

## CHAPTER 34

**AN ACT** concerning unemployment compensation benefits and the rollover of certain retirement funds and amending P.L.1980, c.13.

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

1. Section 1 of P.L.1980, c.13 (C.43:21-5a) is amended to read as follows:

C.43:21-5a Reduction by pension amount; rollover, certain; no reduction.

1. The amount of benefits payable to an individual for any week which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or other similar periodic payment which is based on the previous work of such individual shall be reduced, but not below zero, by an amount equal to the amount of such pension, retirement or retired pay, annuity, or other payment, which is reasonably attributable to such week; provided that such reduced weekly benefit rate shall be computed to the next lower multiple of \$1.00 if not already a multiple thereof and that any such reduction in the weekly benefit rate shall reduce the maximum total benefits of the individual during the benefit year; provided further that, if the provisions of the federal Unemployment Tax Act permit, the Commissioner of Labor and Workforce Development may prescribe in regulations which are consistent with the federal Unemployment Tax Act any of the following:

a. The requirements of this section shall only apply in the case of a pension, retirement or retired pay, annuity, or other similar periodic payment under a plan maintained or contributed to by a base period or chargeable employer as determined under the chapter to which this act is a supplement;

b. The amount of any such reduction shall be determined taking into account contributions made by the individual for the pension, retirement or retired pay, annuity or other similar periodic payment;

c. An individual shall not have his benefits reduced where there has been a transfer of an eligible rollover distribution from a qualified trust to an eligible retirement plan, as defined in section 402(c)(8) of the federal Internal Revenue Code of 1986, 26 U.S.C.S.402(c)(8), provided that, pursuant to that section, the transfer of payments is made within 60 days of receipt. If, however, any distribution from the qualified trust is made which is subject to federal income tax, then unemployment benefits for which the base year earnings include pay from the employer who paid into the qualified trust shall be reduced by the amount of the distribution if otherwise required by section 3304(a)(15) of the Internal Revenue Code of 1986, 26 U.S.C.s.3304(a)(15).

The amount of benefits payable to an individual who is involuntarily and permanently separated from employment prior to the date at which the individual may retire with full pension rights shall not be reduced pursuant to this section because the individual receives a lump sum payment in lieu of periodic pension, retirement or annuity payments, except that the benefits payable to the individual may be reduced during the week in which the individual receives the lump sum payment.

2. This act shall take effect immediately.

Approved January 29, 2007.