

FLOOR AMENDMENT STATEMENT:

No

LEGISLATIVE FISCAL ESTIMATE:

Yes 6/28/2018

VETO MESSAGE:

Yes

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government
Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

RWH/CL

P.L. 2019, CHAPTER 126, *approved June 17, 2019*
Senate, No. 844 (*First Reprint*)

1 AN ACT permitting the payment of temporary disability benefits on
2 a part-time basis and amending P.L.1948, c.110.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 5 of P.L.1948, c.110 (C.43:21-29) is amended to
8 read as follows:

9 5. (a) In the case of the disability of a covered individual,
10 disability shall be compensable subject to the limitations of
11 P.L.1948, c.110 (C.43:21-25 et al.) if: the disability is the result of
12 the covered individual suffering an accident or sickness not arising
13 out of and in the course of the individual's employment or if so
14 arising not compensable under the workers' compensation law,
15 R.S.34:15-1 et seq.**[,];** and **[resulting]** the disability results in the
16 individual's total inability to perform the duties of employment,
17 except that an individual who is otherwise eligible for benefits but
18 only able to return to work on a reduced basis while recovering
19 from the disability may receive benefits pursuant to the provisions
20 of subsection (b) of section 16 of P.L.1948, c.110 (C.43:21-40).

21 (b) In the case of an individual taking family temporary
22 disability leave, the leave shall be compensable subject to the
23 limitations of P.L.2008, c.17 (C.43:21-39.1 et al.).

24 (cf: P.L.2008, c.17, s.3)

25

26 2. Section 16 of P.L.1948, c.110 (C.43:21-40) is amended to
27 read as follows:

28 16. (a) With respect to periods of disability commencing on or
29 after July 1, 1961, an individual's weekly benefit amount shall be
30 determined and computed by the division on the same basis as the
31 weekly benefit rate is determined and computed pursuant to
32 subsection (c) of R.S.43:21-3, except that for periods of disability
33 commencing on or after October 1, 1984, an individual's weekly
34 benefit rate shall be two-thirds of his average weekly wage, subject
35 to a maximum of 53% of the Statewide average weekly
36 remuneration paid to workers by employers, as determined under
37 subsection (c) of R.S.43:21-3; provided, however, that such
38 individual's benefit rate shall be computed to the next lower
39 multiple of \$1.00 if not already a multiple thereof. The amount of
40 benefits for each day of disability for which benefits are payable

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate amendments adopted in accordance with Governor's recommendations September 27, 2018.

1 shall be one-seventh of the corresponding weekly benefit amount;
2 provided that the total benefits for a fractional part of a week shall
3 be computed to the next lower multiple of \$1.00 if not already a
4 multiple thereof.

5 (b) For any week beginning on or after the effective date of
6 P.L. , c. (pending before the Legislature as this bill), with
7 respect to a period of disability of an individual who is otherwise
8 eligible for benefits but only able to return to work on a reduced
9 basis while recovering from the disability, the individual, if
10 permitted by the employer to return to work on the reduced basis,
11 shall be paid an amount of benefits with respect to that week such
12 that the sum of the wages and those benefits paid to the individual,
13 rounded to the next lower multiple of \$1.00, will equal the weekly
14 benefit amount the individual would have been paid if totally
15 unable to perform the duties of employment due to disability,
16 provided that:

17 (1) The individual must have been totally unable to perform the
18 duties of employment due to disability and receiving full benefits
19 for at least seven consecutive days prior to claiming partial benefits
20 under this subsection;

21 (2) The maximum duration of partial benefits paid pursuant to
22 this subsection is eight weeks, unless the division, after a review of
23 medical documentation from a qualified healthcare provider,
24 approves in writing an extension beyond eight weeks, but in no case
25 shall the duration be extended to more than 12 weeks; and

26 (3) If the individual is able to return to work on a reduced basis
27 but the employer is unable or otherwise chooses not to permit the
28 individual to do so, the individual will continue to be eligible for
29 benefits until the individual is fully recovered from the disability
30 and able to perform the duties of employment, but nothing in this
31 subsection shall be construed as increasing the total number of
32 weeks of disability benefits for which the individual is eligible.

33 For the purposes of this section, "qualified healthcare provider"
34 means a legally licensed physician, dentist, podiatrist, chiropractor,
35 certified nurse midwife, advanced practice nurse or public health
36 nurse designated by the division.

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

38

39 3. This act shall take effect ¹**【on the 180th day】** one year¹ after
40 the date of enactment.

41

42

43

44

45

Establishes a partial return to work TDI program.

SENATE, No. 844

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Establishes a partial return to work TDI program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT permitting the payment of temporary disability benefits on
2 a part-time basis and amending P.L.1948, c.110.

