

ASSEMBLY, No. 458

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ROMA

1 AN ACT concerning workers' compensation and amending
2 R.S.34:15-28 and P.L.1979, c.468.

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

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7 1. R.S.34:15-28 is amended to read as follows:
8 34:15-28. Interest on payments withheld. Whenever lawful
9 compensation shall have been withheld from an injured employee or
10 dependents for a term of [three months] 45 or more days following
11 entry of a judgment or order, simple interest on each weekly payment
12 for the period of delay of each payment [may, at the discretion of the
13 division,] shall be added to the amount due at the time of settlement.
14 In any case of benefits which are delayed for one year or more
15 following the expiration of the 26-week period which commences
16 upon the date that the employer is notified of the death, injury or
17 occupational disease, upon the date of the employee's final active
18 medical treatment or upon the date that the employee returns to work,
19 whichever date is later, the division shall add simple interest on each
20 weekly payment for the period of delay of each payment to the amount
21 due at the time of settlement, unless the division finds and states that
22 the delay was because of reasons beyond the control of the employer
23 or the employer's carrier. If interest is ordered with respect to weekly
24 benefits preceding the entry of the order or judgement, the interest
25 shall be calculated from the date of expiration of the 26-week period
26 which commences upon the date that the employer is notified of the
27 death, injury or occupational disease, upon the date of the employee's
28 final active medical treatment or upon the date that the employee
29 returns to work, whichever date is later. The annual rate of interest on
30 payments withheld shall equal the average rate of return, to the nearest
31 whole or one-half percent, for the corresponding preceding fiscal year
32 terminating on June 30, of the State of New Jersey Cash Management

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

Matter underlined thus is new matter.

1 Fund (State accounts) as reported by the Division of Investment in the
2 Department of the Treasury.
3 (cf: P.L.1987, c.126, s.2)

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5 2. This act shall take effect immediately.

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STATEMENT

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10 This bill makes changes regarding the charging of interest in certain
11 instances of delayed payments of workers' compensation.

12 The bill requires that, if a workers' compensation payment is
13 delayed for 45 or more days following the entry of a judgement or
14 order to pay, simple interest for the period of delay be added to the
15 amount due to the injured employee. Under current law, interest may
16 not be imposed unless the payments are at least three months late, and
17 whether to charge the interest is left to the discretion of the Division
18 of Workers' Compensation.

19 The bill also provides that interest may be charged in certain cases
20 where there are excessive delays prior to a judgement or order. If
21 benefits are delayed for a term of one year or more following the
22 expiration of the 26-week period which commences when the
23 employer is notified of the death, injury or occupational disease, when
24 the employee's medical treatment ends or when the employee returns
25 to work, whichever occurs last, the bill requires the division to add
26 simple interest for the period of delay to the amount due at the time of
27 settlement, unless the division finds and states that the delay was
28 because of reasons beyond the control of the employer or the
29 employer's carrier. The interest would be calculated from the date of
30 expiration of the 26-week period.

31 The bill also permits the division to impose prejudgement interest
32 for delayed payments in certain cases.

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37 Concerns interest payments in certain cases of delayed workers'
38 compensation benefits.