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State of New Jersey  
Department of Labor and Industry  
Division of Planning and Research

# EMPLOYER EXPERIENCE RATING IN UNEMPLOYMENT INSURANCE

(Rate year 1971-1972)

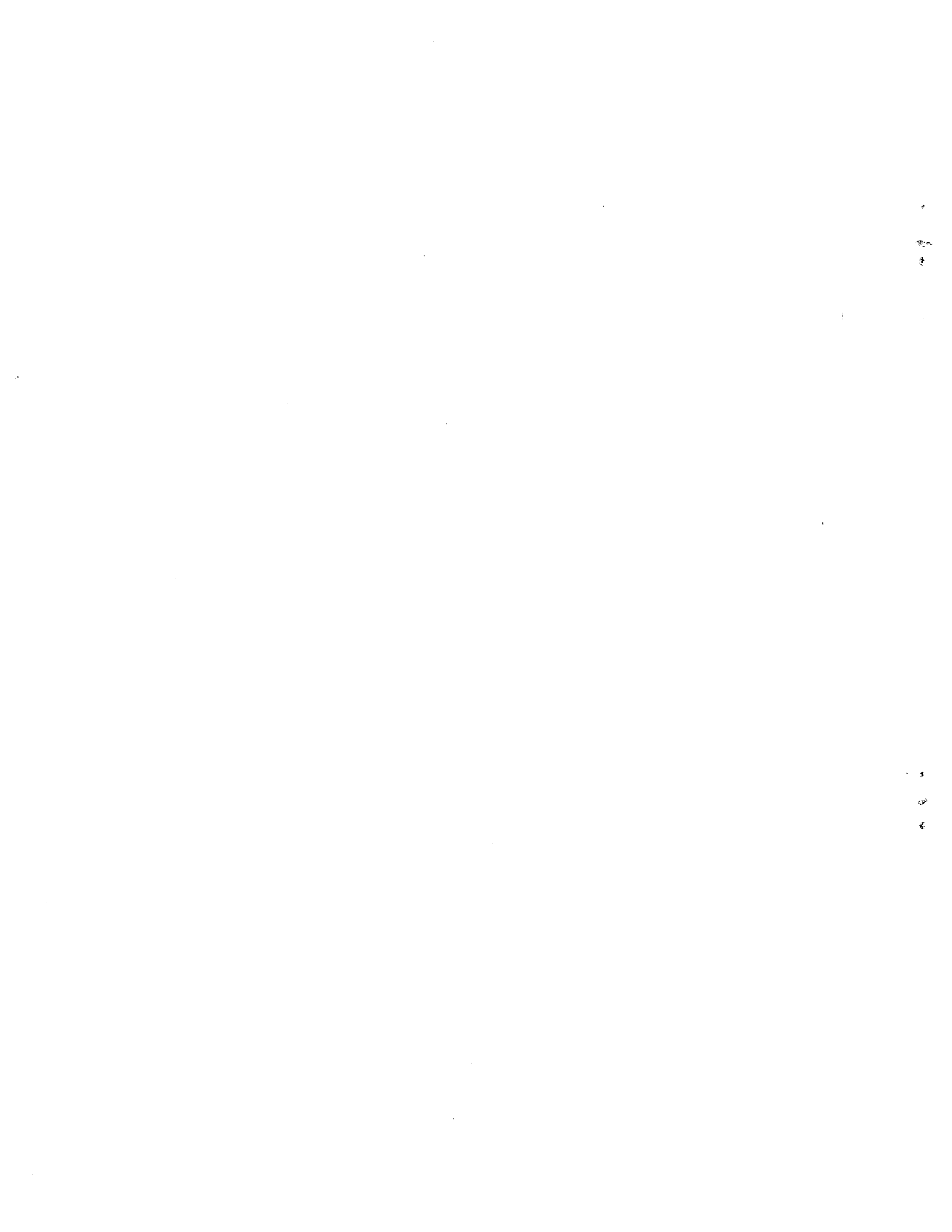
## A Statistical Summary



William T. Cahill, Governor  
Ronald M. Heymann, Commissioner

January 1973

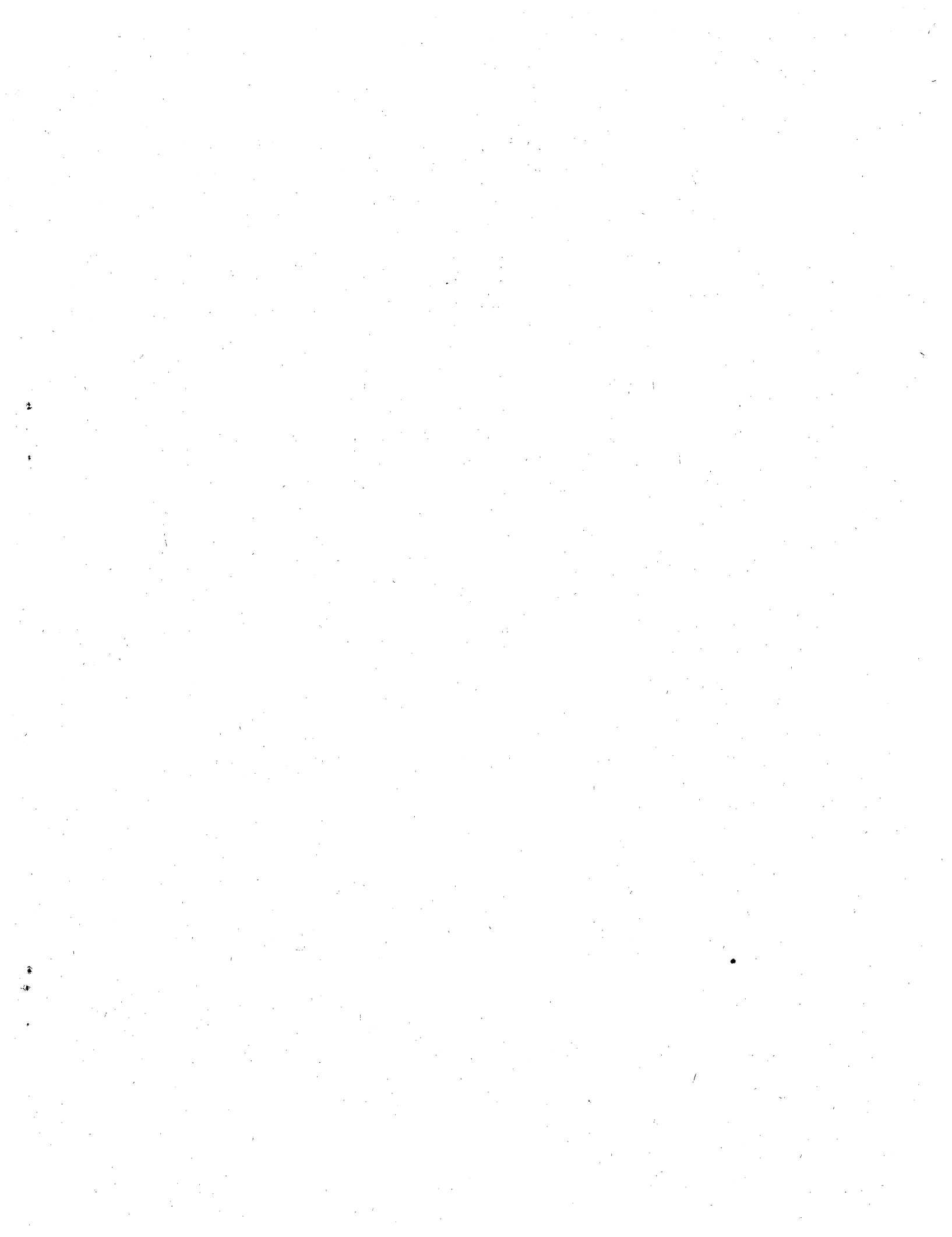
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## FOREWORD

Sharp increases in benefits paid out of the New Jersey Unemployment Compensation Fund during the past two years focus attention on the ability of the State's experience rating system to respond to the need for increased revenue. Analysis of this question presupposes a comprehensive description of the system as it now functions. The 15 tables which follow provide detailed statistics on employers who were assigned contribution rates for the Fiscal Year July, 1971 to June 30, 1972. These rates were based on cumulative experience up to December 31, 1970. "Total Wages" and "Taxable Wages" referred to in the tables are for calendar year 1970. The tables, which are supplemented by an appendix and a glossary of terms, provide an in-depth picture of the experience rating process which should be useful to all who have a technical, administrative, or personal interest in unemployment experience rating.

Arthur J. O'Neal, Director  
Division of Planning and Research  
Department of Labor and Industry

