

Alert | Labor & Employment



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New Jersey's Unemployment Compensation Law Changes July 31

Effective July 31, New Jersey's Unemployment Compensation Law (the Law) will require new reporting requirements and feature other notable changes for employers.

Changes to the Law will require employers to submit post-termination notification to the New Jersey Department of Labor & Workforce Development (NJ DOL) (independent from and not triggered by an employee's claim for unemployment benefits). The employer must do this – "immediately and simultaneously" – by electronic means; and must submit the Form BC-10 (Instructions for Claiming Unemployment Benefits) to both the separated employee and the NJ DOL.

Along with Form BC-10, employers must also submit information to the NJ DOL regarding the separated employee to assist with the unemployment insurance eligibility determination (note: the NJ DOL has not yet published a corresponding form for this requirement).

The new submission requirements are not the only changes. The Law also amends the timeline for claim-related items:

The NJ DOL must notify the employer of missing information within seven days of the employee's
unemployment insurance claim or the employer's submission of the required information (whichever
occurs first);



- At the time of filing an unemployment insurance claim, the NJ DOL will send electronic notification to the employer and provide seven days to submit any additional information;
- The NJ DOL will make an initial benefit determination within three weeks of receiving the employee's claim;
- Benefit claimants will have 21 days to appeal an initial NJ DOL determination and seven days to appeal
 a subsequent determination after receiving a written explanation from the NJ DOL); and
- Employers will have seven days after confirmed receipt to appeal an initial determination.

The Law also contains important consequences for non-compliant employers. For example, an employer that fails to timely provide separation information to the NJ DOL may lose the ability to challenge the NJ DOL's determination. In addition, the Law features new penalties and fines. Specifically, an employer that "willfully fails or refuses to furnish any reports or information [to the NJ DOL]" is liable for either a \$500 fine or 25% of the "amount fraudulently withheld." In addition, each day the violation occurs constitutes a separate offense under the Law.

In light of these requirements, employers should update their procedures before the July 31 effective date to ensure compliance with the Law.

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