

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 782

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 24, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 782, with committee amendments.

As amended, this bill increases the amount of workers' compensation paid in certain cases for the loss of a hand, or thumb and first and second fingers (on one hand) or four fingers (on one hand) or a foot, as follows:

1. For the loss of a thumb, the award of workers' compensation shall be calculated based on a maximum of 80 weeks of compensation;

2. For the loss of a first finger (index finger), the award of workers' compensation shall be calculated based on a maximum of 60 weeks of compensation;

3. For the loss of a second finger, the award of workers' compensation shall be calculated based on a maximum of 50 weeks of compensation;

4. For the loss of a third finger, the award of workers' compensation shall be calculated based on a maximum of 40 weeks of compensation;

5. For the loss of a fourth finger (little finger), the award of workers' compensation shall be calculated based on a maximum of 30 weeks of compensation;

6. For the loss of a hand, the award of workers' compensation shall be calculated based on a maximum of 260 weeks of compensation;

7. If a loss of function of a hand is determined to be a 25% or more loss of use, the award of workers' compensation shall be calculated based on a maximum of 300 weeks of compensation for a 100% loss of function;

8. For the loss of a foot, the award of workers' compensation shall be calculated based on a maximum of 250 weeks of compensation; and

9. If a loss of function of a foot is determined to be a 25% or more loss of use, the award of workers' compensation shall be calculated based on a maximum of 285 weeks of compensation for a 100% loss of function.

The bill prohibits an award of permanent total disability from barring an additional award for certain amputations, and provides the

amount of the additional reward is not subject to subrogation, as it is not considered to be a payment of compensation except for rating purposes.

Under current law, in the case of the death of a person receiving payments for permanent injury, from any cause other than the accident or occupational disease, the remaining payments are required to be paid to the deceased person's dependents or, if no dependents, the remaining amount due, but not exceeding \$3,500, is required to be paid in a lump sum to the proper person for burial and funeral expenses. The bill increases the maximum amount payable for burial and funeral expenses from \$3,500 to \$5,000.

The bill also requires the Commissioner of Labor and Workforce Development to study, in consultation with the Commissioner of Banking and Insurance, the State's workers' compensation system and make recommendations that will help foster and maintain an efficient, effective and well-balanced workers' compensation program that is equally responsive to the needs of both the State's workforce and the employer community. The commissioner will submit a study, with recommendations, to the Governor and the Legislature not later than one year after the effective date of this bill and every five years thereafter.

COMMITTEE AMENDMENTS:

The amendments modify the maximum number of weeks used in calculating the award of workers' compensation for the loss of a thumb, each finger, a hand, and a foot.

The amendments prohibit an award of permanent total disability from barring an additional amount for certain amputations from being added to the award.

The amendments increase the maximum amount payable for burial and funeral expenses from \$3,500 to \$5,000 in the case of the death of a person receiving payments from permanent injury who does not have any dependents.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that this bill may have an indeterminate, likely insignificant, increase in costs to the State and local units due to the increased amount of workers' compensation paid in certain cases. The impact of the bill's cost will be dependent upon the increased amount of worker's compensation paid for the loss of a hand, or thumb and first and second fingers (on one hand) or four fingers (on one hand), or the loss of a foot. The cost will also be dependent upon the number of cases in which an individual is found to have lost more than 25 percent of the use of a hand or foot and the increased settlement that is paid by the State and local units.

The OLS also notes that the Department of Labor and Workforce Development may incur in one-time indeterminate costs associated with a study of the State's workers' compensation system and reporting requirements under the bill.