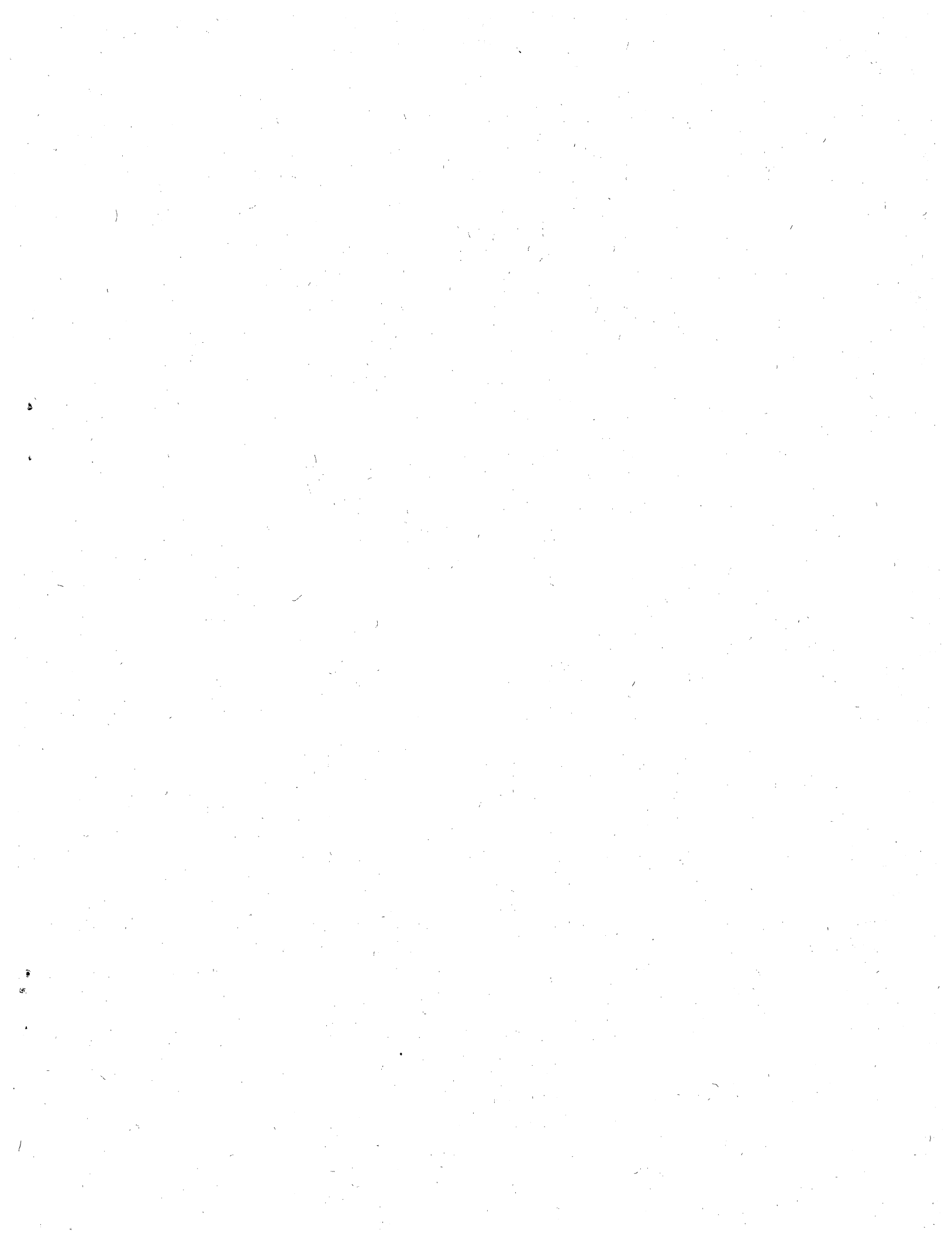


EMPLOYER EXPERIENCE RATING IN UNEMPLOYMENT INSURANCE

— Rate Year 1971-1972 —

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## EMPLOYER EXPERIENCE RATING IN UNEMPLOYMENT INSURANCE

— Rate Year 1971-72 —

### HIGHLIGHTS

Between January 1, 1971 and June 30, 1972 the New Jersey Unemployment Compensation Fund dropped from \$442 million to \$169 million. While cause for concern, the decline is not necessarily cause for alarm. The purpose of reserves is to meet benefit demands, particularly the relatively high demands which accompany recessions. What is of fundamental importance is not so much the dollar value of reserves on hand, but rather the underlying responsive capacity of the financial structure. The responsiveness of New Jersey's unemployment insurance financial structure depends mainly on the operation of its experience rating program. During calendar year 1970, for example, 80 percent of fund income was derived from employer taxes. This report of the status of the New Jersey experience rating system for the rate year 1971-72 should provide a benchmark for analysis of the behavior of the system.

Assignment of contribution rates for the rate year 1971-72 was based on employer experience up to the end of calendar year 1970. During 1970, the fund dropped by \$35 million, the first reserve shrinkage in seven years. The 1970 decline was only a prelude to the recessionary benefit drain of 1971 and 1972.

Several important alterations of the experience rating system have been initiated which affect the rate year 1971-72. The year was the first in which employers with negative reserve balances were assigned variable contribution rates; taxes on overdrawn accounts now range from 4.0 percent to 4.6 percent, instead of the former blanket rate of 4.2 percent. During Fiscal Year 1971-72 a change in the taxable wage base was initiated: effective on January 1, 1972 unemployment insurance contributions were payable on the first \$4,200 of a worker's calendar year wages rather than on the first \$3,600 which was the norm since January 1, 1968.

### HISTORICAL EXPERIENCE (Table 1)

Table 1 provides annual summary data from the Rate Year 1951-1952 to date. The tripling of the number of employer accounts over the twenty-one years covered is illustrative of growth of the program. The increase from 68,000 accounts in 1968-69 to 114,000 in 1969-70 reflects the extension of coverage to small employers (annual payroll of \$1000 or more) which was initiated in calendar year 1969.

The summary picture presented for each year covers those employer accounts which were active on the date the reserve ratios were computed. Thus the accounts in Rate Year 1951-1952 are only coincidentally included among the accounts assigned contribution rates for Rate Year 1971-1972. Each year there are accounts which become inactive and are not assigned tax rates the next year; conversely there are new accounts which were not subject in the prior

year. Thus, the year-to-year trend of reserve balances does not necessarily mirror changes in the balance of reserves in the Fund.

Except for a period of seven years during the decade of the 1960's, the cumulative reserve balances of active employers was positive, reflecting excesses of contributions over benefits. It is to be noted that worker contributions and interest income are not credited to individual employer accounts. Thus, in the aggregate over a period of time, it would seem that cumulative benefit payments should exceed cumulative employer contributions. The key explanatory factor which accounts for overall positive reserve balances in fourteen of the twenty-one years pictured is the fact that establishments going out of business with a heavy benefit impact, pass to inactive status and are not included in the data of ensuing years. Aggregate reserve balances were highest during the early 1950's. High benefit drain during the first seven years of the 1960's resulted in annual net reserve deficits. This was followed by return to a positive balance during the Viet Nam conflict.

Average employer contribution rates, calculated as a weighted (by size of employment) average of rates assigned, range from 1.37 percent to 2.51 percent. The rate for Fiscal Year 1971-1972 was the highest in seven years.

#### EMPLOYER ACCOUNTS AND WAGES DISTRIBUTED BY ASSIGNED TAX RATE (Table 2)

For the rate year 1971-72, only 13 percent of employer accounts, 15 percent of taxable wages, and 13 percent of total wages were in negative reserve status and subject to penalty tax rates. On the other hand, 54 percent of all employer accounts had been subject for less than three years and were taxed at the standard rate of 2.8 percent; these accounts comprised 11 percent of taxable wages and 9 percent of total wages. The high proportion of accounts with insufficient experience to qualify for reduced rates results from the increase in coverage to establishments employing one or more workers, with wages of \$1,000, effective on January 1, 1969. At the end of 1970, when rates were computed for the year 1971-72, new accounts had been covered for only two years. Column (8) of Table 2 shows the aggregate of taxable to total wages in all accounts assigned a contribution rate. It is interesting to note the positive relationship between contribution rate assignment and the taxable to total wage ratio; generally, tax rates increase as the taxable to total wage ratio increases.

#### DISTRIBUTION OF TAX RATES BY INDUSTRIAL CLASSIFICATION (Tables 3 to 8)

Tables 3 through 8 illustrate the wide differences in the distribution of tax rates for different industrial classifications. For example, 57 percent of employer accounts in nonmanufacturing are taxed at the standard rate because of insufficient experience to qualify for rate assignment on the basis of their reserve ratio; the similar figure for manufacturing is only 25 percent. Nearly half of the taxable wages of the apparel manufacturing industry are taxed at the maximum rate of 4.6 percent. Among the industries shown, finance, insurance, and real estate has the lowest average employer contribution rate (1.81 percent), while the apparel industry has the highest (3.86 percent). In manufacturing the average employer contribution rate was 2.43 percent; the average for nonmanufacturing was 2.23 percent.

#### SUMMARY DATA BY INDUSTRY (Table 9)

Table 9 provides summary measures by industry. One such measure which is indicative of the distribution of the tax load is the ratio of taxable to total wages. For example, air transportation (SIC 45) pays taxes on 33 percent of its total wages in contrast to the hotel and lodgings industry (SIC 70) which pays taxes on 77 percent of its total wages. Industry reserve ratios, which gauge the relative reserve position of the industry, range from a high of 14 percent in pipeline transportation (SIC 46) to a low of -158 percent in fisheries (SIC 09).

#### INDUSTRIES WITH OVERALL DEFICITS (Table 10)

There are 17 industries (two-digit SIC codes) which are overdrawn. More than 73 percent of apparel industry accounts (SIC 23) are in the red. The apparel (SIC 23) and construction (SIC 15, 16, 17) industries account for well over half of all deficit account experience.

#### ACCOUNTS WITH INSUFFICIENT EXPERIENCE (Table 11)

Table 11 provides data on the 70,000 employer accounts which have been subject to the New Jersey Unemployment Compensation Law for too short a time to merit assignment of a tax rate based on their experience with insured unemployment. Of these, 65,000 are in nonmanufacturing and only 4,000 in manufacturing (1,000 are unclassified). As of December 31, 1970 only 13 percent of these accounts had more benefits charged than contributions credited.

#### EXPERIENCE RATING BY SIZE OF PAYROLL (Tables 12 to 14)

Tables 12 through 14 indicate that the majority of small employers currently have insufficient experience under the program to be assigned variable rates. On the other hand, only 2.7 percent of employers with taxable payrolls of \$1 million or more have insufficient experience. The largest payroll groups--those with \$1 million or more of taxable wages, were assigned the lowest average contribution rate of any payroll group, 2.08 percent. Table 13 illustrates variations in the distributions of taxable wages by size of payroll. Taxable wages of lower payroll groups tend to cluster at the extremes of the contribution rate distribution; taxable wages of higher payroll groups tend to cluster at the center of the contribution rate distribution, reflecting greater stability among larger employers.

#### DISTRIBUTION OF ACCOUNTS AND WAGES BY RESERVE RATIO (Table 15)

Table 15 shows that there are 5,500 accounts with \$293 million in taxable wages which have negative reserve balances of 35 percent or more of their average payroll. Only 435 accounts with \$2,800,000 in taxable wages have positive reserve ratios of 35 percent or more. Table 15 is of particular value as a reference table to test the hypothetical results of changes in the structure of the experience rating system.

