

See: 28 N.J.R. 4817(a).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 29 N.J.R. 4201(b).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 30 N.J.R. 3556(a).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 31 N.J.R. 3537(b).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 32 N.J.R. 4146(b).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 33 N.J.R. 3771(a).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 35 N.J.R. 3967(b).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 37 N.J.R. 3463(b).
 Public Notice: Rates for board and room, meals and lodging furnished by employers.
 See: 38 N.J.R. 3681(b).

12:16-4.9 Tips and gratuities

If a worker receives gratuities and/or tips regularly in the course of employment from other than the employer, the gratuities and/or tips so received, if reported in writing to the employer, shall be considered taxable. The entire amount of charge tips are covered wages and are taxable to the maximum base even though the employee has not reported the entire amount to the employer. If the employee omits reporting tips, but the employer considers tips as part of an hourly rate for meeting the requirements of a Federal or State minimum wage law, it is considered that, in effect, tips have been reported to the employer to that extent and are therefore included as taxable wages.

Amended by R.1995 d.138, effective March 6, 1995.
 See: 27 N.J.R. 61(a), 27 N.J.R. 919(a).

12:16-4.10 Temporary disability payments

(a) Payments made to employees under an approved Private Plan shall be considered as taxable remuneration, if payments are for a period of seven or less consecutive days following the date of disability.

(b) Payments made for periods after the seventh consecutive day following the date of disability shall not be considered as taxable.

(c) If the period of disability extends to the twenty-second day of disability and payment is made for the twenty-second day, then the first seven days, referred to in (a) above would not be considered taxable.

New Rule, R.1986 d.21, effective February 3, 1986.
 See: 17 N.J.R. 2850(b), 18 N.J.R. 284(b).

12:16-4.11 Personal use of a company vehicle

(a) The personal use of a company vehicle shall be taxable remuneration.

1. Such personal use shall be valued pursuant to Section 61 of the Internal Revenue Code.

(b) If personal use is present (except for de minimis usage such as a lunch stop during company business), and such personal use has not been properly reported, the personal use shall be valued at the highest manner available.

New Rule, R.1990 d.217, effective April 16, 1990.
 See: 22 N.J.R. 603(b), 22 N.J.R. 1269(a).

12:16-4.12 Dependent care assistance programs

(a) Employer contributions on behalf of, or reimbursements to, an employee under a Dependent Care Assistance Program (Section 129 of the Internal Revenue Code) shall be taxable remuneration.

(b) If a Dependent Care Assistance Program is financed by an employee voluntary salary reduction, the amount of remuneration received under the program shall be determined as that amount which the employee could have elected to receive in lieu of making the contribution.

New Rule, R.1990 d.217, effective April 16, 1990.
 See: 22 N.J.R. 603(b), 22 N.J.R. 1269(a).

12:16-4.13 Interest on a below-market interest rate loan

The amount of remuneration generated by a below-market interest rate loan shall be the same amount as that computed for purposes of F.U.T.A.

New Rule, R.1990 d.217, effective April 16, 1990.
 See: 22 N.J.R. 603(b), 22 N.J.R. 1269(a).

12:16-4.14 Section 125 cafeteria plans

Employer contributions to a cafeteria plan arrangement pursuant to Section 125 of the Internal Revenue Code shall be taxable remuneration to the extent that the employee could have elected to receive cash in lieu of the employer's making the contribution.

New Rule, R.1990 d.217, effective April 16, 1990.
 See: 22 N.J.R. 603(b), 22 N.J.R. 1269(a).
 Amended by R.1995 d.138, effective March 6, 1995.
 See: 27 N.J.R. 61(a), 27 N.J.R. 919(a).

12:16-4.15 Stock options

(a) The value of a stock option is taxable remuneration at the time the option is exercised when the individual exercising the option is a current employee. The value of the stock option is also taxable remuneration when exercised after separation from employment but during the same calendar year in which the separation occurred.

(b) The value of a stock option is not taxable remuneration when exercised by a former employee in a calendar year following the calendar year in which the separation occurred.

(c) A wholly owned subsidiary company is the employer responsible for contribution payments when an employee of

the subsidiary company exercises stock options of the parent corporation.

New Rule, R.2005 d.108, effective April 4, 2005.
See: 36 N.J.R. 5651(a), 37 N.J.R. 1030(a).

