

## Governor Christie Announces \$200 Million Tax Break for New Jersey Employers

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### Unemployment Insurance Trust Fund's Anti-Fraud Measures Bring Fund Balance to \$1 Billion

Trenton, NJ – Highlighting New Jersey's successful Unemployment Insurance Trust Fund anti-fraud initiatives, Governor Chris Christie today announced the Trust Fund has a positive balance of \$1 billion and that the reforms and responsible management of the fund by the Christie Administration has triggered a \$200 million tax break for New Jersey employers.

"At its peak, a \$2.1 billion deficit existed in New Jersey's Unemployment Insurance Trust Fund, due to irresponsible diversions made by previous administrations and a severe recession that forced the State to borrow federal funds to make benefit payments to out-of-work New Jerseyans," said Governor Christie. "Working with the Legislature, we were able to reduce annual increases to save employers \$1 billion in potential State taxes and instituted several anti-fraud reforms that have prevented hundreds of millions of dollars from being improperly diverted from the Trust Fund. Today, the Trust Fund is now at full solvency, a move that will benefit New Jersey businesses in the long run because it is successful private sector companies – not the government – that will grow our economy and create jobs."

New Jersey's Department of Labor and Workforce Development currently uses a number of anti-fraud tools to protect the Unemployment Insurance Trust Fund, including:

- **The National Directory of New Hires**, which provides checks against the New Jersey unemployment rosters. More than half-a-million individuals have been caught committing fraud through the directory over the last five years, adding nearly \$549.7 million back into the Trust Fund.
- **Foreign IP** software that snares individuals from overseas trying to file fraudulent claims through the Internet. Use of the \$1,600 software has saved the fund more than \$100 million.
- **Identity Proofing**, which requires individuals filing claims to answer some simple questions to ensure the person filing the claim is who they claim to be. The program has saved the fund \$8.1 million.
- **County Incarceration**, which checks individuals filing claims against county jail rosters to make certain they are not filing from a county jail cell. The initiative has saved the fund \$3.8 million.
- **Treasury Offset**, which seizes any Federal Tax Return being paid out to individuals who took unemployment payments when they should not have received unemployment insurance. This initiative has saved the fund \$95.1 million.
- **Garnishment**, vendors and companies under state contract that are matched to a list of vendors and companies that owes employee taxes to the State. Contract Funding is then withheld from the company saving the fund \$5.6 million.

As a result, nearly \$800 million has been prevented from being improperly diverted from the Unemployment Insurance Trust Fund, moving the fund into a positive balance in 2014 – two years ahead of schedule – and eliminating a \$213 million federal tax hike that New Jersey employers were facing in January 2014 under the Federal Unemployment Insurance Tax Act (FUTA). In addition, New Jersey is the first state in the nation to use the National Directory of New Hires and Identity Proofing as anti-fraud tools.

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"New Jersey is leading the nation when it comes to combating unemployment insurance fraud," said Labor Commissioner Harold J. Wirths. "Using common-sense approaches, we've been able to stop nearly \$700 million from being taken from the Trust Fund and recover more than \$100 million from those who have collected unemployment benefits improperly. These measures will ensure that the Trust Fund remains solvent for years to come."

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