3

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

6

7 1. Section 5 of P.L.1948, c.110 (C.43:21-29) is amended to
8 read as follows:

9 5. (a) In the case of the disability of a covered individual,
10 disability shall be compensable subject to the limitations of
11 P.L.1948, c.110 (C.43:21-25 et al.) if: the disability is the result of
12 the covered individual suffering an accident or sickness not arising
13 out of and in the course of the individual's employment or if so
14 arising not compensable under the workers' compensation law,
15 R.S.34:15-1 et seq. **[,];** and **[resulting]** the disability results in the
16 individual's total inability to perform the duties of employment,
17 except that an individual who is otherwise eligible for benefits but
18 only able to return to work on a reduced basis while recovering
19 from the disability may receive benefits pursuant to the provisions
20 of subsection (b) of section 16 of P.L.1948, c.110 (C.43:21-40).

21 (b) In the case of an individual taking family temporary
22 disability leave, the leave shall be compensable subject to the
23 limitations of P.L.2008, c.17 (C.43:21-39.1 et al.).
24 (cf: P.L.2008, c.17, s.3)

25

26 2. Section 16 of P.L.1948, c.110 (C.43:21-40) is amended to
27 read as follows:

28 16. (a) With respect to periods of disability commencing on or
29 after July 1, 1961, an individual's weekly benefit amount shall be
30 determined and computed by the division on the same basis as the
31 weekly benefit rate is determined and computed pursuant to
32 subsection (c) of R.S.43:21-3, except that for periods of disability
33 commencing on or after October 1, 1984, an individual's weekly
34 benefit rate shall be two-thirds of his average weekly wage, subject
35 to a maximum of 53% of the Statewide average weekly
36 remuneration paid to workers by employers, as determined under
37 subsection (c) of R.S.43:21-3; provided, however, that such
38 individual's benefit rate shall be computed to the next lower
39 multiple of \$1.00 if not already a multiple thereof. The amount of
40 benefits for each day of disability for which benefits are payable
41 shall be one-seventh of the corresponding weekly benefit amount;
42 provided that the total benefits for a fractional part of a week shall
43 be computed to the next lower multiple of \$1.00 if not already a
44 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.

1 **(b) For any week beginning on or after the effective date of**
2 **P.L. , c. (pending before the Legislature as this bill), with**
3 **respect to a period of disability of an individual who is otherwise**
4 **eligible for benefits but only able to return to work on a reduced**
5 **basis while recovering from the disability, the individual, if**
6 **permitted by the employer to return to work on the reduced basis,**
7 **shall be paid an amount of benefits with respect to that week such**
8 **that the sum of the wages and those benefits paid to the individual,**
9 **rounded to the next lower multiple of \$1.00, will equal the weekly**
10 **benefit amount the individual would have been paid if totally**
11 **unable to perform the duties of employment due to disability,**
12 **provided that:**

13 **(1) The individual must have been totally unable to perform the**
14 **duties of employment due to disability and receiving full benefits**
15 **for at least seven consecutive days prior to claiming partial benefits**
16 **under this subsection;**

17 **(2) The maximum duration of partial benefits paid pursuant to**
18 **this subsection is eight weeks, unless the division, after a review of**
19 **medical documentation from a qualified healthcare provider,**
20 **approves in writing an extension beyond eight weeks, but in no case**
21 **shall the duration be extended to more than 12 weeks; and**

22 **(3) If the individual is able to return to work on a reduced basis**
23 **but the employer is unable or otherwise chooses not to permit the**
24 **individual to do so, the individual will continue to be eligible for**
25 **benefits until the individual is fully recovered from the disability**
26 **and able to perform the duties of employment, but nothing in this**
27 **subsection shall be construed as increasing the total number of**
28 **weeks of disability benefits for which the individual is eligible.**

29 **For the purposes of this section, “qualified healthcare provider”**
30 **means a legally licensed physician, dentist, podiatrist, chiropractor,**
31 **certified nurse midwife, advanced practice nurse or public health**
32 **nurse designated by the division.**

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

34

35 3. This act shall take effect on the 180th day after the date of
36 enactment.

37

38

39

STATEMENT

40

41 This bill establishes a partial return to work program which
42 permits the payment of temporary disability insurance (TDI)
43 benefits on a reduced basis to temporarily disabled workers who are
44 otherwise eligible for TDI benefits, but only able to return to work
45 on a reduced basis while recovering from disability. The bill
46 permits such partial benefits only after a worker has been
47 completely unable to work due to disability and receiving full TDI
48 benefits for at least seven days. Currently, the TDI law provides for

1 benefits only during the time that the worker is completely unable
2 to work due to the disability. The bill provides that the amount of
3 the part-time TDI benefit is the full-time TDI benefit amount minus
4 the wages paid to the worker during a week.

5 The bill sets a maximum duration of eight weeks for partial
6 benefits, unless the division, after a review of medical
7 documentation, approves an extension beyond eight weeks, but not
8 more than 12 weeks in any case. Employers are not required to
9 permit a worker to return to work on a reduced basis, but if a
10 worker is able to return to work on a reduced basis but the employer
11 does not permit the worker to do so, the worker will remain eligible
12 for benefits until fully recovered from the disability and able to
13 perform the duties of employment. The bill does not, in any case,
14 increase the total number of weeks of disability benefits for a
15 worker.

