

*****MULTIMEDIA*****

WEBBER: STILL NO LOCKBOX ON PAID-LEAVE FUND

***ALMOST ONE YEAR LATER, PROMISE OF PROTECTION
FOR TRUST FUND UNFULFILLED***

Assemblyman Jay Webber (R-26, Morris & Passaic) today urged the Legislature to implement a lockbox for the paid-leave tax revenue that New Jersey began to collect on January 1 of this year.

“In this economy, the Democrats never should have burdened our workers and small businesses with another payroll tax that even Governor Corzine admits hurts the middle class,” said Assemblyman Webber. “But if the Democrats are not going to repeal it, at least let’s make sure the money collected doesn’t fall prey to a raid by politicians looking to get through another tough budget season.”

The new paid-leave tax parallels the State’s unemployment tax. The paid-leave tax is statutorily dedicated to its own segregated fund on the State’s books, much like the State’s unemployment tax is directed to its Unemployment Fund. Since 1994, \$4.7 billion were siphoned out of the State’s Unemployment Fund to “balance” budgetary shortfalls and pay for programs having nothing to do with support for New Jersey’s unemployed. Now, with joblessness in New Jersey at a 15-year high and unemployed New Jerseyans most in need, the Fund is nearly exhausted, despite an emergency appropriation of \$260 million last July. Nothing is stopping a similar raid of the paid-leave fund.

Last March, when the Legislature passed the paid-leave tax, the Assembly sponsor promised unequivocally that in a subsequent measure, the fund would be constitutionally protected from misuse by future Legislatures. Nearly one year after that promise, and more than one month after the State began collecting the paid-leave tax, there still is no such protection for the new paid-leave fund.

Video of that floor exchange can be accessed by clicking [here](#).

Assemblyman Webber said, “When the Legislature creates a trust fund, it represents a promise to the people of this State that their hard-earned money is only being taken from them to fund a specific and identified need. When some State officials divert those funds to other special interests, they break that promise to the people, expose programs to underfunding when people need them the most, and trigger tax increases to cover the shortfall. While we can’t recover the billions of dollars diverted from trust funds in past years, we can and should make sure that those kinds of raids never occur again. I urge the Legislature to put the ‘trust’ back in ‘trust fund’ and bring a constitutional amendment to the Assembly floor protecting the paid-leave trust fund before the Governor has the chance to propose a raid of the fund in his budget address on March 10.”

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