January 1, 2000 until December
19 31, 2001, contribute to the unemployment compensation fund
20 0.20% of wages paid with respect to the worker's employment with
21 a governmental employer electing or required to pay contributions
22 or nongovernmental employer, including a nonprofit organization
23 which is an employer as defined under paragraph (6) of subsection
24 (h) of R.S.43:21-19, regardless of whether that nonprofit
25 organization elects or is required to finance its benefit costs with
26 contributions to the fund or by payments in lieu of contributions,
27 after that employer has satisfied the conditions set forth in
28 subsection (h) of R.S.43:21-19 with respect to becoming an
29 employer, provided that the contributions shall be at the rate of
30 0.10% of wages paid with respect to employment with the State of
31 New Jersey or any other governmental entity or instrumentality
32 electing or required to make payments in lieu of contributions.

33 Each worker shall, starting on January 1, 2002 until June 30,
34 2004, contribute to the unemployment compensation fund 0.1825%
35 of wages paid with respect to the worker's employment with a
36 governmental employer electing or required to pay contributions or
37 a nongovernmental employer, including a nonprofit organization
38 which is an employer as defined under paragraph (6) of subsection
39 (h) of R.S.43:21-19, regardless of whether that nonprofit
40 organization elects or is required to finance its benefit costs with
41 contributions to the fund or by payments in lieu of contributions,
42 after that employer has satisfied the conditions set forth in
43 subsection (h) of R.S.43:21-19 with respect to becoming an
44 employer, provided that the contributions shall be at the rate of
45 0.0825% of wages paid with respect to employment with the State
46 of New Jersey or any other governmental entity or instrumentality
47 electing or required to make payments in lieu of contributions.

1 Each worker shall, starting on and after July 1, 2004, contribute
2 to the unemployment compensation fund 0.3825% of wages paid
3 with respect to the worker's employment with a governmental
4 employer electing or required to pay contributions or
5 nongovernmental employer, including a nonprofit organization
6 which is an employer as defined under paragraph (6) of subsection
7 (h) of R.S.43:21-19, regardless of whether that nonprofit
8 organization elects or is required to finance its benefit costs with
9 contributions to the fund or by payments in lieu of contributions,
10 after that employer has satisfied the conditions set forth in
11 subsection (h) of R.S.43:21-19 with respect to becoming an
12 employer, provided that the contributions shall be at the rate of
13 0.0825% of wages paid with respect to employment with the State
14 of New Jersey or any other governmental entity or instrumentality
15 electing or required to make payments in lieu of contributions.

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

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

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

44 (ii) Each worker shall contribute to the State disability benefits
45 fund, in addition to any amount contributed pursuant to
46 subparagraph (i) of this paragraph (1)(G), an amount equal to,
47 during calendar year 2009, 0.09%, and during calendar year 2010
48 **[and each subsequent calendar year,]** 0.12%, of wages paid with