16 The purpose of the bill is to allow workers to transition back to
17 work by initially working on a part time basis, and to provide cost
18 savings to the TDI fund by reducing TDI benefit costs during those
19 transitions. The bill is based on a partial TDI benefit program
20 implemented in Rhode Island in 2007. It is reported that the
21 program resulted in savings every year the program has been
22 operational.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

SENATE, No. 844

STATE OF NEW JERSEY

DATED: MARCH 12, 2018

The Assembly Labor Committee reports favorably Senate Bill No. 844.

This bill establishes a partial return to work program which permits the payment of temporary disability insurance (TDI) benefits on a 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 bill sets a maximum duration of eight weeks for partial benefits, unless the division, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis but the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for a worker.

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 every year the program has been operational.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 844

STATE OF NEW JERSEY

DATED: MAY 17, 2018

The Assembly Appropriations Committee reports favorably Senate Bill No. 844.

This bill establishes a partial return to work program, which permits the payment of Temporary Disability Insurance (TDI) benefits on a 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 provides that the amount of the part-time TDI benefit is equal to the full-time TDI benefit amount minus the wages paid to the worker during a week.

This bill permits a worker to receive partial TDI benefits if that worker has been completely unable to work due to disability and has been receiving full TDI benefits for at least seven consecutive days. In contrast, current law provides for benefits only during the time that the worker is completely unable to work due to the disability.

This bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance of the Department of Labor and Workforce Development, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis but the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for any worker.

As reported, this bill is identical to Assembly Bill No. 1980, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work program (PRTW) for persons injured and receiving Temporary Disability Insurance benefits (TDI) may have an indeterminate annual impact on TDI expenditures from the State Disability Benefits Fund (SDBF). As the TDI program is partially funded through an assessment on workers' wages, whose rate is set annually to cover anticipated program expenditures, this bill may

also result in a corresponding indeterminate annual revenue impact on the SDBF.

The OLS projects that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent PRTW participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW.

The OLS cannot determine the direction or magnitude of the bill's fiscal impact because any impact of a PRTW will be determined greatly by choices of both employees and employers, and the OLS cannot with any certainty predict behavior in this regard. The choice to return to work full-time, part-time, or continue to collect full-time benefits is dependent upon the person's disability and financial need to return to full wages. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables in this regard.

TDI savings and additional State gross income tax revenue will be realized whenever a person returns to work part-time who, absent the bill, would have stayed on full-time tax-exempt benefits rather than return to work full-time and earn taxable wage income. Conversely, additional TDI expenditures and reduced State gross income tax revenue will result whenever a person returns to work part-time who, absent the bill, would have returned to work full-time rather than stay on full-time TDI benefits.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 844

STATE OF NEW JERSEY

DATED: JANUARY 22, 2018

The Senate Labor Committee reports favorably Senate Bill No. 844.

This bill establishes a partial return to work program which permits the payment of temporary disability insurance (TDI) benefits on a 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 bill sets a maximum duration of eight weeks for partial benefits, unless the division, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis but the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for a worker.

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 every year the program has been operational.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 844

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 844.

This bill establishes a partial return to work program, which permits the payment of Temporary Disability Insurance (TDI) benefits on a 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 provides that the amount of the part-time TDI benefit is equal to the full-time TDI benefit amount minus the wages paid to the worker during a week.

This bill permits a worker to receive partial TDI benefits if that worker has been completely unable to work due to disability and has been receiving full TDI benefits for at least seven consecutive days. In contrast, current law provides for benefits only during the time that the worker is completely unable to work due to the disability.

This bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance of the Department of Labor and Workforce Development, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis but the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for any worker.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work program (PRTW) for persons injured and receiving Temporary Disability Insurance benefits (TDI) may have an indeterminate annual impact on TDI expenditures from the State Disability Benefits Fund (SDBF). As the TDI program is partially funded through an assessment on workers' wages, whose rate is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF.

The OLS projects that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent PRTW participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW.

The OLS cannot determine the direction or magnitude of the bill's fiscal impact because any impact of a PRTW will be determined greatly by choices of both employees and employers, and the OLS cannot with any certainty predict behavior in this regard. The choice to return to work full-time, part-time, or continue to collect full-time benefits is dependent upon the person's disability and financial need to return to full wages. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables in this regard.

TDI savings and additional State gross income tax revenue will be realized whenever a person returns to work part-time who, absent the bill, would have stayed on full-time tax-exempt benefits rather than return to work full-time and earn taxable wage income. Conversely, additional TDI expenditures and reduced State gross income tax revenue will result whenever a person returns to work part-time who, absent the bill, would have returned to work full-time rather than stay on full-time TDI benefits.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 844
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: FEBRUARY 9, 2018

SUMMARY

Synopsis: Establishes a partial return to work TDI program.

