

Employers Face New Reporting Obligations and Other Changes Under New Jersey Unemployment Compensation Law

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Effective July 31, 2023, <u>pursuant to amendments</u> signed into law by Governor Phil Murphy, several changes will impact employer compliance with the New Jersey Unemployment Compensation law. The increased penalties associated with these changes highlights the importance of ensuring compliance.

First, there will be new reporting obligations upon the separation of an NJ employee. Existing law requires employers to provide separated employees with Form BC-10 (

Instructions for Claiming Unemployment Benefits) immediately upon separation from employment. Beginning July 31, when providing that notice, employers will be required to "simultaneously" electronically send (1) the benefit determination information and (2) a copy of Form BC-10 to the Department of Labor and Workforce Development ("DLWD"). Employers should look for the DLWD to release directions identifying what information employers must provide regarding the benefit determination information, which will include information pertaining to disqualification from eligibility (e.g., unemployment due to resignation or misconduct).

Second, there will be revised deadlines for the unemployment benefits determination process:

Finally, employers failing to comply with these changes will face higher penalties for employer non-compliance from \$100 per day to \$500 per day or 25% of amount fraudulently withheld, whichever is greater. The amendments also expand actionable offenses under the law to now include failure to provide information immediately upon separation from employment.

New Jersey employers should take note of these upcoming obligations and begin taking steps to comply with the reporting and timing obligations.

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