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 1

EXPERIENCE RATING SUMMARY DATA

--- Rate Years 1951-1952 Through 1971-1972 ---

Rate Year (1)	Employer Accounts (2)	Reserve Balance (3)	Reserve Ratio (%) (4)	Average Employer Contribution Rate (5)
1951-1952	43,204	\$162,449,582	5.17	1.37
1952-1953	44,863	177,968,081	5.70	1.53
1953-1954	46,374	192,814,213	5.42	1.50
1954-1955	48,097	201,407,887	5.25	1.47
1955-1956	59,510	157,993,956	4.00	1.58
1956-1957	50,948	142,268,937	3.53	1.60
1957-1958	53,191	124,770,137	3.02	1.87
1958-1959	54,779	90,905,861	2.13	1.92
1959-1960	56,664	7,752,064	0.18	2.10
1960-1961	59,072	-9,986,681	-0.22	2.37
1961-1962	60,680	-21,024,249	-0.48	2.51
1962-1963	62,325	-34,420,534	-0.76	2.43
1963-1964	63,085	-30,680,624	-0.66	2.35
1964-1965	64,054	-39,838,927	-0.84	2.31
1965-1966	64,871	-57,258,479	-1.20	2.30
1966-1967	65,934	-27,377,820	-0.55	2.21
1967-1968	67,532	12,022,674	0.23	2.08
1968-1969	68,355	45,236,782	0.89	2.03
1969-1970	114,364	56,426,296	0.95	2.04
1970-1971	124,697	69,430,000	1.04	2.12
1971-1972	129,585	22,230,000	0.31	2.32

New Jersey Unemployment Insurance Experience Rating Statistics

Table 2

EMPLOYER ACCOUNTS, TAXABLE WAGES, AND TOTAL WAGES  
DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

Contribution Rate (%) (1)	Accounts		Taxable Wages		Total Wages		Ratio (%) of Taxable To Total Wages (8)
	Number (2)	Percent (3)	Amount (\$000) (4)	Percent (5)	Amount (\$000) (6)	Percent (7)	
<u>Regularly Rated</u>							
0.7	14,584	11.2	\$496,706	6.4	\$1,135,243	6.9	43.8
1.0	4,482	3.5	533,268	6.8	1,322,586	8.1	40.3
1.3	4,197	3.2	870,233	11.2	1,984,901	12.1	43.8
1.6	3,708	2.9	990,863	12.7	2,261,138	13.8	43.8
1.9	3,238	2.5	746,407	9.6	1,647,593	10.1	45.3
2.2	2,732	2.1	558,832	7.2	1,152,342	7.0	48.5
2.5	2,145	1.7	562,365	7.2	1,242,979	7.6	45.2
2.8	1,795	1.4	276,510	3.5	552,783	3.4	50.0
3.1	4,586	3.5	699,730	9.0	1,392,628	8.5	50.2
4.0	4,666	3.6	551,241	7.1	1,123,625	6.9	49.1
4.3	2,055	1.6	175,252	2.2	332,702	2.0	52.7
4.6	7,331	5.7	428,889	5.5	668,998	4.1	64.1
<u>Insufficient Experience</u>							
2.8	69,662	53.7	866,803	11.1	1,498,071	9.1	57.9
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	2,366	1.8	18,898	.2	32,978	.2	57.3
Overdrawn (4.6)	2,038	1.6	20,921	.3	29,269	.2	71.5
TOTALS	129,585	100.0	\$7,796,918	100.0	\$16,377,836	100.0	47.6

New Jersey Unemployment Insurance Experience Rating Statistics

Table 3

EMPLOYER ACCOUNTS DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

-- Manufacturing --

Contribution Rate (%) (1)	Total Manufacturing (SIC 20-39) (2)	Food Processing (SIC 20) (3)	Apparel (SIC 23) (4)	Chemicals (SIC 28) (5)	Metals (SIC 34) (6)	Machinery (SIC 35) (7)	Electrical Goods (SIC 36) (8)
<u>Percentage Distributions of Employer Accounts</u>							
<u>Regularly Rated</u>							
0.7	11.8	17.4	2.9	11.2	14.3	19.9	7.8
1.0	4.3	6.2	.9	5.7	5.9	6.8	2.5
1.3	4.7	6.8	.9	7.6	6.3	6.0	3.3
1.6	5.0	6.2	1.1	8.0	6.6	6.3	3.3
1.9	5.0	6.3	1.2	7.2	7.1	5.0	4.3
2.2	4.1	4.2	1.3	6.5	4.7	4.3	4.5
2.5	3.6	4.3	1.5	5.9	4.0	3.0	4.5
2.8	2.6	2.5	1.1	3.7	3.6	2.0	3.1
3.1	7.4	6.4	4.2	10.9	10.1	5.1	11.2
4.0	7.5	4.6	8.3	5.8	7.0	5.1	13.2
4.3	2.9	3.5	4.7	1.3	2.2	1.1	4.1
4.6	12.7	9.7	48.1	2.2	4.2	1.1	7.8
<u>Insufficient Experience</u>							
2.8	25.3	18.5	19.9	22.1	21.4	31.2	27.5
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	1.4	1.6	.6	1.2	1.4	1.8	1.7
Overdrawn (4.6)	1.7	1.8	3.3	.7	1.2	1.3	1.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employer Accounts .....	14,467	876	2,218	900	1,521	1,994	885

New Jersey Unemployment Insurance Experience Rating Statistics

Table 4

TAXABLE WAGES DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

— Manufacturing —

Contribution Rate (%) (1)	Total Manufacturing (SIC 20-39) (2)	Food Processing (SIC 20) (3)	Apparel (SIC 23) (4)	Chemicals (SIC 28) (5)	Metals (SIC 34) (6)	Machinery (SIC 35) (7)	Electrical Goods (SIC 36) (8)
<u>Percentage Distributions of Taxable Wages</u>							
<u>Regularly Rated</u>							
0.7	3.6	4.1	.6	.8	6.7	6.2	.8
1.0	5.7	5.1	.3	15.3	3.6	7.8	.5
1.3	9.7	13.8	2.8	15.9	10.1	15.5	2.3
1.6	13.7	11.6	2.0	17.7	22.8	8.6	19.9
1.9	11.0	21.1	2.7	18.3	11.9	15.0	6.0
2.2	7.7	8.2	1.2	8.8	9.7	5.7	6.8
2.5	10.5	5.8	3.7	4.8	6.6	12.1	31.6
2.8	4.3	2.4	1.2	3.8	4.5	5.7	5.6
3.1	12.1	11.9	5.9	9.2	10.9	13.4	12.0
4.0	8.2	3.8	14.0	2.2	6.0	3.2	6.4
4.3	2.3	3.9	6.5	1.5	2.1	1.2	1.5
4.6	7.0	6.2	49.7	.4	1.4	.3	3.6
<u>Insufficient Experience</u>							
2.8	4.0	1.8	8.9	1.2	3.4	4.9	2.8
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.1	.2	.1	.1	.2	.1	.1
Overdrawn (4.6)	.1	.1	.4	*	.1	.3	.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Taxable Wages (\$000)	\$3,457,180	\$257,989	\$263,529	\$525,386	\$232,908	\$285,412	\$497,480
Average Employer Contribution Rate .....	2.43%	2.27%	3.86%	1.91%	2.15%	2.10%	2.51%

\* Less than .05 percent.

New Jersey Unemployment Insurance Experience Rating Statistics

Table 5

TOTAL WAGES DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

— Manufacturing —

Contribution Rate (%) (1)	Total Manufacturing (SIC 20-39) (2)	Food Processing (SIC 20) (3)	Apparel (SIC 23) (4)	Chemicals (SIC 28) (5)	Metals (SIC 34) (6)	Machinery (SIC 35) (7)	Electrical Goods (SIC 36) (8)
<u>Percentage Distributions of Total Wages</u>							
<u>Regularly Rated</u>							
0.7	3.9	4.1	.8	.9	7.4	7.0	.8
1.0	6.7	6.3	.3	16.9	4.2	8.7	.4
1.3	10.7	15.5	2.9	17.4	11.1	16.5	1.8
1.6	15.5	13.2	1.9	18.4	23.9	9.1	22.6
1.9	11.7	23.9	2.7	19.2	12.4	14.9	5.7
2.2	7.6	7.3	1.2	8.3	9.4	5.7	7.3
2.5	10.9	5.4	3.6	4.4	6.4	12.1	35.3
2.8	4.0	2.0	1.0	3.3	4.2	5.5	4.5
3.1	11.0	10.1	5.7	7.1	9.5	11.9	10.4
4.0	7.9	3.1	27.6	1.5	5.3	2.6	5.1
4.3	1.8	3.1	5.5	1.3	1.8	.9	1.0
4.6	4.7	4.5	39.0	.3	1.0	.2	2.6
<u>Insufficient Experience</u>							
2.8	3.4	1.3	7.4	1.0	3.1	4.6	2.3
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.1	.1	.1	*	.2	.1	.1
Overdrawn (4.6)	.1	.1	.3	*	.1	.2	.1
Total Wages (\$000)	\$7,728,281	\$576,961	\$453,487	\$1,365,113	\$505,635	\$662,129	\$1,163,187

\*Less than .05 percent.

New Jersey Unemployment Insurance Experience Rating Statistics

Table 6

EMPLOYER ACCOUNTS DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

— Nonmanufacturing —

Contribution Rate (%) (1)	Total Non-Manufacturing (2)	Construction (SIC 15-17) (3)	Transportation, Communications, & Utilities (SIC 40-49) (4)	Wholesale & Retail Trade (SIC 50-59) (5)	Finance, Insurance, & Real Estate (SIC 60-67) (6)	Services (SIC 70-89) (7)	Ag., Forestry, Fisheries, & Mining (SIC 01-14) (8)
<u>Percentage Distributions of Employer Accounts</u>							
<u>Regularly Rated</u>							
0.7	11.4	6.7	10.6	13.6	15.2	9.8	4.5
1.0	3.4	1.6	3.9	4.4	3.1	2.9	1.8
1.3	3.1	1.9	4.4	4.0	2.9	2.4	1.3
1.6	2.6	1.8	3.7	3.4	2.1	2.0	1.4
1.9	2.2	1.5	3.9	2.7	1.9	1.7	1.2
2.2	1.9	1.5	3.4	2.2	1.6	1.4	.9
2.5	1.4	1.2	2.2	1.7	1.2	1.2	.8
2.8	1.3	1.1	1.8	1.5	.9	1.1	.8
3.1	3.1	3.5	4.5	3.3	2.8	2.7	1.5
4.0	3.2	5.5	4.1	2.9	2.5	2.4	2.6
4.3	1.4	3.6	1.6	1.1	.8	1.0	1.9
4.6	4.8	14.9	4.1	2.9	1.3	2.8	23.9
<u>Insufficient Experience</u>							
2.8	57.0	46.7	47.9	54.0	60.5	66.6	53.9
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	1.7	3.1	2.3	1.4	2.4	1.2	.9
Overdrawn (4.6)	1.5	5.4	1.6	.9	.8	.8	2.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employer Accounts ...	113,421	16,374	5,594	46,540	9,619	33,557	1,737