Types of Impact: Annual expenditure and revenue impacts, State Disability Benefits Fund. Annual State revenue impact, Property Tax Relief Fund.

Agencies Affected: Department of Labor and Workforce Development.
 Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Expenditure and Revenue Impacts, State Disability Benefits Fund	Indeterminate
Annual State Revenue Impact, Property Tax Relief Fund	Indeterminate

- The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work (PRTW) program for individuals who are injured and receiving Temporary Disability Insurance (TDI) benefits may have an indeterminate annual impact on TDI benefit expenditures from the State Disability Benefits Fund (SDBF). As the TDI program is partially funded through an assessment on workers' wages whose rate is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF.
- The OLS projects that the bill may also have an indeterminate impact on annual State gross income tax collections to the extent that PRTW program participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.
- The OLS cannot determine the direction or magnitude of the bill's fiscal impacts because any impact of a PRTW program will be determined greatly by choices of both employees and employers and the OLS cannot with any certainty predict their behavior in this regard.

- Rhode Island implemented a similar program in 2006, and approximately two percent of individuals collecting TDI benefits in Rhode Island participated in the PRTW program from inception to 2014, according to the most current information available to the OLS.
- The financial impact of Rhode Island's PRTW program is uncertain. Consequently, the OLS cannot draw on Rhode Island's experience in estimating the fiscal impact of a New Jersey PRTW program.

BILL DESCRIPTION

This bill establishes a PRTW program which permits the payment of TDI benefits on a reduced basis to temporarily disabled workers who are otherwise eligible for TDI benefits but able to return to work on a reduced basis while recovering from disability.

Currently, the New Jersey TDI law provides for benefits only during the time that the worker is completely unable to work due to the disability, up to 26 weeks. The bill permits 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. The bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance in the Department of Labor and Workforce Development, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks. The bill does not increase the current maximum of 26 weeks for which a worker may receive disability benefits.

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. Full-time TDI benefits are equal to two-thirds of the worker's weekly wage, up to a maximum of 53 percent of the Statewide average weekly wage, or \$637 a week in 2018.

Employers are not required to permit a worker to return to work on a reduced basis. If a worker is able to return to work on a reduced basis and the employer does not permit the worker to do so, the worker will remain eligible for full-time TDI benefits until fully recovered from the disability and able to perform the duties of employment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the establishment of a PRTW program for individuals who are injured and receiving TDI benefits may have an indeterminate annual impact on TDI benefit expenditures from the SDBF. As the TDI program is partially funded through an assessment on workers' wages whose rate is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF. The SDBF is also funded by an experience rating tax applied to wages paid by employers.

The OLS projects further that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent that PRTW program participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.

The OLS cannot determine the direction or magnitude of the bill's fiscal impacts because any impact of a PRTW program will be determined greatly by choices of both employees and employers and the OLS cannot with any certainty predict their behavior in this regard. The choice to return to work full-time, part-time or continue to collect full-time benefits is dependent on the person's disability and financial need to return to the full wages. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables.

TDI program savings and additional State gross income tax revenue will be realized whenever an individual returns to work part-time who absent the bill would have stayed on full-time tax-exempt benefits rather than return to work full-time and earn taxable wage income. Conversely, additional TDI program expenditures and reduced State gross income tax revenue will result whenever an individual returns to work part-time who absent the bill would have returned to work full-time rather than stay on full-time TDI benefits.

Rhode Island implemented a similar program in 2006 and, according to the most current data available to the OLS from the Rhode Island Department of Labor and Training, approximately two percent of individuals collecting TDI benefits in Rhode Island participated in the PRTW program from inception to 2014. The financial impact of Rhode Island's PRTW program, however, is uncertain.

Expenditures for Rhode Island Temporary Disability benefits decreased by 4 percent in 2006 as compared to 2005; however, the OLS cannot identify how much of this decrease was the result of the newly implemented PRTW program as compared to other programmatic changes made to the Rhode Island TDI program at that time. Although certain individuals in Rhode Island have chosen to participate in the PRTW program and receive only a portion of their full-time TDI benefit, it is not possible to conclude with any certainty what the behavior of these individuals would have been in the absence of the PRTW program. Given this lack of information, the OLS cannot draw on Rhode Island's experience in estimating the fiscal impact of a New Jersey PRTW program.

It is possible that two percent of New Jersey beneficiaries, similar to their Rhode Island counterparts, will choose to participate in the PRTW program. However, it cannot be determined if these same individuals would choose to return to work earlier for their full taxable pay or continue to receive full-time tax-exempt disability benefits in the absence of the PRTW program.

