

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 3922

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Senate Labor Committee reports favorably Senate Bill No. 3922.

This bill streamlines the identification of employee misclassification. Specifically, the bill makes misclassifying employees for the purpose of evading payment of insurance premiums a violation of the New Jersey Insurance Fraud Prevention Act. Additionally, the bill specifies penalties for fraud when a misclassification occurs. The bill provides additional resources to the Department of Banking and Insurance to investigate misclassification as a violation of the New Jersey Insurance Fraud Prevention Act, including consultation by the Bureau of Fraud Deterrence with the Department of Labor and Workforce Development and the authorization of the release of tax information to the Commissioner of Banking and Insurance for the purpose of insurance fraud investigations.