New Jersey Unemployment Insurance Experience Rating Statistics

Table 7

TAXABLE WAGES DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

— Nonmanufacturing —

Contribution Rate (%) (1)	Total Non-Manufacturing (2)	Construction (SIC 15-17) (3)	Transportation, Communications, & Utilities (SIC 40-49) (4)	Wholesale & Retail Trade (SIC 50-59) (5)	Finance Insurance, & Real Estate (SIC 60-67) (6)	Services (SIC 70-89) (7)	Ag., Forestr Fisheries, & Mining (SIC 01-14) (8)
<u>Percentage Distributions of Taxable Wages</u>							
<u>Regularly Rated</u>							
0.7	8.6	3.5	12.1	9.4	8.3	8.0	8.3
1.0	7.8	1.8	9.7	6.5	11.4	11.7	3.1
1.3	12.3	4.3	26.5	10.1	25.4	6.3	2.8
1.6	12.0	4.3	6.1	19.6	13.7	6.0	7.8
1.9	8.5	3.9	8.6	10.3	9.3	8.0	4.4
2.2	6.8	4.2	6.2	9.4	5.3	4.7	1.7
2.5	4.6	2.9	6.4	4.7	2.4	5.4	1.5
2.8	2.9	3.0	2.4	3.1	2.4	3.3	2.0
3.1	6.5	8.9	6.4	5.2	4.8	8.5	3.0
4.0	6.2	19.7	4.3	3.2	2.0	5.5	17.4
4.3	2.2	8.6	1.3	.9	.4	1.6	2.4
4.6	4.3	24.4	1.0	2.2	.6	4.8	26.1
<u>Insufficient Experience</u>							
2.8	16.5	18.9	8.7	14.9	13.8	25.2	18.1
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.4	.6	.1	.3	.1	.5	.6
Overdrawn (4.6)	.4	1.0	.2	.2	.1	.5	.8
Taxable Wages (\$000)	100.0 \$4,325,505	100.0 \$612,036	100.0 \$675,001	100.0 \$1,752,752	100.0 \$370,511	100.0 \$877,068	100.0 \$38,137
Average Employer Contribution Rate ...	2.23%	3.18%	1.88%	2.05%	1.81%	2.35%	3.12%

New Jersey Unemployment Insurance Experience Rating Statistics

Table 8

TOTAL WAGES DISTRIBUTED BY 1971-1972 RATE ASSIGNMENT

— Nonmanufacturing —

Contribution Rate (%) (1)	Total Non- Manufacturing (2)	Construction (SIC 15-17) (3)	Transportation, Communications, & Utilities (SIC 40-49) (4)	Wholesale & Retail Trade (SIC 50-59) (5)	Finance Insurance & Real Estate (SIC 60-67) (6)	Services (SIC 70-89) (7)	Ag., Forestry Fisheries, & Mining (SIC 01-14) (8)
<u>Percentage Distributions of Total Wages</u>							
<u>Regularly Rated</u>							
0.7	9.7	4.0	14.8	10.3	8.5	8.5	10.0
1.0	9.3	2.0	10.8	6.7	12.2	17.4	3.0
1.3	13.4	5.8	26.2	10.8	27.6	6.7	3.2
1.6	12.3	4.9	6.3	20.9	12.9	6.1	8.7
1.9	8.7	4.2	9.2	10.2	9.3	8.3	5.1
2.2	6.6	4.5	6.2	9.1	5.1	4.4	1.7
2.5	4.7	3.0	6.3	4.9	2.2	5.1	1.6
2.8	2.8	3.0	2.2	3.0	2.2	3.1	2.2
3.1	6.2	9.0	5.8	5.1	4.7	7.7	3.8
4.0	5.9	19.6	3.9	2.9	1.8	4.8	21.1
4.3	2.2	9.9	1.0	.8	.3	1.4	2.0
4.6	3.6	13.2	.8	1.7	.5	3.4	21.9
<u>Insufficient Experience</u>							
2.8	14.0	15.7	6.3	13.2	12.5	22.2	14.3
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.3	.5	.1	.3	.1	.6	.7
Overdrawn (4.6)	.3	.7	.1	.1	.1	.3	.7
Total Wages (\$000)	100.0 \$8,625,683	100.0 \$1,259,146	100.0 \$1,531,304	100.0 \$3,332,013	100.0 \$769,585	100.0 \$1,662,888	100.0 \$70,747

New Jersey Unemployment Insurance Experience Rating Statistics

Table 9

SUMMARY DATA BY INDUSTRY CLASSIFICATION  
— CUMULATIVE THROUGH 1970 FOR ACCOUNTS ACTIVE IN 1971 —

Industry Classification (1)	Employer Accounts (2)	Taxable Wages 1970 (\$000) (3)	Total Wages 1970 (\$000) (4)	Ratio (%) of Taxable to Total Wages (5)	Cumulative Contributions (\$000) (6)	Cumulative Benefits (\$000) (7)	Cumulative Industry Reserve (\$000) (8)	3-Year Wage Average (\$000) (9)	Industry Reserve Ratio (%) (10)
All Industries	129,585	\$7,796,918	\$16,377,836	47.6	\$2,203,960	\$2,181,730	\$ 22,230	\$7,246,910	.31
Manufacturing	14,467	3,457,180	7,728,281	44.7	1,243,846	1,309,908	- 66,062	3,425,544	- 1.93
Non-manufacturing	113,421	4,325,505	8,625,683	50.1	958,563	870,605	87,958	3,815,756	2.31
Not Classified	1,697	14,233	23,872	59.6	1,551	1,217	334	5,610	5.95
MANUFACTURING									
20 - Food	876	257,989	576,961	44.7	95,139	103,322	- 8,183	254,976	- 3.21
21 - Tobacco	6	1,086	2,456	44.2	2,204	2,767	- 563	1,082	-52.03
22 - Textiles	631	107,469	209,832	51.2	41,585	55,316	- 13,731	104,591	-13.13
23 - Apparel	2,218	263,529	453,487	58.1	111,127	254,565	-143,438	259,362	-55.30
24 - Lumber Prod. ex. Furniture	291	17,682	32,866	53.8	6,993	6,542	451	18,101	2.49
25 - Furniture	434	39,465	72,346	54.6	12,681	12,858	- 177	38,040	- .47
26 - Paper & Allied Products	356	112,811	242,338	46.6	31,558	24,995	6,563	112,059	5.86
27 - Printing & Pub.	1,464	164,204	358,065	45.9	34,949	23,954	10,995	153,275	7.17
28 - Chemicals	900	525,386	1,365,113	38.5	131,301	96,422	34,879	506,204	6.89
29 - Petroleum Refng.	65	43,273	121,726	35.5	16,044	11,819	4,225	42,908	9.85
30 - Rubber & Plastic Products	585	148,632	307,420	48.3	45,978	41,205	4,773	145,764	3.27
31 - Leather Products	158	37,105	62,554	59.3	17,318	23,226	- 5,908	38,626	-15.30
32 - Stone, Clay & Glass	526	175,701	354,619	49.5	57,273	48,414	8,859	174,551	5.08
33 - Primary Metals	351	148,720	337,683	44.0	65,394	56,926	8,468	150,461	5.63
34, 19 - Fabr. Metals & Ordn.	1,529	238,339	515,116	46.3	82,249	71,057	11,192	237,694	4.71
35 - Machinery, ex. Elec.	1,994	285,412	662,129	43.1	79,706	62,153	17,553	281,576	6.23
36 - Electrical Mach.	885	497,480	1,163,187	42.8	208,229	195,461	12,768	503,924	2.53
37 - Transportation Equip.	208	159,210	359,118	44.3	119,853	123,145	- 3,292	167,298	- 1.97
38 - Instruments	301	130,403	341,529	38.2	40,787	35,429	5,358	132,486	4.04
39 - Misc. Manufacturing	689	103,284	189,736	54.4	43,478	60,332	- 16,854	102,566	-16.43

(Continued)

Table 9 continued

Industry Classification (1)	Employer Accounts (2)	Taxable Wages 1970 (\$000) (3)	Total Wages 1970 (\$000) (4)	Ratio (%) of Taxable to Total Wages (5)	Cumulative Contributions (\$000) (6)	Cumulative Benefits (\$000) (7)	Cumulative Industry Reserve (\$000) (8)	3-Year Wage Average (\$000) (9)	Industry Reserve Ratio (%) (10)
NONMANUFACTURING									
01-09 - Agriculture, Forestry and Fishing	1,612	\$ 26,339	\$ 42,658	61.7	\$ 6,671	\$ 15,869	\$- 9,198	\$ 23,020	- 39.96
01 - Farms	144	3,054	5,713	53.5	683	1,084	- 401	2,820	- 14.22
07 - Agric. Services	1,402	22,131	35,172	62.9	5,415	12,532	- 7,117	19,102	- 37.26
08 - Forestry	3	36	63	57.1	4	3	1	34	2.94
09 - Fisheries	63	1,118	1,710	65.4	569	2,250	- 1,681	1,064	-157.99
10-14 - Mining & Quarrying	125	11,798	28,089	42.0	4,222	4,398	- 176	11,402	- 1.54
15-17 - Construction Contr.	16,374	612,036	1,259,146	48.6	180,006	244,039	-64,033	529,772	- 12.09
15 - Bldg. Contracting	4,694	186,797	396,170	47.2	62,210	80,829	-18,619	157,705	- 11.81
16 - Heavy Contracting	1,280	110,347	237,665	46.4	39,923	64,548	-24,625	99,554	- 24.74
17 - Trade Contracting	10,400	314,892	625,311	50.4	77,873	98,662	-20,789	272,513	- 7.63
41-47 - All Transportation	5,191	437,166	954,891	45.8	99,465	81,972	17,493	397,381	4.40
41 - Local Passenger	864	57,078	112,634	50.7	13,825	11,075	2,750	53,736	5.12
42 - Trucking & Warehousing	3,464	261,357	557,330	46.9	53,669	41,827	11,842	230,799	5.13
44 - Water Transportation	245	72,672	164,733	44.1	24,582	23,907	675	70,452	.96
45 - Air Transportation	114	29,127	87,246	33.4	4,340	2,232	2,108	27,592	7.64
46 - Pipeline Transportation	6	453	1,206	37.6	86	25	61	452	13.50
47 - Transportation Services	498	16,479	31,742	51.9	2,963	2,906	57	14,350	.40
48 - Communications	96	138,728	304,298	45.6	25,136	14,628	10,508	121,541	8.65
49 - Utilities & San. Ser.	307	99,107	272,115	36.4	19,741	8,726	11,015	95,932	11.48
50 - Wholesale Trade	9,740	529,708	1,283,915	41.3	120,204	93,054	27,150	471,401	5.76
52-59 - Retail Trade	36,800	1,223,044	2,048,098	59.7	261,680	207,068	54,612	1,078,749	5.06
52 - Bldg. Mat. & Farm Equip.	1,732	49,270	101,476	48.6	11,857	8,699	3,158	44,250	7.14
53 - General Mdse.	1,303	253,053	388,439	65.1	57,984	43,783	14,201	231,585	6.13
54 - Food and Liquor	3,925	232,171	408,920	56.8	48,747	32,035	16,712	211,970	7.88
55 - Automobile, etc.	6,683	169,442	330,469	51.3	31,303	19,392	11,911	149,157	7.98
56 - Apparel	3,385	90,910	146,351	62.1	23,098	21,106	1,992	80,960	2.46
57 - Furniture	2,286	56,040	112,442	49.8	12,312	9,010	3,302	50,708	6.51
58 - Eating & Drinking Places	10,282	243,283	326,004	74.6	51,668	55,316	- 3,648	197,946	- 1.84
59 - Misc. Retail Stores	7,204	128,875	233,997	55.1	24,711	17,727	6,984	112,173	6.23
60-63 - Finance & Ins. Carriers	1,421	261,299	551,582	47.4	48,360	27,411	20,949	243,098	8.62
60 - Banks	178	67,106	121,335	55.3	9,756	5,079	4,677	57,214	8.17
61 - Credit Agencies	621	32,677	63,707	51.3	6,107	3,502	2,605	30,451	8.55
62 - Security Dealers	282	15,967	44,668	35.7	2,115	1,401	714	14,727	4.85
63 - Insurance Carriers	340	145,549	321,872	45.2	30,382	17,429	12,953	140,706	9.21