Section: Commerce, Labor and Industry

Analyst: Sarah M. Schmidt
Associate Research Analyst

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 844

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: NOVEMBER 2, 2018

SUMMARY

- Synopsis:** Establishes a partial return to work TDI program.
- Types of Impact:** Annual expenditure and revenue impacts, State Disability Benefits Fund. Annual State revenue impact, Property Tax Relief Fund.
- Agencies Affected:** Department of Labor and Workforce Development.
Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	
State Expenditure	Up to \$1.0 million
Revenue Impacts,	
State Disability Benefits Fund	Indeterminate
Property Tax Relief Fund	Indeterminate

- The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work (PRTW) program for individuals who are injured and receiving Temporary Disability Insurance (TDI) benefits may have an annual impact on TDI benefit expenditures from the State Disability Benefits Fund (SDBF) of up to \$1,000,000. As the TDI program is partially funded through an assessment on workers' wages, the rate for which is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF.
- Rhode Island implemented a similar program in 2006. According to data obtained through the Assistant Director's office of the Rhode Island Department of Labor & Training, approximately three percent of individuals who were collecting TDI benefits in Rhode Island participated in the PRTW program from 2012 to 2017. The OLS extrapolated that data to estimate the fiscal impacts of this bill.
- The OLS projects that the bill may also have an indeterminate impact on annual State gross income tax collections to the extent that PRTW program participants will receive different

amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.

- While Rhode Island's PRTW program decreased its expenditures from \$451,133 in 2012 to \$332,847 in 2017, a 26 percent reduction, the total amount of Rhode Island's temporary disability benefits has increased by 11 percent in 2017, as compared to 2012.

BILL DESCRIPTION

The bill establishes a PRTW program which permits the payment of TDI benefits on a reduced basis to temporarily disabled workers who are otherwise eligible for TDI benefits but able to return to work on a reduced basis while recovering from disability.

Currently, the New Jersey TDI law provides for benefits only during the time that the worker is completely unable to work due to the disability, up to 26 weeks. The bill permits 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. The bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance in the Department of Labor and Workforce Development (DOLWD), after a review of medical documentation, approves an extension beyond eight weeks, but not for more than 12 weeks. The bill does not increase the current maximum of 26 weeks for which a worker may receive disability benefits.

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. Full-time TDI benefits are equal to two-thirds of the worker's weekly wage, up to a maximum of 53 percent of the Statewide average weekly wage, or \$637 a week in 2018.

Employers are not required to permit a worker to return to work on a reduced basis. If a worker is able to return to work on a reduced basis and the employer does not permit the worker to do so, the worker will remain eligible for full-time TDI benefits until fully recovered from the disability and able to perform the duties of employment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the establishment of a PRTW program for individuals who are injured and receiving TDI benefits may have an annual impact on TDI benefit expenditures from the SDBF of up to \$1.0 million. As the TDI program is partially funded through an assessment on workers' wages, which assessment rate is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF. The SDBF is also funded by an experience rating tax applied to wages paid by employers.

The OLS projects further that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent that PRTW program participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.

The OLS cannot determine the exact magnitude of the bill's fiscal impact because any impact of a PRTW program will be determined greatly by choices of both employees and employers, and the OLS cannot with any certainty predict their behavior in this regard. The choice to return to work full-time, part-time, or continue to collect full-time benefits is dependent on the person's disability and financial need to return to the full salary. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables. If predicting savings, one must assume that individuals who choose to return to work part-time would have stayed on full-time benefits, rather than return to work full-time, absent the bill. Conversely, if predicting additional expenditures, one must assume that individuals who choose to return to work part-time would have returned to work full-time, rather than stayed on full-time benefits, absent the bill.

Rhode Island implemented a similar program in 2006 and, according to the most current data available to the OLS from the Rhode Island Department of Labor and Training, approximately three percent of individuals collecting TDI benefits in Rhode Island have participated in the PRTW from 2012 to 2017.

While Rhode Island's PRTW program decreased its expenditures by 26 percent from 2012 to 2017, the benefit has increased state expenditures by 11 percent in 2017 as compared to 2012. As an overarching caveat on limitations of this Legislative Fiscal Estimate, it is important to understand that the OLS cannot conclusively project that the outcomes of the Rhode Island's program will be homologous in New Jersey. Accordingly, the OLS calculates, extrapolating data from Rhode Island's PRTW program and using data provided by the New Jersey DOLWD through the OLS Discussion Point process, that the State may incur in TDI benefit expenditures from the SDBF of up to \$1.0 million for PRTW program purposes.

Although certain individuals in Rhode Island have chosen to participate in the PRTW program and receive only a portion of their full-time TDI benefit, it is not possible to conclude with any certainty what the behavior of these individuals would have been in the absence of the PRTW program. Given this lack of information, the OLS cannot draw on Rhode Island's experience in estimating the fiscal impact of a New Jersey PRTW program.

It is possible that three percent of New Jersey beneficiaries, similar to their Rhode Island counterparts, will choose to participate in the PRTW program, or about 4,000 beneficiaries. However, it cannot be determined with certainty if these individuals would choose to return to work earlier for their full pay or continue to receive full-time disability benefits in the absence of the PRTW program.

