RULE PROPOSALS

LABOR AND WORKFORCE DEVELOPMENT
INCOME SECURITY

40 N.J.R. 4913(a)

Proposed Amendments: N.J.A.C. 12:15-1.2, 1.3, 1.4 and 1.5

Click here to view Interested Persons Statement

2009 Maximum Weekly Benefit Rates

2009 Taxable Wage Base Under the Unemployment Compensation Law

2009 Contribution Rate of Governmental Entities and Instrumentalities

2009 Base Week

Authorized By: David J. Socolow, Commissioner, Department of Labor and Workforce Development.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2008-300.

A public hearing on the proposed amendments will be held on the following date at the following location:
Thursday, September 25, 2008
10:00 A.M.
New Jersey Department of Labor and Workforce Development
1st Floor Conference Room
Trenton, New Jersey

Please call the Office of Legal and Regulatory Services at (609) 292-2789 if you wish to be included on the list of speakers.

Submit written comments by November 1, 2008 to:
David Fish, Regulatory Officer
Office of Legal and Regulatory Services
New Jersey Department of Labor and Workforce Development
P.O. Box 110 - 13th Floor
Trenton, New Jersey 08625-0110
The agency proposal follows:

Summary

In accordance with the provisions of N.J.S.A. 43:21-1 et seq. (the Unemployment Compensation Law) and N.J.S.A. 43:21-25 et seq. (the Temporary Disability Benefits Law), which require the Commissioner of Labor and Workforce Development to annually establish and promulgate the maximum unemployment insurance and temporary disability insurance benefit rates, the contribution rate for governmental entities, the alternative earnings and base week amounts, and the taxable wage base, the Commissioner is proposing amendments to N.J.A.C. 12:15-1.2 through 1.5 to establish these rates and amounts for 2009.

The proposed amendment to N.J.A.C. 12:15-1.2 establishes the 2009 maximum weekly benefit rate for benefits under the Unemployment Compensation Law and for State Plan benefits under the Temporary Disability Benefits Law.

The proposed amendment to N.J.A.C. 12:15-1.3 establishes the 2009 taxable wage base for the purpose of contributions under the Unemployment Compensation Law in accordance with N.J.S.A. 43:21-7(b)(3).

The proposed amendment to N.J.A.C. 12:15-1.4 establishes the 2009 contribution rate for governmental entities and instrumentalities that elect to pay contributions under the Unemployment Compensation Law.

The proposed amendment to N.J.A.C. 12:15-1.5 establishes the amount of earnings required in 2009 to establish a base week for an individual's claim for unemployment compensation and State Plan temporary disability benefits.

Whereas, in the past, the Department has annually proposed amendments to N.J.A.C. 12:15-1.6, in order to reflect for the given year the new alternate earnings eligibility standard under the Unemployment Compensation and Temporary Disability Benefits Laws, because this standard is computed as 1,000 times the State minimum hourly wage in effect as of October 1 of the preceding year and because, pursuant to P.L. 2005, c. 70, the State minimum hourly wage has not changed since the Department last amended N.J.A.C. 12:15-1.6 in December of 2006 in order to reflect the alternate earnings eligibility standard for 2007, there is no need to propose an amendment to this section at this time.

Because a 60-day comment period has been provided in the notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendments will have a positive social impact. Specifically, the proposed amendment to N.J.A.C. 12:15-1.2 will ensure that payments to unemployment and disability insurance recipients entitled to maximum benefits will increase in line with the upward trend of wages in the State's economy, thus preserving the real purchasing power of the benefits.

The proposed amendment to N.J.A.C. 12:15-1.3 will generate increased revenues for the Unemployment Insurance and Temporary Disability Insurance Trust Funds needed to offset the increased level of benefits for these programs, which are statutorily indexed to the upward trend of wages in the State's economy.

The proposed amendment to N.J.A.C. 12:15-1.4 will maintain the contribution rate for governmental entities and instrumentalities that elect to pay contributions under the Unemployment Compensation Law and will have no social impact on the public.

The proposed amendment to N.J.A.C. 12:15-1.5 will provide for the base week amount to be indexed to increases in the State minimum hourly wage.