12:16-4.16 Deferred payments

Deferred payment of remuneration for services accrued by an employer that is not included as part of a qualified pension, profit sharing or stock option plans or another pension arrangement where a trust is created is taxable remuneration at the time payment is made.

New Rule, R.2005 d.108, effective April 4, 2005.
See: 36 N.J.R. 5651(a), 37 N.J.R. 1030(a).

12:16-4.17 Co-employed individuals, employee leasing clients

A client company is the employer responsible for contribution payments when remuneration for services is paid directly by the client company to workers co-employed under an employee leasing agreement.

New Rule, R.2005 d.108, effective April 4, 2005.
See: 36 N.J.R. 5651(a), 37 N.J.R. 1030(a).

SUBCHAPTER 5. CONTRIBUTIONS BY EMPLOYERS

12:16-5.1 Accrual as remuneration earned

(a) Employer's contributions shall accrue as remuneration is earned by workers in covered employment, but will not become due until payment or payment in kind is actually or constructively made.

(b) Payment of employers' contributions shall be made as prescribed within this chapter.

Amended by R.1995 d.138, effective March 6, 1995.
See: 27 N.J.R. 61(a), 27 N.J.R. 919(a).

Cross References

Unemployment benefits, partial benefits, records in addition to those required under this section, see N.J.A.C. 12:17-4.1.

Case Notes

Hirees treated as employees for employment contributions if they lack independent business status. *Regency Real Estate Appraisal, Inc. v. Department of Labor*, 97 N.J.A.R.2d (LBR) 21.

Service station owner was ordered to pay unemployment compensation contributions on wages paid to mechanic who performed automobile repairs at service station. *Carroll t/a Carroll Service v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 108.

Tile setters were contractors' employees, despite fact that tile setters considered themselves to be independent contractors and that it was industry practice to treat them as such, and thus contractors would be required to pay unemployment compensation and temporary disability benefit contribution arrearages. *Dandorf and Pezzano v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 105.

Attorney who received percentage of fees generated by other attorneys sharing office was liable for unemployment compensation benefits insurance contributions on wages of other attorneys. *Logan v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 102.

Engineer working out of his car was liable for unemployment compensation benefits insurance contributions for typist and draftsman that he occasionally employed. *Green v. Department of Labor*, 96 N.J.A.R.2d (LBR) 89.

Travel agency was required to pay unemployment compensation insurance tax for agents who booked travel arrangements out of central office. *Another World of Travel v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 87.

Employer's failure to present evidence that former employee receiving unemployment compensation benefits had customarily engaged in separate business supported assessment for employer's failure to pay unemployment insurance. *Le Fante Associates Corp. v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 81.

Science equipment salespersons and consultants were not independent contractors for purposes of unemployment compensation and temporary disability insurance contributions. *Arthur Williams & Associates, Inc. v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 63.

Part-time business which was not financially independent of employer warranted unemployment insurance contribution assessment. *Software Systems v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 25.

Newspaper publisher must make unemployment insurance contributions for telemarketers. *New Jersey Shield Publishing Co. v. New Jersey Department of Labor*, 96 N.J.A.R.2d (LBR) 22.

Consultant to textile producer qualifies as employee rather than as exempt independent contractor for purposes of unemployment insurance contributions. *Sullivan, Carson, Inc. v. Department of Labor*, 96 N.J.A.R.2d (LBR) 17.

Courier service must make unemployment insurance contributions for couriers who did not qualify as independently established operators. *Cardar Enterprises v. Department of Labor*, 96 N.J.A.R.2d (LBR) 14.

12:16-5.2 Due dates

(a) Employer's contributions shall be paid and contribution reports filed on a quarterly basis, for all employers other than domestic employers, as follows:

<u>Quarter Ending</u>	<u>Due Date</u>
March 31	April 30
June 30	July 30
September 30	October 30
December 31	January 30

Effective January 1, 2000, domestic employers shall pay contributions and file a contribution report on an annual basis. For the calendar year ending December 31, the payment of contributions and the filing of the contribution report would be due January 31 following the close of the calendar year.

(b) Notwithstanding (a) above, the Controller or his or her designee is authorized to require an employer or employers to file contribution reports and pay contributions on a monthly or other basis when, in his or her discretion, it is considered necessary to do so.

Amended by R.1986 d.22, effective February 3, 1986.
See: 17 N.J.R. 2851(a), 18 N.J.R. 285(a).