Table 9 continued

Industry Classification (1)	Employer Accounts (2)	Taxable Wages 1970 (\$000) (3)	Total Wages 1970 (\$000) (4)	Ratio (%) of Taxable to Total Wages (5)	Cumulative Contributions (\$000) (6)	Cumulative Benefits (\$000) (7)	Cumulative Industry Reserve (\$000) (8)	3-Year Wage Average (\$000) (9)	Industry Reserve Ratio (%) (10)
64-67 - Insurance Agencies and Real Estate	8,198	\$109,212	\$ 218,003	50.1	\$ 23,794	\$ 19,459	\$ 4,335	\$ 93,602	4.63
70-79 - Services	18,950	594,024	1,109,924	53.5	132,319	131,240	1,079	526,330	.21
70 - Hotels and Lodging	1,473	58,027	75,040	77.3	17,886	29,776	-11,890	50,558	-23.52
72 - Personal Service	6,996	109,131	160,539	68.0	32,041	26,884	5,157	102,008	5.06
73 - Business Services	4,496	293,132	640,781	45.7	51,592	39,080	12,512	257,901	4.85
75 - Auto Repairs & Garage	2,713	48,827	90,899	53.7	8,432	5,578	2,854	41,612	6.86
76 - Misc. Repair Services	1,427	24,635	52,473	46.9	4,127	3,142	985	21,135	4.66
78 - Motion Pictures	261	11,950	19,207	62.2	3,702	2,961	741	10,601	6.99
79 - Amusements, etc.	1,584	48,322	70,985	68.1	14,539	23,819	- 9,280	42,515	-21.83
80-84									
86-89 - Professional Services	14,572	282,812	552,612	51.2	36,927	22,711	14,216	223,324	6.37
88 - Misc. Non-Manufacturing	35	232	352	65.9	38	30	8	204	3.92

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 10

INDUSTRIES WITH OVERALL DEFICIT RESERVE RATIOS

— Rate Year 1971-1972 —

Industry Classification (1)	Deficit Reserve Ratio (2)	Deficit Accounts		Taxable Wages In Deficit Accounts	
		Number (3)	Percent of Industry (4)	Amount (\$000) (5)	Percent of Industry (6)
<b><u>Manufacturing</u></b>					
20 Food	-3.2	199	22.7	\$37,326	14.5
21 Tobacco	-52.0	4	66.7	464	42.7
22 Textiles	-13.1	314	49.8	42,214	39.3
23 Apparel	-55.3	1,627	73.4	200,105	75.9
25 Furniture	-.5	88	20.3	7,820	19.8
31 Leather Products	-15.3	89	56.3	18,897	50.9
37 Transportation Equip.	-2.0	47	22.6	54,923	34.5
39 Misc. Manufacturing	-16.4	258	37.4	43,203	41.8
<b><u>Non-Manufacturing</u></b>					
01 Farms	-14.2	58	40.3	1,472	48.2
07 Agricultural Ser.	-37.3	672	47.9	11,599	52.4
09 Fisheries	-158.0	38	60.3	795	71.1
15 Building Contract.	-11.8	1,830	39.0	116,044	62.1
16 Heavy Contracting	-24.7	805	62.9	74,271	67.3
17 Trade Contracting	-7.6	3,876	37.3	105,793	33.6
58 Eating & Drinking Pl.	-1.8	2,298	22.3	48,821	20.1
70 Hotels and Lodging	-23.5	648	44.0	29,395	50.7
79 Amusements, Etc.	-21.8	479	30.2	26,104	54.0

New Jersey Unemployment Insurance Experience Rating Statistics

Table 11

EMPLOYER ACCOUNTS WITH INSUFFICIENT EXPERIENCE BY INDUSTRY CLASSIFICATION  
— Rate Year 1971-72 —

Industry Classification (1)	Accounts With Insufficient Experience			Taxable Wages in Accounts With Insufficient Experience			Total Wages in Accounts With Insufficient Experience		
	Number (2)	As % of	% With	Amount (\$000) (5)	As % of	% in Accounts	Amount (\$000) (8)	As % of	% in Accounts
		All Accounts in Industry (3)	Deficit Balances (4)		Taxable Wages in Industry (6)	With Deficit Balances (7)		Total Wages in Industry (9)	With Deficit Balances (10)
All Industries	69,662	53.8	12.5	\$866,803	11.1	17.0	\$1,498,071	9.1	15.1
Manufacturing	3,660	25.3	20.3	138,001	4.0	28.9	265,911	3.4	23.4
Non-manufacturing	64,584	57.0	12.2	715,710	16.5	14.8	1,210,562	14.0	13.4
Not Classified	1,418	83.6	9.2	13,092	92.0	12.9	21,598	90.5	11.5
MANUFACTURING									
20 - Food	162	18.5	16.7	4,717	1.8	30.8	7,761	1.3	29.2
21 - Tobacco	-	-	-	-	-	-	-	-	-
22 - Textiles	136	21.6	29.4	9,344	8.7	39.7	17,465	8.3	34.0
23 - Apparel	441	19.9	45.1	23,579	8.9	59.4	33,767	7.4	54.1
24 - Lumber Products ex. Furniture	75	25.8	13.3	1,137	6.4	9.4	1,776	5.4	7.0
25 - Furniture	120	27.6	15.0	2,562	6.5	20.5	4,014	5.5	16.2
26 - Paper & Allied Products	62	17.4	22.6	4,710	4.2	25.4	8,429	3.5	20.1
27 - Printing & Pub.	548	37.4	10.6	12,292	7.5	9.9	26,646	7.4	9.2
28 - Chemicals	199	22.1	15.6	6,526	1.2	32.7	13,553	1.0	25.9
29 - Petroleum Refng.	13	20.0	23.1	4,334	10.0	2.9	15,355	12.6	2.7
30 - Rubber and Plastic Products	177	30.3	24.3	9,422	6.3	34.6	15,955	5.2	31.2
31 - Leather Products	27	17.1	25.9	987	2.7	39.8	1,626	2.6	34.6
32 - Stone, Clay & Glass	126	24.0	14.3	8,837	5.0	4.4	17,532	4.9	3.4
33 - Primary Metals	64	18.2	14.1	3,364	2.3	10.6	6,974	2.1	7.4
34,19 - Fabr. Metals & Ordn.	326	21.3	15.3	7,905	3.3	17.7	15,641	3.0	14.8
35 - Machinery, ex. Elec.	622	31.2	14.5	14,054	4.9	17.5	30,734	4.6	17.3
36 - Electrical Mach.	243	27.5	27.2	13,909	2.8	42.2	26,822	2.3	38.4
37 - Transportation Equip.	57	27.4	22.8	1,434	.9	13.7	2,560	.7	10.8
38 - Instruments	95	31.6	13.7	4,981	3.8	5.3	12,243	3.6	4.3
39 - Misc. Manufacturing	167	24.2	19.8	3,907	3.8	23.2	7,058	3.7	21.1
NONMANUFACTURING									
01-09 - Agriculture, Forestry, Fishing	900	55.8	28.9	6,436	24.4	31.3	9,228	21.6	28.7
10-14 - Mining & Quarrying	36	28.8	5.6	463	3.9	.9	901	3.2	2.8
15-17 - Construction Contracting	7,645	46.7	22.2	115,911	18.9	24.9	197,865	15.7	23.3
41-47 - Transportation	2,518	48.5	15.7	55,277	12.6	11.8	90,521	9.5	10.8
48-49 - Communications and Utilities	160	39.7	10.6	3,314	1.4	24.3	6,037	1.0	25.0
50-59 - Wholesale Trade & Retail Trade	25,151	54.0	10.5	262,301	14.9	11.3	441,629	13.3	10.0
60-67 - Finance, Insurance & Real Estate	5,821	60.5	7.3	51,129	13.8	10.7	95,967	12.5	10.2
70-89 - Hotels, Amusements & Small Services	22,353	66.6	10.8	220,879	25.2	14.8	368,414	22.2	13.1

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 12

DISTRIBUTION OF EMPLOYER ACCOUNTS BY SIZE OF  
1970 TAXABLE PAYROLL AND 1971-1972 RATE ASSIGNMENT

Contribution Rate (%) (1)	Less Than \$25,000 (2)	\$25,000- 49,999 (3)	\$50,000- 99,000 (4)	\$100,000- 249,999 (5)	\$250,000- 499,999 (6)	\$500,000- 999,999 (7)	\$1,000,000 and over (8)
<u>Percentage Distributions of Employer Accounts</u>							
<u>Regularly Rated</u>							
0.7	11.0	17.5	11.1	6.0	4.2	3.1	2.4
1.0	2.1	8.7	7.8	5.4	4.3	3.8	6.5
1.3	1.4	8.0	8.6	8.4	7.6	8.9	12.0
1.6	1.0	6.6	8.5	8.6	9.2	12.3	15.2
1.9	.8	4.8	7.7	9.4	9.3	11.1	13.5
2.2	.7	4.1	6.4	7.8	8.6	7.7	9.1
2.5	.6	3.1	4.5	5.6	8.3	8.2	7.6
2.8	.5	3.0	3.8	4.7	5.4	5.2	4.7
3.1	1.7	7.0	8.8	10.0	11.1	12.9	11.5
4.0	2.2	6.2	7.4	8.5	10.0	10.9	7.8
4.3	1.2	2.2	2.5	3.4	4.1	3.5	2.7
4.6	5.0	6.8	7.5	9.8	9.9	6.5	4.2
<u>Insufficient Experience</u>							
2.8	67.6	20.5	14.3	11.6	7.6	5.4	2.7
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	2.3	.6	.5	.4	.2	.1	.1
Overdrawn (4.6)	1.9	.9	.6	.4	.2	.4	—
Employer Accounts	100.0 95,448	100.0 14,538	100.0 9,054	100.0 6,378	100.0 2,275	100.0 1,028	100.0 864

