Non-Profits Applaud Passage of Unemployment Relief Legislation

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New Jersey non-profits that were facing steep unemployment bills arising from the COVID-19 pandemic are applauding the enactment of legislation that will bring welcome relief.

S-3714 (P.L. 2021, c. 143), signed into law yesterday by Governor Murphy, ensures that employers that reimburse the state for unemployment claims will not be responsible for the bills incurred due to layoffs during the public health emergency. The federal CARES Act and American Rescue Plan Act provide for the coverage of a portion of these bills for non-profits; this legislation clarifies and updates a previous state statute to cover the remainder, using federal funding streams as permitted by federal law.

“This important bill will help non-profits to continue to meet essential community needs throughout New Jersey,” stated Linda M. Czipo, president & CEO of the Center for Non-Profits. “We thank Governor Murphy and his office, sponsors Senators Fred Madden and Vin Gopal, Assemblypersons Louis Greenwald, Carol Murphy and Anthony Verrelli, as well as Senate President Sweeney, Assembly Speaker Coughlin, and all of the cosponsors and legislators who championed this issue.”

New Jersey’s non-profits have played a vital role during the pandemic, providing life-saving care, social services, education, mental health counseling, job assistance and training, comfort, healing and inspiration, and countless other critical functions. As employers of nearly 10% of the private work force, non-profits are also important drivers of the economy in the state. But as in other sectors, the impact of the emergency on New Jersey’s charitable non-profit community has been swift and severe, with devastating human and financial losses, and many organizations having to lay off or furlough staff.

Under federal law, non-profit organizations exempt under Section 501(c)(3) of the Internal Revenue Code may elect to reimburse the State directly for unemployment claims rather than making quarterly unemployment contributions. To assist non-profits in the wake of unforeseen staffing reductions and staggering unemployment bills, the federal CARES Act reduced reimbursing non-profits’ liability for claims by 50% in 2020, and the federal American Rescue Plan boosted that amount to 75%. The New Jersey legislation ensures that non-profits will not be liable for the remainder, augmenting the protections for other employers provided under a state law signed in January.

Other statements by non-profit leaders regarding the bill’s enactment:

“We are grateful to Governor Murphy and leaders in the Legislature for recognizing the critical role of nonprofits during the pandemic. By providing full relief from these crippling UI bills, the Y’s can continue dedicating resources to meeting communities’ needs and being a stronger partner with the State.”

Darrin W. Anderson, Sr., Ph.D., CEO, NJ YMCA State Alliance

(more)
“Nonprofits are major employers for New Jersey, providing jobs to about 10% of the state – including childcare services that support the rest of New Jersey’s workforce. NJBIA was proud to advocate for this legislation - and its expeditious enactment into law - on the behalf of all nonprofits as they emerge from the considerable challenges brought on by the pandemic.”

Michele Siekerka, President and CEO, NJBIA

“JCC’s, like so many other New Jersey non-profits, play a critical role in strengthening the state’s economic and social fabric. Never has this been more apparent than during the COVID-19 pandemic. We are grateful to the Governor and the Legislature for their proactive leadership in keeping our non-profits strong, ensuring that these agencies will continue to deliver vital services at a time when they are needed most.”

Joshua Cohen, Director, Government Relations and External Affairs, Jewish Federations of New Jersey

The Center for Non-Profits is New Jersey’s statewide network and champion for the charitable community. Founded in 1982, the Center exists to build the power of New Jersey’s non-profit community to improve the quality of life for all people of our state. The Center provides professional education, advocacy, resources, training and information to strengthen non-profits and help them thrive in pursuit of their charitable work. For more information, visit www.njnonprofits.org.

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