1 respect to the worker's employment with any covered employer,
2 including a governmental employer which is an employer as defined
3 under R.S.43:21-19(h)(5), unless the employer is covered by an
4 approved private disability plan for benefits during periods of
5 family temporary disability leave. The contributions made pursuant
6 to this subparagraph (ii) to the State disability benefits fund shall be
7 deposited into an account of that fund reserved for the payment of
8 benefits during periods of family temporary disability leave as
9 defined in section 3 of the "Temporary Disability Benefits Law,"
10 P.L.1948, c.110 (C.43:21-27) and for the administration of those
11 payments and shall not be used for any other purpose. This account
12 shall be known as the "Family Temporary Disability Leave
13 Account." For calendar year 2011 and each subsequent calendar
14 year, '[the Commissioner of Labor and Workforce Development
15 shall, not later than July 31 of the immediately preceding year,
16 make a determination of]' the annual rate of contribution to be paid
17 by workers pursuant to this subparagraph (ii) '[, which]' shall be
18 the rate '[that the commissioner finds sufficient] necessary' to
19 obtain a total amount of contributions equal to 125% of the benefits
20 '[estimated by the commissioner to be payable] paid' for periods
21 of family temporary disability leave during the 'immediately
22 preceding' calendar year plus 'an amount equal to' 100% of '[the
23 amount estimated by the commissioner to be necessary for]' the
24 cost of administration of the payment of those benefits 'during the
25 immediately preceding calendar year', less the amount '[estimated
26 by the commissioner]' of net assets '[which will remain]
27 remaining' in the account as of December 31 of the immediately
28 preceding year. Necessary administrative costs shall include the
29 cost of an outreach program to inform employees of the availability
30 of the benefits and the cost of issuing the reports required or
31 permitted pursuant to section 13 of P.L.2008, c.17 (C.43:21-39.4).
32 No monies, other than the funds in the "Family Temporary
33 Disability Leave Account," shall be used for the payment of
34 benefits during periods of family temporary disability leave or for
35 the administration of those payments, with the sole exception that,
36 during calendar years 2008 and 2009, a total amount not exceeding
37 \$25 million may be transferred to that account from the revenues
38 received in the State disability benefits fund pursuant to
39 subparagraph (i) of this paragraph (1)(G) and be expended for those
40 payments and their administration, including the administration of
41 the collection of contributions made pursuant to this subparagraph
42 (ii) and any other necessary administrative costs. Any amount
43 transferred to the account pursuant to this subparagraph (ii) shall be
44 repaid during a period beginning not later than January 1, 2011 and
45 ending not later than December 31, 2015. No monies, other than the
46 funds in the "Family Temporary Disability Leave Account," shall
47 be used under any circumstances after December 31, 2009, for the

1 payment of benefits during periods of family temporary disability
2 leave or for the administration of those payments, including for the
3 administration of the collection of contributions made pursuant to
4 this subparagraph (ii).

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

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

7 (C) (Deleted by amendment, P.L.1994, c.112.)

8 (D) (Deleted by amendment, P.L.1994, c.112.)

9 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

10 (ii) (Deleted by amendment, P.L.1996, c.28.)

11 (iii) (Deleted by amendment, P.L.1994, c.112.)

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

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

3 (B) If an employee receives wages from more than one employer
4 during any calendar year, and the sum of his contributions deposited
5 in the "Family Temporary Disability Leave Account" of the State
6 disability benefits fund plus the amount of his contributions, if any,
7 required towards the costs of family temporary disability leave
8 benefits under one or more approved private plans under the
9 provisions of the "Temporary Disability Benefits Law" (C.43:21-25
10 et seq.) and deducted from his wages, exceeds an amount equal to,
11 during calendar year 2009, 0.09% of the "wages" determined in
12 accordance with the provisions of R.S.43:21-7(b)(3), or during
13 calendar year 2010, 0.12% of those wages, or, during calendar year
14 2011 or any subsequent calendar year, the percentage of those
15 wages set by the annual rate of contribution determined by the
16 Commissioner of Labor and Workforce Development pursuant to
17 subparagraph (ii) of paragraph(1)(G) of this subsection (d), the
18 employee shall be entitled to a refund of the excess if he makes a
19 claim to the controller within two years after the end of the calendar
20 year in which the wages are received with respect to which the
21 refund is claimed and establishes his right to the refund. The refund
22 shall be made by the controller from the "Family Temporary
23 Disability Leave Account" of the State disability benefits fund. No
24 interest shall be allowed or paid with respect to any such refund.
25 The controller shall, in accordance with prescribed regulations,
26 determine the portion of the aggregate amount of the refunds made
27 during any calendar year which is applicable to private plans for
28 which deductions were made under section 9 of the "Temporary
29 Disability Benefits Law" (C.43:21-33), with that determination
30 based upon the ratio of the amount of such wages exempt from
31 contributions to the fund, as provided in paragraph (1)(B) of this
32 subsection (d) with respect to coverage under private plans, to the
33 total wages so exempt plus the amount of such wages subject to
34 contributions to the "Family Temporary Disability Leave Account"
35 of the State disability benefits fund, as provided in subparagraph (ii)
36 of paragraph (1)(G) of this subsection (d). The controller shall, in
37 accordance with prescribed regulations, prorate the amount so
38 determined among the applicable private plans in the proportion
39 that the wages covered by each plan bear to the total private plan
40 wages involved in such refunds, and shall assess against and
41 recover from the employer, or the insurer if the insurer has
42 indemnified the employer with respect thereto, the prorated amount.
43 The provisions of R.S.43:21-14 with respect to collection of
44 employer contributions shall apply to such assessments. The
45 amount so recovered by the controller shall be paid into the "Family
46 Temporary Disability Leave Account" of the State disability
47 benefits fund.