Section: Commerce, Labor and Industry

*Analyst: Juan C. Rodriguez
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 1980

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

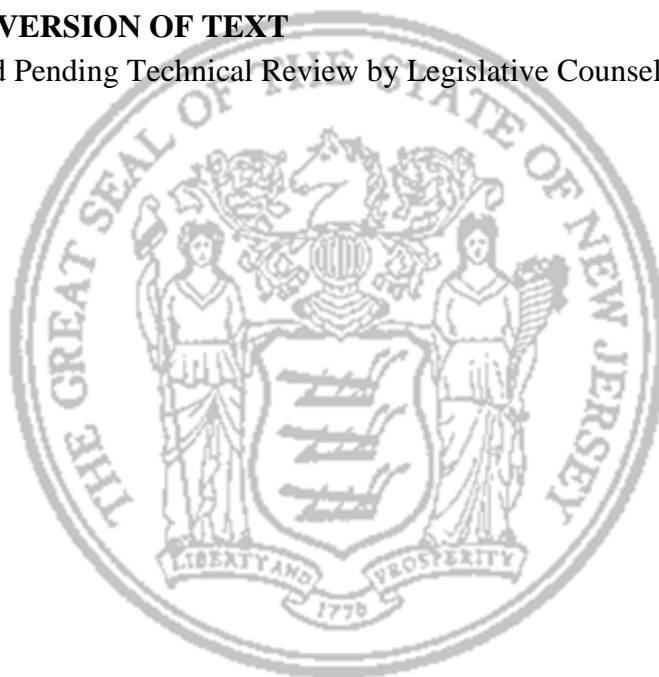
Assemblymen Coughlin, McKeon and Assemblywoman Murphy

SYNOPSIS

Establishes a partial return to work TDI program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 3/13/2018)

1 AN ACT permitting the payment of temporary disability benefits on
2 a part-time basis and amending P.L.1948, c.110.

3

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

6

7 1. Section 5 of P.L.1948, c.110 (C.43:21-29) is amended to
8 read as follows:

9 5. (a) In the case of the disability of a covered individual,
10 disability shall be compensable subject to the limitations of
11 P.L.1948, c.110 (C.43:21-25 et al.) if: the disability is the result of
12 the covered individual suffering an accident or sickness not arising
13 out of and in the course of the individual's employment or if so
14 arising not compensable under the workers' compensation law,
15 R.S.34:15-1 et seq. **[,];** and **[resulting]** the disability results in the
16 individual's total inability to perform the duties of employment,
17 except that an individual who is otherwise eligible for benefits but
18 only able to return to work on a reduced basis while recovering
19 from the disability may receive benefits pursuant to the provisions
20 of subsection (b) of section 16 of P.L.1948, c.110 (C.43:21-40).

21 (b) In the case of an individual taking family temporary
22 disability leave, the leave shall be compensable subject to the
23 limitations of P.L.2008, c.17 (C.43:21-39.1 et al.).
24 (cf: P.L.2008, c.17, s.3)

25

26 2. Section 16 of P.L.1948, c.110 (C.43:21-40) is amended to
27 read as follows:

28 16. (a) With respect to periods of disability commencing on or
29 after July 1, 1961, an individual's weekly benefit amount shall be
30 determined and computed by the division on the same basis as the
31 weekly benefit rate is determined and computed pursuant to
32 subsection (c) of R.S.43:21-3, except that for periods of disability
33 commencing on or after October 1, 1984, an individual's weekly
34 benefit rate shall be two-thirds of his average weekly wage, subject
35 to a maximum of 53% of the Statewide average weekly
36 remuneration paid to workers by employers, as determined under
37 subsection (c) of R.S.43:21-3; provided, however, that such
38 individual's benefit rate shall be computed to the next lower
39 multiple of \$1.00 if not already a multiple thereof. The amount of
40 benefits for each day of disability for which benefits are payable
41 shall be one-seventh of the corresponding weekly benefit amount;
42 provided that the total benefits for a fractional part of a week shall
43 be computed to the next lower multiple of \$1.00 if not already a
44 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.

1 **(b) For any week beginning on or after the effective date of**
2 **P.L. , c. (pending before the Legislature as this bill), with**
3 **respect to a period of disability of an individual who is otherwise**
4 **eligible for benefits but only able to return to work on a reduced**
5 **basis while recovering from the disability, the individual, if**
6 **permitted by the employer to return to work on the reduced basis,**
7 **shall be paid an amount of benefits with respect to that week such**
8 **that the sum of the wages and those benefits paid to the individual,**
9 **rounded to the next lower multiple of \$1.00, will equal the weekly**
10 **benefit amount the individual would have been paid if totally**
11 **unable to perform the duties of employment due to disability,**
12 **provided that:**

13 **(1) The individual must have been totally unable to perform the**
14 **duties of employment due to disability and receiving full benefits**
15 **for at least seven consecutive days prior to claiming partial benefits**
16 **under this subsection;**

