

SENATE RESOLUTION No. 82

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED SEPTEMBER 12, 2002

Sponsored by:

Senator LEONARD T. CONNORS, JR.

District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

Urges Congress to modify limits on sum of Social Security disability and workers' compensation benefits.

CURRENT VERSION OF TEXT

As introduced.



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1 **A SENATE RESOLUTION** memorializing Congress to modify the
2 current limits on the sum of Social Security disability and workers'
3 compensation benefits receivable.

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5 **WHEREAS**, The Social Security Act currently limits the total sum that
6 a permanently, totally disabled worker may receive in federal Social
7 Security disability benefits and state workers' compensation benefits
8 combined to 80% of the worker's pre-injury income; and

9 **WHEREAS**, That act, because of amendments made in 1981 to 42
10 U.S.C.424a(a), limits the sum of Social Security disability and
11 workers' compensation benefits by requiring that if the sum of
12 Social Security disability benefits and workers' compensation
13 exceeds that 80% cap, the Social Security benefits must be reduced
14 by the excess amount; and

15 **WHEREAS**, The stated purpose of those 1981 amendments was to
16 prevent disabled workers from collecting the full amount of both
17 Social Security disability benefits and workers' compensation,
18 which in some cases had resulted in the workers receiving benefits
19 of substantially greater value than the value of their previous
20 wages; and

21 **WHEREAS**, Rather than just preventing the combined total of Social
22 Security and workers' compensation benefits for the disabled from
23 exceeding the value of previous wages, the amendments, because
24 they do not adjust the 80% cap for inflation, have instead had the
25 effect, over time, of steadily reducing the real value of the
26 combined Social Security and workers' compensation benefits to
27 those injured workers; and

28 **WHEREAS**, With sustained, substantial inflation causing the Consumer
29 Price Index to increase more than 30% during the last 10 years and
30 more than 100% in the last 20 years, the failure to adjust the 80%
31 cap often has a devastating impact on the real value of the benefits
32 on which many disabled workers depend; and

33 **WHEREAS**, The fact that the Social Security Act provides for the
34 annual adjustment of Social Security benefits, including disability
35 benefits, for changes in the Consumer Price Index, suggests that an
36 historic goal of the act is to prevent inflation from eroding the value
37 of benefits, a goal that is undermined, in the case of disabled
38 workers who receive both Social Security disability and workers'
39 compensation benefits, by the failure of the 1981 amendments to
40 provide for the adjustment of the 80% cap for changes in the
41 Consumer Price Index; now, therefore,

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43 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

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45 1. This House urges Congress to amend the Social Security Act to
46 provide that the calculation of the 80% limit on total combined Social

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1 Security and workers' compensation benefits for permanently and
2 totally disabled workers under the act be based, not on the pre-injury
3 earnings of the workers, but on those earnings adjusted for inflation
4 which occurs after the injuries occur.

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6 2. Duly authenticated copies of this resolution, signed by the
7 President of the Senate and attested by the Secretary thereof, shall be
8 transmitted to the President and the Vice President of the United
9 States, the Speaker of the United States House of Representatives, the
10 Majority and Minority Leaders of the United States Senate and the
11 United States House of Representatives, and each member of Congress
12 elected from this State.

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15 **STATEMENT**

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17 This resolution urges Congress to modify the current limits on the
18 sum of Social Security disability and workers' compensation benefits
19 receivable. Specifically, it memorializes Congress to amend the Social
20 Security Act to provide that the calculation of the 80% limit on total
21 combined Social Security and workers' compensation benefits for
22 permanently, totally disabled workers under the act be based, not on
23 the pre-injury earnings of the workers, but on those earnings adjusted
24 for inflation which occurs after the injuries occur.