

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4047

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably Assembly Bill No. 4047.

This bill amends the State law regarding unemployment insurance (UI) to:

1. Add any disabled, unmarried adult child of a UI benefit claimant, whose disability began before the age of 22, to the dependents counted for the purpose of calculating weekly UI benefit amounts.

2. Provide that an individual otherwise eligible for UI benefits is not deemed ineligible for the benefits solely because the individual is a student in full-time attendance, or on vacation from, at an educational institution, so long as the individual remains available for work, eliminating the current benefit eligibility requirement for the individual to have earned sufficient wages while enrolled in full-time in education.

3. Shift the current provisions of the UI law that permit the payment of UI benefits to a claimant who is a participant in a department-approved training program from being an exception to the disqualification from benefits when enrolled in full-time education to being a circumstance under which a claimant is eligible, and specify that the claimant's participation in the program is required to be in accordance with the provisions of paragraph (4) of subsection (c) of R.S.43:21-4, which states that a claimant is not disqualified for benefits for failing or refusing to accept work while attending the program.

4. Permit a claimant to request that the department make its notification of its initial determination of the benefit claim by electronic means.

5. Provide that the current requirement that benefits paid pending an appeal be paid according to the initial determination applies only to the period before the appeal tribunal makes a decision regarding the appeal and provide that the benefits then will be paid according to the decision of the appeal tribunal, pending any appeal of the appeal tribunal decision made to the board of review.

6. Remove the requirement in the current law that in cases where an appeal made by an employer of a charge to its UI tax account results in a reduction of benefits to a claimant, any overpayment of

benefits paid before the resolution of the appeal is charged to the employer's UI tax account.

7. Require the Department of Labor and Workforce Development to develop a mechanism for claimants to have electronic access to their own benefit payment status and history.

8. Remove the provision of current law that a claimant is not required to repay any of an overpayment of UI benefits if the overpayment is not caused by a knowing, fraudulent nondisclosure or misrepresentation by the claimant or representative of the claimant, and is not required to repay more than 50 percent of the overpayment if it was made because of both claimant error and department error or employer error or nondisclosure, but without knowing, fraudulent nondisclosure or misrepresentation by the claimant. Instead, the bill provides that if a claimant requests a waiver of the repayment, the department is required to provide a full waiver repayment if the claimant did not withhold or misrepresent any material fact to obtain benefits and the overpayment is due to an error of the department or an error of the employer or failure of the employers to provide information, or also if the claimant has died or become disabled, or recovery is determined to be contrary to equity and good conscience. The bill also requires the department to provide a waiver, even if the claimant makes no request, for an overpayment caused by department error, employer error, or employer failure to provide information, if the department has determined that the claimant did not misrepresent or withhold any material fact to obtain benefits.

9. Provide that the calculation of the claimant's average weekly wage used to determine a claimant's weekly benefit amount is based on wages with all base year employers, not just the wages of the most recent employer before the layoff, but with the total number of base weeks limited to 52. The bill also prevents a base-year employer's UI tax account from being charged for UI benefits paid to a claimant while the claimant continues to work for that employer but is laid off by another base year employer.

10. Remove, in the case of joint State-federal extended UI benefits, the requirement that a claimant who has been disqualified because of misconduct or failure to apply for or accept suitable work not receive benefits until the claimant is reemployed and earns at least four times the claimant's weekly benefit rate, and replace that by providing that the claimant need only complete the period of regular UI disqualification to be eligible for the extended benefits.

The provisions of sections 4 and 6 of the bill apply retroactively back to July 21, 2023. Because all of the provisions of the current law which are removed by section 4 and 6 of the bill were added by P.L.2022, c.120 which went into effect on that date, having those sections apply retroactively to that date would make it as if those provisions had never been allowed to take effect.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill's revisions to unemployment compensation law would increase State expenditures from the unemployment compensation fund by \$14.4 million in the first year and by approximately \$11.5 million in subsequent years.

The OLS finds there are three distinct changes proposed by this bill that will have fiscal impacts: (1) increased benefits for claimants caring for adult dependents with a disability; (2) removing the unemployment insurance overpayment requirement under certain circumstances; and (3) moderation of restrictions on full-time students.