17 **(2) The maximum duration of partial benefits paid pursuant to**
18 **this subsection is eight weeks, unless the division, after a review of**
19 **medical documentation from a qualified healthcare provider,**
20 **approves in writing an extension beyond eight weeks, but in no case**
21 **shall the duration be extended to more than 12 weeks; and**

22 **(3) If the individual is able to return to work on a reduced basis**
23 **but the employer is unable or otherwise chooses not to permit the**
24 **individual to do so, the individual will continue to be eligible for**
25 **benefits until the individual is fully recovered from the disability**
26 **and able to perform the duties of employment, but nothing in this**
27 **subsection shall be construed as increasing the total number of**
28 **weeks of disability benefits for which the individual is eligible.**

29 **For the purposes of this section, "qualified healthcare provider"**
30 **means a legally licensed physician, dentist, podiatrist, chiropractor,**
31 **certified nurse midwife, advanced practice nurse or public health**
32 **nurse designated by the division.**

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

34

35 3. This act shall take effect on the 180th day after the date of
36 enactment.

37

38

39

STATEMENT

40

41 This bill establishes a partial return to work program which
42 permits the payment of temporary disability insurance (TDI)
43 benefits on a reduced basis to temporarily disabled workers who are
44 otherwise eligible for TDI benefits but only able to return to work
45 on a reduced basis while recovering from disability. The bill
46 permits partial benefits only after a worker has been completely
47 unable to work due to disability and receiving full TDI benefits for
48 at least seven days. Currently, the TDI law provides for benefits

1 only during the time that the worker is completely unable to work
2 due to the disability. The bill provides that the amount of the part-
3 time TDI benefit is the full-time TDI benefit amount minus the
4 wages paid to the worker during a week.

5 The bill sets a maximum duration of eight weeks for partial
6 benefits, unless the division, after a review of medical
7 documentation, approves an extension beyond eight weeks, but not
8 more than 12 weeks in any case. Employers are not required to
9 permit a worker to return to work on a reduced basis, but if a
10 worker is able to return to work on a reduced basis and the
11 employer does not permit the worker to do so, the worker will
12 remain eligible for benefits until fully recovered from the disability
13 and able to perform the duties of employment. The bill does not, in
14 any case, increase the total number of weeks of disability benefits
15 for a worker.

16 The purpose of the bill is to allow workers to transition back to
17 work by initially working on a part time basis, and to provide cost
18 savings to the TDI fund by reducing TDI benefit costs during those
19 transitions. The bill is based on a partial TDI benefit program
20 implemented in Rhode Island in 2007. It is reported that the
21 program resulted in savings every year the program has been
22 operational.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1980

STATE OF NEW JERSEY

DATED: MARCH 12, 2018

The Assembly Labor Committee reports favorably Assembly Bill No. 1980.

This bill establishes a partial return to work program which permits the payment of temporary disability insurance (TDI) benefits on a 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 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 bill sets a maximum duration of eight weeks for partial benefits, unless the division, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis and the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for a worker.

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 every year the program has been operational.

This bill was pre-filed for introduction in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1980

STATE OF NEW JERSEY

DATED: MAY 17, 2018

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1980.

This bill establishes a partial return to work program, which permits the payment of Temporary Disability Insurance (TDI) benefits on a 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 provides that the amount of the part-time TDI benefit is equal to the full-time TDI benefit amount minus the wages paid to the worker during a week.

This bill permits a worker to receive partial TDI benefits if that worker has been completely unable to work due to disability and has been receiving full TDI benefits for at least seven consecutive days. In contrast, current law provides for benefits only during the time that the worker is completely unable to work due to the disability.

This bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance of the Department of Labor and Workforce Development, after a review of medical documentation, approves an extension beyond eight weeks, but not more than 12 weeks in any case. Employers are not required to permit a worker to return to work on a reduced basis, but if a worker is able to return to work on a reduced basis but the employer does not permit the worker to do so, the worker will remain eligible for benefits until fully recovered from the disability and able to perform the duties of employment. The bill does not, in any case, increase the total number of weeks of disability benefits for any worker.

As reported, this bill is identical to Senate Bill No. 844, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work program (PRTW) for persons injured and receiving Temporary Disability Insurance benefits (TDI) may have an indeterminate annual impact on TDI expenditures from the State Disability Benefits Fund (SDBF). As the TDI program is partially funded through an assessment on workers' wages, whose rate is set annually to cover anticipated program expenditures, this bill may

also result in a corresponding indeterminate annual revenue impact on the SDBF.

The OLS projects that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent PRTW participants will receive different amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW.

The OLS cannot determine the direction or magnitude of the bill's fiscal impact because any impact of a PRTW will be determined greatly by choices of both employees and employers, and the OLS cannot with any certainty predict behavior in this regard. The choice to return to work full-time, part-time, or continue to collect full-time benefits is dependent upon the person's disability and financial need to return to full wages. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables in this regard.