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

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

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

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

27 (1) Except as hereinafter provided, each employer shall, in
28 addition to the contributions required by subsections (a), (b), and
29 (c) of this section, contribute 1/2 of 1% of the wages paid by such
30 employer to workers with respect to employment unless he is not a
31 covered employer as defined in section 3 of the "Temporary
32 Disability Benefits Law" (C.43:21-27 (a)), except that the rate for
33 the State of New Jersey shall be 1/10 of 1% for the calendar year
34 1980 and for the first six months of 1981. Prior to July 1, 1981 and
35 prior to July 1 each year thereafter, the controller shall review the
36 experience accumulated in the account of the State of New Jersey
37 and establish a rate for the next following fiscal year which, in
38 combination with worker contributions, will produce sufficient
39 revenue to keep the account in balance; except that the rate so
40 established shall not be less than 1/10 of 1%. Such contributions
41 shall become due and be paid by the employer to the controller for
42 the State disability benefits fund as established by law, in
43 accordance with such regulations as may be prescribed, and shall
44 not be deducted, in whole or in part, from the remuneration of
45 individuals in his employ. In the payment of any contributions, a
46 fractional part of a cent shall be disregarded unless it amounts to
47 \$0.005 or more, in which case it shall be increased to \$0.01.

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

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

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

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

40 (D) Prior to July 1 of each calendar year, the controller shall
41 make a preliminary determination of the rate of contribution for the
42 12 months commencing on such July 1 for each employer subject to
43 the 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
47 benefits fund with respect to employment in the three calendar
48 years immediately preceding such year.

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

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

7 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds
8 $1\frac{1}{4}$ % but is less than $1\frac{1}{2}$ % of his average annual payroll;

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

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

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

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

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

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

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

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

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

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

1 benefits fund on or before January 31 with respect to employment
2 in the preceding calendar year.

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

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

16 (ii) If the percentage determined in accordance with **[paragraph]**
17 subparagraph (E)(1) of this subsection equals or exceeds 3/4 of 1%
18 and is less than 1 1/4 of 1%, the final employer rates shall be the
19 preliminary employer rates.

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

34 (iv) If the amount of the State disability benefits fund determined
35 as provided in **[paragraph]** subparagraph (E)(1) of this subsection
36 is equal to or less than 1/4 of 1%, then the final rate shall be 2/5 of
37 1% in the case of an employer whose preliminary rate is determined
38 as provided in subparagraph (D)(2) hereof, 7/10 of 1% in the case
39 of an employer whose preliminary rate is determined as provided in
40 subparagraph (D)(1) and subparagraph (D)(3) hereof, and 1.1% in
41 the case of an employer whose preliminary rate is determined as
42 provided in subparagraph (D)(4) hereof. Notwithstanding any other
43 provision of law or any determination made by the controller with
44 respect to any 12-month period commencing on July 1, 1970, the
45 final rates for all employers for the period beginning January 1,
46 1971, shall be as set forth herein.

47 (F) Notwithstanding any other provisions of this subsection (e),
48 the rate of contribution paid to the State disability benefits fund by

1 each covered employer as defined in paragraph (1) of subsection (a)
2 of section 3 of P.L.1948, c.110 (C.43:21-27), shall be determined as
3 if:

4 (i) No disability benefits have been paid with respect to periods
5 of family temporary disability leave;

6 (ii) No worker paid any contributions to the State disability
7 benefits fund pursuant to paragraph (1)(G)(ii) of subsection (d) of
8 this section; and

9 (iii) No amounts were transferred from the State disability
10 benefits funds to the "Family Temporary Disability Leave Account"
11 pursuant to paragraph (1)(G)(ii) of subsection (d) of this section.

12 (cf: P.L.2009, c.144)

13

14 2. This act shall take effect immediately.