

A CONCURRENT RESOLUTION proposing to amend Article VIII, Section II of the Constitution of the State of New Jersey by adding a new paragraph thereto.

BE IT RESOLVED *by the General Assembly of the State of New Jersey (the Senate concurring):*

1. Amend Article VIII, Section II of the State Constitution by adding thereto a new paragraph to read as follows:

PROPOSED AMENDMENT

8. No contributions from employers, other than the State, or from employees of those employers, collected by the State entirely by means of an assessment exclusively on, or exclusively measured by, the wages or salaries of the employees, and no interest or income derived from any investment of those contributions, shall be used for any purpose other than providing benefits to employees and their families or dependents. No contributions collected by the State entirely by means of an assessment exclusively on, or exclusively measured by, the wages or salaries of the employees of the State, and no interest or income derived from any investment of those contributions, shall be used for any purpose other than providing benefits to employees and their families or dependents, for payments to parties other than the State authorized by employees or through collective bargaining agreements or required by federal law, or for the collection of amounts owed by employees made pursuant to law. All contributions collected by the State from any employer or employee for the unemployment compensation fund or any successor fund or program established to provide for unemployment compensation benefits, and all interest and income derived from any investment of those contributions, shall be dedicated solely to the purpose of providing unemployment compensation benefits. All contributions collected by the State from any employer or employee for the State disability benefits fund or any successor fund or program established to provide temporary disability benefits, and all interest and income derived from any investment of those contributions, shall be dedicated solely to the purpose of providing temporary disability benefits. All contributions collected by the State from any employer or insurer for the Second Injury Fund or any successor fund or program established to provide workers' compensation benefits, and all interest and income derived from any investment of those contributions, shall be dedicated solely to the purpose of providing workers' compensation benefits. All contributions collected by the State from any employer, employee or insurer for any other fund or program established to provide any other benefits for employees, including prospective employees in the case of training and employment programs, and their families or dependents, and all interest and income derived from any investment of those contributions, shall be dedicated solely to the purpose of the

providing those benefits. No part of the contributions, interest or income shall be directly or indirectly transferred, borrowed, appropriated or used for any purpose other than providing benefits pursuant to this paragraph. The requirements and limitations of this paragraph shall not apply to any tax which is levied on personal incomes of individuals, estates and trusts for which, pursuant to the provisions of Article VIII, Section I, paragraph 7 of the Constitution, the entire net receipts therefrom are annually appropriated exclusively for the purpose of reducing or offsetting property taxes.

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question, as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (T) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (T) in the square opposite the word "No."

b. In every municipality the following question:

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| | | <p style="text-align: center;">CONSTITUTIONAL AMENDMENT TO DEDICATE ASSESSMENTS ON WAGES BY THE STATE TO THE PAYMENT OF EMPLOYEE BENEFITS</p> |
| | YES | <p>Shall the amendment to Article VIII, Section II of the State Constitution, agreed to by the Legislature, which: prohibits collection by the State of assessments based solely on employee wages and salaries for any purpose other than providing employee benefits; dedicates all employer and employee contributions collected for any employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund; and prohibits any transferring, borrowing, appropriating or using of those contributions or returns for any other purpose, be approved?</p> |
| | | <p>INTERPRETIVE STATEMENT</p> |
| | NO | <p>This proposed constitutional amendment prohibits the collection by the State of assessments based on employee wages and salaries for any purpose except paying employee benefits (or making other employee-authorized or federally required payments, in the case of the State's own employees), dedicates all contributions made to the unemployment compensation fund, the State disability benefits fund, or any other employee benefit fund, and all returns on investments of those contributions, to the purpose of that fund, and prohibits the use of those contributions or returns for any other purpose. The requirements of this proposed amendment do not apply to the gross income tax, which is exclusively dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.</p> |

SCHEDULE

This constitutional amendment shall take effect on January 1 of the first calendar year following its adoption by the voters.

STATEMENT

This proposed constitutional amendment prohibits the State from collecting contributions from employers or employees by means of assessments on the wages or salaries of the employees for any purpose other than to provide employee benefits, and, if the State is the employer, also to make employee-authorized or federally-required payments to parties other than the State or to collect employee debts pursuant to law.

The proposed amendment dedicates all contributions collected by the State from any employee, employer or insurer for any fund or program established to provide employee benefits, including, but not limited to, the unemployment compensation fund, the State disability benefits fund, and the Second Injury Fund, solely to the purpose providing the benefits for which the program or fund is established. The proposed amendment prohibits the direct or indirect transferring, borrowing, appropriating or using of the contributions for any other purpose.

The proposed amendment also dedicates to the purpose of providing employee benefits all income or interest derived from any investment of contributions to employee benefit funds. It specifies that the contributions may be applied to benefits for any employee or employee families or dependents, not just the specific employee on whose behalf the contributions are made, and that, in the case of training and employment programs, benefits may be provided not only to current or laid off employees, but to prospective employees as well.

The requirements of the proposed amendment would not apply to the gross income tax, which is dedicated by the Constitution to the purpose of reducing or offsetting local property taxes.

Proposes constitutional amendment requiring contributions collected from assessments on wages to be used for employee benefits and prohibiting use of the contributions for any other purpose.