SENATE, No. 1770

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED MARCH 17, 2014

Sponsored by:
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

SYNOPSIS
Establishes a partial return to work TDI program.

CURRENT VERSION OF TEXT
As introduced.
AN ACT permitting the payment of temporary disability benefits on a part-time basis and amending P.L.1948, c.110.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 5 of P.L.1948, c.110 (C.43:21-29) is amended to read as follows:
   5. (a) In the case of the disability of a covered individual, disability shall be compensable subject to the limitations of P.L.1948, c.110 (C.43:21-25 et al.) if: the disability is the result of the covered individual suffering an accident or sickness not arising out of and in the course of the individual's employment or if so arising not compensable under the workers' compensation law, R.S.34:15-1 et seq. and the disability results in the individual's total inability to perform the duties of employment, except that an individual who is otherwise eligible for benefits but only able to return to work on a reduced basis while recovering from the disability may receive partial benefits pursuant to the provisions of subsection (b) of section 16 of P.L.1948, c.110 (C.43:21-40).
   (b) In the case of an individual taking family temporary disability leave, the leave shall be compensable subject to the limitations of P.L.2008, c.17 (C.43:21-39.1 et al.).
   (cf: P.L.2008, c.17, s.3)

2. Section 16 of P.L.1948, c.110 (C.43:21-40) is amended to read as follows:
   16. (a) With respect to periods of disability commencing on or after July 1, 1961, an individual's weekly benefit amount shall be determined and computed by the division on the same basis as the weekly benefit rate is determined and computed pursuant to subsection (c) of R.S. 43:21-3, except that for periods of disability commencing on or after October 1, 1984, an individual's weekly benefit rate shall be two-thirds of his average weekly wage, subject to a maximum of 53% of the Statewide average weekly remuneration paid to workers by employers, as determined under subsection (c) of R.S. 43:21-3; provided, however, that such individual's benefit rate shall be computed to the next lower multiple of $1.00 if not already a multiple thereof. The amount of benefits for each day of disability for which benefits are payable shall be one-seventh of the corresponding weekly benefit amount; provided that the total benefits for a fractional part of a week shall be computed to the next lower multiple of $1.00 if not already a multiple thereof.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
(b) For any week beginning on or after January 1, 2015, with respect to a period of disability of an individual who is otherwise eligible for benefits but only able to return to work on a reduced basis while recovering from the disability, the individual shall be paid an amount of benefits with respect to that week such that the sum of the wages and those benefits paid to the individual, rounded to the next lower multiple of $1.00, will equal the weekly benefit amount the individual would have been paid if totally unable to perform the duties of employment due to disability, provided that the individual must have been totally unable to perform the duties of employment due to disability and receiving full benefits for at least seven consecutive days prior to claiming partial benefits under this subsection.

(cf: P.L.1984, c.104, s.3)

3. This act shall take effect immediately.

STATEMENT

This bill establishes a partial return to work program which permits the payment of temporary disability insurance (TDI) benefits on reduced basis to temporarily disabled workers who are otherwise eligible for TDI benefits but only able to return to work on a reduced basis while recovering from disability. The bill permits such partial benefits only after a worker has been completely unable to work due to disability and receiving full TDI benefits for at least seven days. Currently, the TDI law provides for benefits only during the time that the worker is completely unable to work due to the disability. The bill provides that the amount of the part-time TDI benefit is the full-time TDI benefit amount minus the wages paid to the worker during a week.

The purpose of the bill is to allow workers to transition back to work by initially working on a part time basis, and to provide cost savings to the TDI fund by reducing TDI benefit costs during those transitions. The bill is based on a partial TDI benefit program implemented in Rhode Island in 2007. It is reported that the program resulted in savings of $977,000 for that state’s TDI fund during its first 18 months of operation. A majority of both employers and employees surveyed at that time found the program beneficial.