

New Jersey Employers to Get Break on Unemployment Tax Increase

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As the economy continues to rebound slowly, there is a bit of good news for New Jersey employers.

New Jersey businesses will be spared from a sudden and significant increase in the unemployment tax under proposed legislation that increases the tax gradually over a period of years.

As reported by [Forbes](#), the Senate Labor Committee approved a bill that would spread the \$750 million tax increase over three years.

“For the business community this bill is very positive and forward-thinking,” said a co-sponsor, Sen. Fred Madden of Turnersville. “It will over the next three years let business owners have predictability.”

The unemployment tax rate is set automatically by how much the fund has in reserve in March of each year. Since the fund is now depleted, and New Jersey is currently borrowing from the federal government to meet its unemployment claims, employers face the maximum tax rate increase possible—about \$177 more per employee—if the Legislature fails to act.

The bill under consideration lowers the amount of the increase to about \$58 more per employee, on average, on July 1, according to the most recent estimate from the Office of Legislative Services, the Legislature’s research arm.

Since this legislation has the potential to dramatically affect the bottom line of many New Jersey employers, we will continue to provide updates.

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About Beth Lincow Cole

The [Law Office of Beth Lincow Cole](#) is committed to helping employers comply with federal and state employment law and avoid potential business-wrecking lawsuits.

If your company needs employee or management training or assistance in drafting, reviewing, or revising its EEOC/discrimination policies, [contact](#) employment law attorney [Beth Lincow Cole](#).