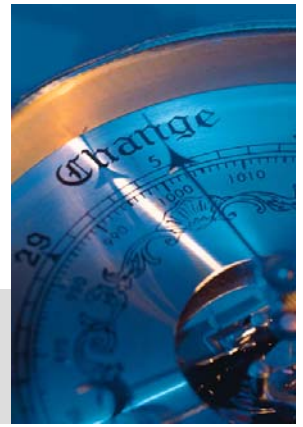


SERVICE BULLETIN



New Jersey Annual Assessment Increases for Catastrophic Illness in Children Relief Fund

TO: New Jersey Clients
FROM: Page Hudson
RE: New Jersey Annual Assessment Increases for Catastrophic Illness in Children Relief Fund
DATE: February 5, 2008

The amount that New Jersey employers are assessed for the Catastrophic Illness in Children Relief Fund has increased from \$1.00 per employee per year to \$1.50 per employee per year, effective January 1, 2008. This fund pays for children's medical expenses that are not covered by insurance and that exceed a certain portion of their families income.

The New Jersey Department of Labor and Workforce Development makes the assessment in July, based on the number of employees in the previous calendar year. The bill is combined with several other assessments. It is separate from your quarterly payroll tax returns and does not have a bearing on your state unemployment tax rate or your reserve account balance.

Since the surcharge was established in 1987, there has been a steady increase in the use of the fund, to the point where it would have become depleted in the near future without the \$0.50 increase. The Office of Legislature Services anticipates that the increase in the annual assessment will generate \$3.4 million in additional revenue.

If there are any questions, please contact us.


Thomas & Thorngren, Inc.

SERVICE BULLETIN

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