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 13

DISTRIBUTION OF TAXABLE WAGES BY SIZE OF  
1970 TAXABLE PAYROLL AND 1971-1972 RATE ASSIGNMENT

Contribution Rate (%) (1)	Less Than \$25,000 (2)	\$25,000- 49,999 (3)	\$50,000- 99,000 (4)	\$100,000- 249,999 (5)	\$250,000- 499,999 (6)	\$500,000- 999,999 (7)	\$1,000,000 and over (8)
<u>Percentage Distributions of Taxable Wages</u>							
<u>Regularly Rated</u>							
0.7	16.7	17.0	10.7	5.7	4.1	3.1	3.2
1.0	4.0	8.7	7.7	5.3	4.2	3.8	8.7
1.3	2.8	8.2	8.6	8.2	7.6	9.1	16.0
1.6	2.0	6.8	8.6	8.6	9.3	12.4	18.7
1.9	1.6	5.0	7.7	9.3	9.3	11.1	12.1
2.2	1.4	4.2	6.6	7.8	8.5	8.0	8.3
2.5	1.2	3.2	4.6	5.6	8.4	8.2	9.6
2.8	1.0	3.0	3.8	4.8	5.5	5.0	3.0
3.1	3.2	7.2	8.9	10.1	11.2	13.0	8.8
4.0	3.8	6.2	7.4	8.9	10.1	10.9	5.8
4.3	1.8	2.2	2.6	3.5	4.1	3.3	1.3
4.6	6.3	6.8	7.7	10.2	9.9	6.5	2.2
<u>Insufficient Experience</u>							
2.8	53.0	20.0	14.0	11.2	7.5	5.1	2.3
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.6	.6	.5	.4	.2	.1	*
Overdrawn (4.6)	.6	.9	.6	.4	.1	.4	—
Taxable Wages (\$000)	100.0 \$735,048	100.0 \$510,764	100.0 \$635,450	100.0 \$985,488	100.0 \$784,579	100.0 \$711,755	100.0 \$3,433,834
Average Employer Contribution Rate ....	2.49%	2.27%	2.39%	2.59%	2.65%	2.55%	2.08%

\*Less than .05 percent

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 14

DISTRIBUTION OF TOTAL WAGES BY SIZE OF  
1970 TAXABLE PAYROLL AND 1971-72 RATE ASSIGNMENT

Contribution Rate (%) (1)	Less Than \$25,000 (2)	\$25,000- 49,999 (3)	\$50,000- 99,000 (4)	\$100,000- 249,999 (5)	\$250,000- 499,999 (6)	\$500,000- 999,999 (7)	\$1,000,000 and over (8)
<u>Percentage Distributions of Total Wages</u>							
<u>Regularly Rated</u>							
0.7	18.6	19.5	12.3	6.7	4.7	3.6	3.7
1.0	4.3	9.2	8.4	5.9	4.7	4.3	10.4
1.3	2.9	8.9	9.2	9.2	8.1	10.2	16.4
1.6	2.1	7.0	9.3	9.7	9.8	13.3	19.2
1.9	1.8	5.1	8.2	10.0	9.4	11.6	12.2
2.2	1.4	4.2	6.8	8.3	8.4	8.4	7.5
2.5	1.2	3.2	4.8	5.8	8.4	8.3	9.8
2.8	1.0	3.0	3.8	4.8	5.1	4.7	2.8
3.1	3.0	7.0	8.7	9.9	10.2	12.6	8.1
4.0	3.5	5.8	6.7	8.0	13.1	9.7	5.5
4.3	3.1	2.0	2.3	3.1	3.5	2.8	1.1
4.6	5.2	5.7	6.1	7.7	7.4	5.4	1.6
<u>Insufficient Experience</u>							
2.8	50.9	18.2	12.5	10.2	6.9	4.7	1.6
<u>Specially Taxed</u>							
Not Overdrawn (3.1)	.5	.6	.5	.4	.2	.1	.1
Overdrawn (4.6)	.5	.6	.4	.3	.1	.3	—
Total Wages (\$000)	100.0 \$1,296,650	100.0 \$979,053	100.0 \$1,261,853	100.0 \$1,952,150	100.0 \$1,610,625	100.0 \$1,412,536	100.0 \$7,864,969

New Jersey Unemployment Insurance  
Experience Rating Statistics

Table 15

REGULARLY RATED EMPLOYER ACCOUNTS, TAXABLE WAGES, AND TOTAL WAGES  
DISTRIBUTED BY 1970 RESERVE RATIOS

Reserve Ratio (1)	Accounts		Taxable Wages (\$000)		Total Wages (\$000)		Ratio (%) of Taxable To Total Wages (8)
	Number (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	
35.0 and over	435	.8	\$2,761	*	\$6,341	*	43.5
34.0 to 34.9	24	*	149	*	362	*	41.2
33.0 to 33.9	37	.1	329	*	918	*	35.8
32.0 to 32.9	41	.1	283	*	644	*	43.9
31.0 to 31.9	47	.1	317	*	628	*	50.5
30.0 to 30.9	48	.1	409	*	882	*	46.4
29.0 to 29.9	64	.1	1,452	*	3,642	*	39.9
28.0 to 28.9	69	.1	601	*	1,263	*	47.6
27.0 to 27.9	79	.1	630	*	1,293	*	48.7
26.0 to 26.9	80	.1	824	*	1,615	*	51.0
25.0 to 25.9	96	.2	961	*	2,039	*	47.1
24.0 to 24.9	118	.2	1,284	*	2,620	*	49.0
23.0 to 23.9	40	.3	1,294	*	2,595	*	49.9
22.0 to 22.9	166	.3	1,756	*	3,468	*	50.6
21.0 to 21.9	208	.4	2,760	*	5,966	*	46.3
20.0 to 20.9	260	.5	2,911	*	5,910	*	49.3
19.0 to 19.9	326	.6	4,350	.1	9,366	.1	46.4
18.0 to 18.9	423	.8	5,781	.1	12,307	.1	47.0
17.0 to 17.9	527	.9	10,598	.2	21,498	.2	49.3
16.0 to 16.9	720	1.3	13,045	.2	28,334	.2	46.0
15.0 to 15.9	897	1.6	19,754	.3	44,519	.3	44.4

\* less than .05 percent

(continued)

Table 15 (continued)

Reserve Ratio (1)	Accounts		Taxable Wages (\$000)		Total Wages (\$000)		Ratio (%) of Taxable to Total Wages (8)
	Number (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	
14.0 to 14.9	1,429	2.6	\$33,833	.5	\$73,856	.5	45.8
13.0 to 13.9	1,978	3.6	102,736	1.5	264,678	1.8	38.8
12.0 to 12.9	2,711	4.9	93,484	1.4	206,154	1.4	45.3
11.0 to 11.9	3,661	6.6	194,404	2.8	434,345	2.9	44.8
10.0 to 10.9	4,482	8.0	533,268	7.7	1,322,586	8.9	40.3
09.0 to 09.9	4,197	7.6	870,233	12.6	1,984,901	13.4	43.8
08.0 to 08.9	3,708	6.7	990,863	14.4	2,261,138	15.3	43.8
07.0 to 07.9	3,238	5.8	746,407	10.8	1,647,593	11.1	45.3
06.0 to 06.9	2,732	4.9	558,832	8.1	1,152,342	7.8	48.5
05.0 to 05.9	2,145	3.9	562,365	8.2	1,242,979	8.4	45.2
04.0 to 04.9	1,795	3.2	276,510	4.0	552,783	3.7	50.0
03.0 to 03.9	1,446	2.6	210,323	3.1	421,466	2.9	49.9
02.0 to 02.9	1,249	2.2	186,022	2.7	379,693	2.6	49.0
01.0 to 01.9	1,032	1.9	141,008	2.1	274,459	1.9	51.4
00.0 to 00.9	859	1.5	162,377	2.4	317,010	2.1	51.2
Total Positive	41,467	74.7	5,734,914	83.2	12,692,193	85.7	45.1
-00.0 to -00.9	744	1.3	140,613	2.0	305,349	2.1	46.0
-01.0 to -01.9	615	1.1	70,010	1.0	123,681	.8	56.6
-02.0 to -02.9	557	1.0	48,516	.7	90,460	.6	53.6
-03.0 to -03.9	508	.9	46,607	.7	85,716	.6	54.4
-04.0 to -04.9	469	.8	52,405	.8	93,055	.6	56.3
-05.0 to -05.9	431	.8	48,003	.7	82,333	.6	58.3
-06.0 to -06.9	403	.7	41,629	.6	71,028	.5	58.6
-07.0 to -07.9	333	.6	39,783	.6	84,576	.6	47.0
-08.0 to -08.9	318	.6	21,370	.3	107,917	.7	19.8
-09.0 to -09.9	288	.5	42,305	.6	79,510	.5	53.2

(continued)

Table 15 (continued)