Economic Impact

The proposed amendments will have minimal economic impact. Specifically, the proposed amendment to N.J.A.C. 12:15-1.2 will increase the weekly benefit rates received by individuals eligible for the maximum weekly benefit rate under the Unemployment Compensation Law and under the Temporary Disability Benefits Law beginning January 1,
2009, in compliance with statutory provisions, which automatically adjust these benefit rates each year in accordance with changes in the Statewide average weekly wage. The maximum weekly benefit for Unemployment Compensation is computed as 56 and 2/3 percent of the Statewide average weekly wage in the second preceding calendar year. As of January 1, 2009, the maximum weekly benefit will increase from $560.00 to $584.00. The 2009 maximum benefit rate represents a 4.3 percent increase over the current benefit rate.

The maximum weekly benefit for State Plan Temporary Disability is computed as 53 percent of the Statewide average weekly wage in the second preceding calendar year. As of January 1, 2009, the maximum weekly benefit will increase from $524.00 to $546.00. The 2009 maximum benefit rate represents a 4.2 percent increase over the current benefit rate.

The proposed amendment to N.J.A.C. 12:15-1.3 will increase from $27,700 to $28,900 the wages of an individual employee of an employer that are subject to contributions under the Unemployment Compensation Law, beginning January 1, 2009. The taxable wage base is computed as 28 times the Statewide average weekly wage in the second preceding calendar year. The taxable wage base represents a 4.3 percent increase over the current wage base.

The proposed amendments to N.J.A.C. 12:15-1.4 and 12:15-1.5 would simply change all calendar year 2008 references within these sections to calendar year 2009. The governmental entities contribution rate and base week amount listed in each of these sections, respectively, would remain unchanged from what they were in calendar year 2008 and, therefore, the amendments would have no economic impact.

Federal Standards Statement

The proposed amendments do not contain any standards or requirements which exceed standards or requirements imposed by Federal Law. The proposed amendments affect benefit and contribution levels under the Unemployment Compensation and Temporary Disability Benefits Laws. As a result, an explanation or analysis of the proposed amendments pursuant to Executive Order No. 27 (1994) is not required.

Jobs Impact Statement

The proposed amendments will have no impact on jobs in New Jersey. The Department does not anticipate an increase or decrease in jobs as a result of these amendments.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Statement

The proposed amendments do not impose any reporting, recordkeeping or compliance requirements on small businesses as that term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments affect benefit and contribution levels under the Unemployment Compensation and Temporary Disability Benefits Laws. Thus, a regulatory flexibility analysis is not required.

Smart Growth Impact

The proposed amendments will not have any impact on the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact

The proposed amendments would not evoke a change in the average costs associated with housing. The basis for this finding is that the proposed amendments have nothing whatsoever to do with housing.

Smart Growth Development Impact

The proposed amendments would not evoke a change in the housing production within Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The basis for this finding is that the proposed amendments have nothing whatsoever to do with housing production, either within Planning Areas 1 or 2, within designated centers, or anywhere in the State of New Jersey.
Full text of the proposed amendments follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

12:15-1.2 Maximum weekly benefit rates

(a) In accordance with the provisions of the Unemployment Compensation Law, N.J.S.A. 43:21-1 et seq., the maximum weekly benefit rate under the Unemployment Compensation Law is hereby promulgated as being $560.00 $584.00 per week.

(b) The maximum weekly benefit rate for State Plan benefits under the Temporary Disability Benefits Law is hereby promulgated as being $524.00 $546.00 per week.

(c) These maximum benefits shall be effective for the calendar year 2008 2009 on unemployment compensation benefit years and periods of disability commencing on or after January 1, 2009.

12:15-1.3 Taxable wage base under the Unemployment Compensation Law

In accordance with the provisions of N.J.S.A. 43:21-7(b)(3), the "wages" of any individual with respect to any one employer for the purpose of contributions under the Unemployment Compensation Law shall include the first $27,700 $28,900 during the calendar year 2008 2009.

12:15-1.4 Contribution rate of governmental entities and instrumentalities

(a) (No change.)

(b) This contribution rate shall be effective on taxable wages paid in the calendar year 2008 2009.

12:15-1.5 Base week

In accordance with the provisions of N.J.S.A. 43:21-19(c)(1) and (t)(3) and N.J.S.A. 43:21-27(h)(4), the base week amount is hereby promulgated as being $143.00 per week for calendar year 2009.