

## CHAPTER 318

AN ACT providing for the repayment of certain temporary disability insurance benefit overpayments and amending and supplementing P.L.1948, c.110.

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

1. Section 31 of P.L.1948, c.110 (C.43:21-55) is amended to read as follows:

C.43:21-55 Penalties.

31. Penalties. (a) Whoever makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact, and each such false statement or representation or failure to disclose a material fact shall constitute a separate offense, to obtain or increase any benefit under the State plan or an approved private plan, or for a disability during unemployment, either for himself or for any other person, shall be liable for a fine of twenty dollars (\$20.00) to be paid to the division. Upon refusal to pay such fine, the same shall be recovered in a civil action by the division in the name of the State of New Jersey. If in any case liability for the payment of a fine as aforesaid shall be determined, any person who shall have received any benefits hereunder by reason of the making of such false statements or representations or failure to disclose a material fact, shall not be entitled to any benefits under this act for any disability occurring prior to the time he shall have discharged his liability hereunder to pay such fine.

(b) Any employer or any officer or agent of any employer or any other person who makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact, to prevent or reduce the benefits to any person entitled thereto, or to avoid becoming or remaining subject hereto or to avoid or reduce any contribution or other payment required from an employer under this act, or who willfully fails or refuses to make any such contributions or other payment or to furnish any reports required hereunder or to produce or permit the inspection or copying of records as required hereunder, shall be liable for a fine of twenty dollars (\$20.00) to be paid to the division. Upon refusal to pay such fine, the same shall be recovered in a civil action by the division in the name of the State of New Jersey.

(c) Any person who shall willfully violate any provision hereof or any rule or regulation made hereunder, for which a fine is neither prescribed herein nor provided by any other applicable statute, shall be liable to a fine of fifty dollars (\$50.00) to be paid to the division. Upon the refusal to pay such fine, the same shall be recovered in a civil action by the division in the name of the State of New Jersey.

(d) Any person, employing unit, employer or entity violating any of the provisions of the above subsections with intent to defraud the division shall in addition to the penalties hereinbefore described, be liable for each offense upon conviction before the Superior Court or any municipal court for a fine not to exceed two hundred fifty dollars (\$250.00) or by imprisonment for a term not to exceed ninety days, or both, at the discretion of the court. The fine upon conviction shall be payable to the State disability benefits fund of the division. Any penalties imposed by this subsection shall be in addition to those otherwise prescribed in this chapter (R.S.43:21-1 et seq.).

C.43:21-55.1 Liability for payment of disability benefits overpayments.

2. (a) If it is determined by the division that an individual for any reason has received, under the State plan, an approved private plan or for a disability during unemployment, any sum of disability benefits to which the individual was not entitled, the individual shall, except as provided in subsection (b) of this section, be liable to repay the sum in full. Except as provided in subsection (b) of this section, the sum that the individual is liable to repay shall be deducted from future benefits payable to the individual under this act (C.43:21-25 et seq.) or subsection (f) of R.S.43:21-4, or shall be repaid by the individual to the division, the employer or the insurer, and that sum shall be collectible in the manner provided for by law, including, but not limited to, the filing of a certificate of debt with the Clerk of the Superior Court of New Jersey; except that no individual who does not knowingly misrepresent or withhold any material fact to obtain benefits shall be liable for any repayments or deductions against future benefits unless notified before four years have elapsed from the time the benefits in question were paid. The division shall promptly notify the individual by mail of the determination and the reasons for the determination. Unless the individual files an appeal of the determination within 20 calendar days

following the receipt of the notice, or, within 24 days after the notice was mailed to the individual's last known address, the determination shall be final.

(b) If the individual received the overpayment of benefits because of error made by the division, the employer or the physician, and if the individual did not knowingly misrepresent or withhold any material fact to obtain the benefits, the following limits shall apply:

(1) The amount withheld from any subsequent benefit check shall be an amount not greater than 50% of the amount of the check; and

(2) All repayments of the overpayments by the individual or the estate of the individual shall be waived if the individual is deceased or permanently disabled.

Any demand for repayment from an individual pursuant to this subsection shall include an explanation of the provisions of this subsection.

3. This act shall take effect immediately.

Approved January 8, 1998.