Reserve Ratio (1)	Accounts		Taxable Wages (\$000)		Total Wages (\$000)		Ratio (%) of Taxable To Total Wages (8)
	Number (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	
-10.0 to -10.9	277	.5	\$35,153	.5	\$64,153	.4	54.8
-11.0 to -11.9	268	.5	21,588	.3	36,004	.2	60.0
-12.0 to -12.9	210	.4	18,184	.3	34,310	.2	53.0
-13.0 to -13.9	215	.4	14,250	.2	24,136	.2	59.0
-14.0 to -14.9	206	.4	16,258	.2	29,298	.2	55.5
-15.0 to -15.9	183	.3	16,074	.2	48,719	.3	33.0
-16.0 to -16.9	174	.3	18,198	.3	34,623	.2	52.6
-17.0 to -17.9	172	.3	10,814	.2	19,407	.1	55.7
-18.0 to -18.9	184	.3	12,636	.2	21,128	.1	59.8
-19.0 to -19.9	166	.3	12,097	.2	20,924	.1	57.8
-20.0 to -20.9	179	.3	14,661	.2	26,574	.2	55.2
-21.0 to -21.9	136	.2	11,511	.2	18,220	.1	63.2
-22.0 to -22.9	145	.3	16,687	.2	29,276	.2	57.0
-23.0 to -23.9	145	.3	7,808	.1	12,725	.1	61.4
-24.0 to -24.9	151	.3	11,761	.2	19,146	.1	61.4
-25.0 to -25.9	122	.2	7,885	.1	13,490	.1	58.5
-26.0 to -26.9	115	.2	7,510	.1	12,243	.1	61.3
-27.0 to -27.9	111	.2	5,642	.1	9,578	.1	58.9
-28.0 to -28.9	125	.2	8,223	.1	12,915	.1	63.7
-29.0 to -29.9	113	.2	9,072	.1	15,390	.1	58.9
-30.0 to -30.9	113	.2	8,084	.1	12,080	.1	66.9
-31.0 to -31.9	97	.2	5,779	.1	9,535	.1	60.6
-32.0 to -32.9	110	.2	8,428	.1	13,712	.1	61.5
-33.0 to -33.9	96	.2	6,614	.1	9,675	.1	68.4
-34.0 to -34.9	94	.2	6,414	.1	10,261	.1	62.5
-35.0 to -35.9	5,479	9.9	292,810	4.3	444,178	3.0	65.9
Total Negative	14,052	25.3	1,155,382	16.8	2,125,325	14.3	54.4
Total Regularly Rated	55,519	100.0	6,890,296	100.0	14,817,518	100.0	46.5

## Appendix A

### CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER AND WORKER CONTRIBUTION RATES AND TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

#### Employer Contribution Rates

Employer's contribution rates to the Unemployment Compensation Fund were fixed at 0.9 percent for the full year 1936, 1.8 for 1937, and 2.7 through 1941. After 1941, employer contribution rates were determined by an experience rating formula which utilizes the reserve ratio method. For the purpose of this report effective rate schedules are designated as Schedules A, B, C, and D, and are shown on appendix tables 2 through 5.

Employer experience rating went into effect in New Jersey on January 1, 1942, when the reserve ratio method was adopted. Briefly, this system taxes an employer on the basis of his reserve ratio, which is defined as the total of all contributions paid by the employer less all benefits charged to his account, expressed as a percentage of his average annual payroll for the last three or five preceding calendar years, whichever average is higher.

Schedule A shows the experience rating formula in effect from January 1, 1942 to December 31, 1948. Assignment of contribution rates were independent of the condition of the Unemployment Trust Fund. Employers having a negative reserve ratio were assigned the highest rate of 3.6 percent of their taxable payroll. Employers having less than three calendar years throughout which any individual in their employ could have received benefits if eligible were given a basic rate of 2.7 percent. Employers with a reserve ratio of 10 percent or more were given a 0.9 percent rate; those with a reserve ratio between 7.5 percent and 9.99 percent would pay 1.8 percent; and those whose reserve ratio was between zero and 7.49 percent would pay 2.7 percent of taxable wages.

Effective July 1, 1948, a revision of the law substantially changed contribution rates assigned to subject employers and placed the experience rating year on a fiscal year basis. The first period for which the new rates were assigned to employer accounts was January 1, 1949 through June 30, 1949. Rates thereafter were assigned on a fiscal year basis beginning with July 1, 1949. Employer contribution rates were now determined by two factors: (1) the employer's reserve ratio and (2) the Unemployment Trust Fund Reserve Ratio. The Unemployment Trust Fund Reserve Ratio was computed as follows: the balance in the Unemployment Trust Fund as of March 31, divided by aggregate taxable wages paid by all subject employers in the previous calendar year. Six rate schedules were established on the basis of the Unemployment Trust Fund Reserve Ratio.

Schedule B gives the employer contribution rate schedules effective Jan. 1, 1949. The employer basic rate continued at 2.7 percent, but rates for employers with a negative reserve balance could vary from 2.7 percent to 3.6 percent. The possible variation in rates assigned to employers with a positive reserve ratio ranged from .3 percent to 3.3 percent. Employers who

(after having established eligibility for a reduced rate) had one full calendar year with respect to which no payroll had been reported or no contributions had been paid within the past three calendar years, were assigned a contribution rate of 2.7 percent.

Effective July 1, 1961, contribution rates (Schedule C) were raised by one-tenth of one percent, except for rates assigned to employers with a negative reserve ratio and to employers with at least one full calendar year (within the past three) with respect to which no contributions were paid. Employers with negative reserve ratios were raised by six-tenths of 1 percent, except when the trust fund reserve ratio reached 12.5 percent or over, in which case an increase of three-tenths of one percent was provided. The employer group with at least one of the past three calendar years with no contributions paid were (1) assigned the same rates as employers with negative balances, if their reserve balances were negative, or, (2) if their reserve balances were positive or zero, then they were given the least favorable contribution rates assigned to employers with positive reserve balances.

#### Unemployment Trust Fund Reserve Ratio

The unemployment trust fund reserve ratio is defined as the balance in the New Jersey Unemployment Trust Fund as of March 31, divided by the total taxable wages reported by all covered employers as of March 31 with respect to their employment during the preceding calendar year. This ratio determines which of the six schedules of employer contribution rates is to be used during the fiscal year beginning on the following July 1. The Appendix Table 6 gives the calculated Unemployment Trust Fund Reserve Ratio as of March 31 for the years 1950 through 1972.

#### Taxable Wage Base

For calendar years 1936, 1937, and 1938, subject employers paid contributions on all wages earned by their workers. There were no worker contributions in 1936 and 1937, but during calendar year 1938 employees paid a one percent tax on the first \$3000 of wages. From years 1940 through 1961, both employers and workers were taxed on the first \$3000 of individual worker annual wages. For calendar years 1968 through 1971, the taxable wage base on both employers and workers was established at \$3600. Beginning January 1, 1972 the tax base was raised to \$4200. Employers are taxed to the taxable wage limit with respect to each individual in their employ; however, workers with more than one employer during a calendar year are entitled to a refund of excess contributions upon application.

#### Voluntary Contributions

Effective July 1, 1948, an employer may make a voluntary payment of additional contributions to be applied to the recomputation of a more favorable contribution rate under the following conditions: (1) the employer is not delinquent in the payment of contributions for prior tax periods; in such case, the remittance will be first applied to past indebtedness and the balance, if any, will be considered as additional contributions; (2) any adjustment resulting from the payment of additional contributions shall be

made only in the form of credits against accrued or future contributions;  
(3) the voluntary payment of additional contributions will not affect a basic rate (where there have not been three calendar years throughout which any individual in covered employment could have received benefits if eligible) or an assigned rate (determined by the employer's reserve balance and the unemployment trust fund reserve ratio), where during the past three calendar years there has been at least one calendar year with respect to which no contributions were paid.

Appendix Table 1

CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER AND WORKER CONTRIBUTION RATES AND  
TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

Year	Chapter	Contribution Rates		Taxable Wage Base	
		Employer	Worker	Employer	Worker
1936	270, laws of 1936	0.9%	None	All wages Paid	--
1937	"	1.8%	None	All wages Paid	--
1938	"	2.7%	1.0%	All wages Paid	\$3000
1940	"	2.7%	1.0%	\$3000	\$3000
1942	289, laws of 1939	(Schedule A)	1.0%	\$3000	\$3000
1949	109, laws of 1948	(Schedule B)	0.25%	\$3000	\$3000
1961	43, laws of 1961	(Schedule C)	0.25%	\$3000	\$3000
1968	30, laws of 1967	(Schedule C)	0.25%	\$3600	\$3600
1971	324, laws of 1970	(Schedule D)	0.25%	\$3600	\$3600
1972	346, laws of 1971	(Schedule D)	0.25%	\$4200	\$4200

No changes occurred in years where dates are omitted in "Year" column.

Appendix Table 2

CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER AND WORKER CONTRIBUTION RATES AND TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

Schedule A

Formula for employer experience rates **between** January 1, 1942 and December 31, 1948

Employer  
Contribution  
Rate

Reserve  
Ratio

0.9%

10% or more

1.8%

7.5% to 9.99%

2.7%

0.0% to 7.49%

3.6%

Negative 1/

2.7%

Basic Rate 2/

An employer's reserve ratio is computed by the formula:

$$\text{Reserve Ratio} = \frac{\text{Cumulative Contributions Paid} - \text{Cumulative Benefits Charged}}{\text{Average Annual Payroll for last three or five preceding calendar years, whichever average is higher}}$$

Average Annual Payroll for last three or five preceding calendar years, whichever average is higher

1/ Negative Reserve Ratio = Cumulative benefits charged in excess of cumulative contributions paid.

2/ Employer's basic rate set at 2.7% unless and until there have been three calendar years throughout which any individual in his employ could have received benefits if eligible.

Appendix Table 3

CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER AND WORKER CONTRIBUTION RATES AND  
TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

Schedule B						
Formula for employer experience rates between January 1, 1949 and June 30, 1961						
Employer Reserve Ratio	Unemployment Trust Fund Reserve Ratio					
	12.5% and Over	10% to 12.49%	7% to 9.99%	4% to 6.99%	2.5% to 3.99%	2.49% and Under
	<u>Employer Contribution Rates</u>					
.00% to 2.99%	2.4%	2.4%	2.7%	3.0%	3.3%	3.3%
3.00% to 3.99%	2.1	2.4	2.7	3.0	3.3	3.3
4.00% to 4.99%	1.8	2.1	2.4	2.7	3.0	3.0
5.00% to 5.99%	1.5	1.8	2.1	2.4	2.7	2.7
6.00% to 6.99%	1.2	1.5	1.8	2.1	2.4	2.7
7.00% to 7.99%	.9	1.2	1.5	1.8	2.1	2.7
8.00% to 8.99%	.6	.9	1.2	1.5	1.8	2.7
9.00% to 9.99%	.3	.6	.9	1.2	1.5	2.7
10.00% to 10.99%	.3	.3	.6	.9	1.2	2.7
11.00% and over	.3	.3	.3	.6	.9	2.7
<u>Negative</u>	2.7	2.7	3.0	3.3	3.6	3.6
<u>Accounts With Insufficient Experience</u> (No three calendar years throughout which any individual could have received benefits if eligible.)	2.7	2.7	2.7	2.7	2.7	2.7
<u>Specially Taxed Accounts</u>	2.7	2.7	2.7	2.7	2.7	2.7

Appendix Table 4

CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER AND WORKER CONTRIBUTION RATES AND  
TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

Schedule C						
Formula for employer experience rates between July 1, 1961 and June 30, 1971						
Employer Reserve Ratio	Unemployment Trust Fund Reserve Ratio					
	12.5% and Over	10% to 12.49%	7% to 9.99%	4% to 6.99%	2.5% to 3.99%	2.49% and Under
	<u>Employer Contribution Rates</u>					
.00% to 2.99%	2.5%	2.5%	2.8%	3.1%	3.4%	3.4%
3.00% to 3.99%	2.2	2.5	2.8	3.1	3.4	3.4
4.00% to 4.99%	1.9	2.2	2.5	2.8	3.1	3.1
5.00% to 5.99%	1.6	1.9	2.2	2.5	2.8	2.8
6.00% to 6.99%	1.3	1.6	1.9	2.2	2.5	2.8
7.00% to 7.99%	1.0	1.3	1.6	1.9	2.2	2.8
8.00% to 8.99%	0.7	1.0	1.3	1.6	1.9	2.8
9.00% to 9.99%	0.4	0.7	1.0	1.3	1.6	2.8
10.00% to 10.99%	0.4	0.4	0.7	1.0	1.3	2.8
11.00% and Over	0.4	0.4	0.4	0.7	1.0	2.8
<u>Negative</u>	3.0	3.3	3.6	3.9	4.2	4.2
<u>Accounts With Insufficient Experience</u>						
(No three calendar years throughout which any individual could have received benefits if eligible.)						
	2.8	2.8	2.8	2.8	2.8	2.8
<u>Specially Taxed Accounts</u>						
With Positive Reserve Balance	2.5	2.5	2.8	3.1	3.4	3.4
With Negative Reserve Balance	3.0	3.3	3.6	3.9	4.2	4.2

Appendix Table 5

CHRONOLOGY OF UNEMPLOYMENT COMPENSATION EMPLOYER CONTRIBUTION RATES  
AND TAXABLE WAGE BASE, 1936 - 1972

Revised Statutes 43:21-7

Schedule D

Formula for employer experience rates between July 1, 1971 and December 31, 1972

Employer Reserve Ratio (1)	Unemployment Trust Fund Reserve Ratio					
	12.5% and over (2)	10% to 12.49% (3)	7% to 9.99% (4)	4% to 6.99% (5)	2.5% to 3.99% (6)	2.49% and Under (7)
	Employer Contribution Rates					
.00% to 2.99%	2.5%	2.5%	2.8%	3.1%	3.4%	3.4%
3.00% to 3.99%	2.2	2.5	2.8	3.1	3.4	3.4
4.00% to 4.99%	1.9	2.2	2.5	2.8	3.1	3.1
5.00% to 5.99%	1.6	1.9	2.2	2.5	2.8	2.8
6.00% to 6.99%	1.3	1.6	1.9	2.2	2.5	2.8
7.00% to 7.99%	1.0	1.3	1.6	1.9	2.2	2.8
8.00% to 8.99%	0.7	1.0	1.3	1.6	1.9	2.8
9.00% to 9.99%	0.4	0.7	1.0	1.3	1.6	2.8
10.00% to 10.99%	0.4	0.4	0.7	1.0	1.3	2.8
11.00% and Over	0.4	0.4	0.4	0.7	1.0	2.8
<u>Negative</u>						
.00% to 9.99% cr.	3.1	3.4	3.7	4.0	4.3	4.3
10.00% cr. to 19.99% cr.	3.4	3.7	4.0	4.3	4.6	4.6
20.00% cr. and over	3.7	4.0	4.3	4.6	4.6	4.6
<u>Accounts With Insufficient Experience</u>	2.8	2.8	2.8	2.8	2.8	2.8
<u>Specially Taxed Accounts</u>						
With Positive Reserve Balance	2.5	2.5	2.8	3.1	2.4	3.4
With Negative Reserve Balance	3.7	4.0	4.3	4.6	4.6	4.6

New Jersey Unemployment Insurance  
Experience Rating Statistics

Appendix Table 6

UNEMPLOYMENT TRUST FUND RESERVE RATIO

1950 - 1972

Computation Date	Taxable Wages For Prior Calendar Year (Thousands) <u>1/</u>	Unemployment Trust Fund Balance As of March 31	Unemployment Trust Fund Reserve Ratio (Percent) <u>2/</u>
March 31, 1950	\$3,142,383	\$412,180,926	13.117
March 31, 1951	3,369,298	424,216,339	12.590
March 31, 1952	3,795,733	448,435,931	11.814
March 31, 1953	3,957,687	476,705,147	12.045
March 31, 1954	4,141,936	490,271,614	11.837
March 31, 1955	4,072,119	454,641,125	11.165
March 31, 1956	4,206,069	446,332,168	10.612
March 31, 1957	4,434,241	442,197,784	9.972
March 31, 1958	4,519,731	393,312,799	8.702
March 31, 1959	4,368,069	328,421,147	7.519
March 31, 1960	4,579,937	319,520,163	6.976
March 31, 1961	4,689,851	297,548,149	6.345
March 31, 1962	4,728,446	285,149,434	6.031
March 31, 1963	4,905,185	279,514,189	5.698
March 31, 1964	4,996,972	261,627,515	5.236
March 31, 1965	5,133,073	265,035,788	5.163
March 31, 1966	5,379,210	297,067,513	5.523
March 31, 1967	5,706,364	349,666,147	6.127
March 31, 1968	5,871,909	397,201,404	6.764
March 31, 1969	6,945,494	422,807,271	6.087
March 31, 1970	7,616,323	446,788,224	5.866
March 31, 1971	7,802,870	337,303,430	4.322
March 31, 1972	7,754,643	165,350,691	2.132*

1/ Total taxable wages reported by all employers as of March 31, with respect to their employment during the calendar year prior to the computation date.

2/ The Unemployment Trust Fund Reserve Ratio determines the employer contribution rate schedule to be used for the July 1-June 30 fiscal year immediately following the computation dates shown on this table. The Unemployment Trust Fund Reserve Ratio is computed by dividing the Unemployment Trust Fund Balance by taxable wages for the prior calendar year.

\* New Jersey Laws of 1971, Chapter 346, provided for no change in contribution rate level.

Appendix B

GLOSSARY

Average Annual Payroll. For experience rating purposes, the average payroll for the last three or five years, whichever is the higher. Includes only those wages which were taxable and upon which employer contributions were paid.

Average Employer Contribution Rate. Total employer contributions paid divided by total taxable wages.

Cumulative Benefits. All benefits charged to an employer's account as of December 31, for all past calendar years.

Cumulative Contributions. All employer contributions paid by January 31, for all past calendar years.

Cumulative Industry Reserve. Cumulative contributions paid by an industry minus cumulative benefits charged to the industry.

Employer Account. A record maintained as the basis for employer experience rating. The record includes cumulative contributions paid, cumulative benefits charged, wages paid to covered workers, the reserve balance, and the reserve ratio of individual employers. Although most accounts are for single employers, several employers with a common basis of ownership may be treated as a unit in the computation of contribution rates under the state experience rating program.

Deficit Account. Employer account in which cumulative benefits charged exceed cumulative contributions paid. Also referred to as a "negative balance account and an overdrawn account."

Insufficient Experience Accounts. Employer accounts for which there have been less than three consecutive years of contribution experience. Such accounts are assigned a basic 2.8 percent contribution rate regardless of the employer reserve ratio and Unemployment Trust Fund Reserve Ratio.

Regularly Rate Accounts. Employer accounts for which there have been at least three consecutive years of contribution experience. Such accounts are assigned variable contribution rates ranging from 0.4 percent to 4.6 percent depending upon the employer reserve ratio and the Unemployment Trust Fund Reserve Ratio.

Specially Taxed Accounts. Accounts with sufficient experience for regular rating, but for which contributions have not been paid in one or more of the last three calendar years, either because of having no payroll or because of failure to remit.

Employer Contribution Rate. The rate assigned to an employer account on the basis of his employment experience.

Employer Contributions. Taxes paid by employers under the provisions of the unemployment compensation law.

Experience Rating. A method for determining employer contribution rates for individual employers; in New Jersey employer tax rates are assigned on the basis of the employers contribution and benefit experience under the unemployment compensation law.

Experience Rating Account. See "Employer Account".

Industry Classification. Industry groupings and codes used in this report are consistent with the guidelines specified in the Standard Industrial Classification (SIC) Manual, 1967 edition, prepared by the U. S. Office of Statistical Standards.

Rate Year. The fiscal period beginning July 1 and ending June 30 for which variable unemployment insurance contribution rates have been assigned on the basis of cumulative employer experience up to the end of the previous calendar year.

Reserve Balance. Cumulative contributions paid by an employer minus cumulative benefits paid to his employees, as of the end of a calendar year. The reserve balance may be positive, zero, or negative according to whether cumulative contributions exceed, equal or are less than cumulative benefits paid.

Reserve Ratio.

Employer Reserve Ratio. The quotient of the cumulative reserve balance (cumulative contributions paid by January 31 for all past calendar years minus cumulative benefits charged to his account for all past years) by his average annual payroll for the last three or five preceding calendar years, whichever average is higher. Prior to January 1, 1953, benefits paid to a claimant were to be charged against the account of each of the employers with whom the claimant accrued wage credits, in the same proportion as the employer bears to the wage credits with all employers. Beginning January 1, 1953 weeks of benefits are charged to employers in inverse chronological order of last date of base year employment. If total benefits charged an employer exceed 50 percent of base period wages paid by him, the excess is removed from his account on request.

Group Reserve Ratio. A summary measure of the experience rating status of all employers, an industry or other groups of employers. This ratio is calculated by dividing the sum of the individual employer reserve balances by the average of their annual taxable wages for the most recent three full calendar years. The three year average was selected for uniform computation purposes because, being generally higher in past experience than the five year average, it is consistent with the reserve ratio formula for individual employer accounts.

Unemployment Trust Fund Reserve Ratio. The balance in the New Jersey account of the Federal Unemployment Trust Fund as of March 31, divided

by the total of taxable wages reported as of that date with respect to employment during the preceding calendar year.

Taxable Wages. The amount of wages paid during a calendar year subject to unemployment insurance taxes. Wages were taxed up to a limit of \$3,000 prior to calendar year 1968, up to \$3,600 during calendar years 1968 through 1971, and \$4,200 beginning January 1, 1972.

Three-Year Wage Average. The arithmetic mean of taxable wages for the last three calendar years prior to the fiscal year for which contribution rates are assigned.

Total Wages. The aggregate of all wages in covered employment as reported by employers.