TDI savings and additional State gross income tax revenue will be realized whenever a person returns to work part-time who, absent the bill, would have stayed on full-time tax-exempt benefits rather than return to work full-time and earn taxable wage income. Conversely, additional TDI expenditures and reduced State gross income tax revenue will result whenever a person returns to work part-time who, absent the bill, would have returned to work full-time rather than stay on full-time TDI benefits.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 1980
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 28, 2018

SUMMARY

Synopsis: Establishes a partial return to work TDI program.

Types of Impact: Annual expenditure and revenue impacts, State Disability Benefits Fund. Annual State revenue impact, Property Tax Relief Fund.

Agencies Affected: Department of Labor and Workforce Development.
 Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	
State Expenditure	Up to \$1,000,000
Revenue Impacts,	
State Disability Benefits Fund	Indeterminate
Property Tax Relief Fund	Indeterminate

- The Office of Legislative Services (OLS) estimates that the establishment of a partial return to work (PRTW) program for individuals who are injured and receiving Temporary Disability Insurance (TDI) benefits may have an annual impact on TDI benefit expenditures from the State Disability Benefits Fund (SDBF) of up to \$1,000,000. As the TDI program is partially funded through an assessment on workers’ wages, the rate for which is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF.
- Rhode Island implemented a similar program in 2006. According to data obtained through the Assistant Director’s office of the Rhode Island Department of Labor & Training, approximately three percent of individuals who were collecting TDI benefits in Rhode Island participated in the PRTW program from 2012 to 2017. The OLS extrapolated that data to estimate the fiscal impacts of this bill.
- The OLS projects that the bill may also have an indeterminate impact on annual State gross income tax collections to the extent that PRTW program participants will receive different



amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.

- While Rhode Island's PRTW program decreased its expenditures from \$451,133 in 2012 to \$332,847 in 2017, a 26 percent reduction, the total amount of Rhode Island's temporary disability benefits has increased by 11 percent in 2017, as compared to 2012.

BILL DESCRIPTION

The bill establishes a PRTW program which permits the payment of TDI benefits on a reduced basis to temporarily disabled workers who are otherwise eligible for TDI benefits but able to return to work on a reduced basis while recovering from disability.

Currently, the New Jersey TDI law provides for benefits only during the time that the worker is completely unable to work due to the disability, up to 26 weeks. The bill permits 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. The bill sets a maximum duration of eight weeks for partial benefits, unless the Division of Unemployment and Temporary Disability Insurance in the Department of Labor and Workforce Development, after a review of medical documentation, approves an extension beyond eight weeks, but not for more than 12 weeks. The bill does not increase the current maximum of 26 weeks for which a worker may receive disability benefits.

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. Full-time TDI benefits are equal to two-thirds of the worker's weekly wage, up to a maximum of 53 percent of the Statewide average weekly wage, or \$637 a week in 2018.

Employers are not required to permit a worker to return to work on a reduced basis. If a worker is able to return to work on a reduced basis and the employer does not permit the worker to do so, the worker will remain eligible for full-time TDI benefits until fully recovered from the disability and able to perform the duties of employment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the establishment of a PRTW program for individuals who are injured and receiving TDI benefits may have an annual impact on TDI benefit expenditures from the SDBF of up to \$1,000,000. As the TDI program is partially funded through an assessment on workers' wages, which assessment rate is set annually to cover anticipated program expenditures, this bill may also result in a corresponding indeterminate annual revenue impact on the SDBF. The SDBF is also funded by an experience rating tax applied to wages paid by employers.

The OLS projects further that the bill may also have an indeterminate annual impact on State gross income tax collections to the extent that PRTW program participants will receive different

amounts of tax-exempt TDI benefits and taxable wage income than they would receive absent the PRTW program.

The OLS cannot determine the exact magnitude of the bill's fiscal impact because any impact of a PRTW program will be determined greatly by choices of both employees and employers and the OLS cannot with any certainty predict their behavior in this regard. The choice to return to work full-time, part-time or continue to collect full-time benefits is dependent on the person's disability and financial need to return to the full salary. Since employer consent is required for returning to work part-time, the needs and circumstances of employers are additional variables. If predicting savings, one must assume that individuals who choose to return to work part-time would have stayed on full-time benefits, rather than return to work full-time, absent the bill. Conversely, if predicting additional expenditures, one must assume that individuals who choose to return to work part-time would have returned to work full-time, rather than stayed on full-time benefits, absent the bill.

Rhode Island implemented a similar program in 2006 and, according to the most current data available to the OLS from the Rhode Island Department of Labor and Training, approximately three percent of individuals collecting TDI benefits in Rhode Island have participated in the PRTW from 2012 to 2017.

While Rhode Island's PRTW program decreased its expenditures by 26 percent from 2012 to 2017, the benefit has increased state expenditures by 11 percent in 2017 as compared to 2012. As an overarching caveat on limitations of this Legislative Fiscal Estimate, it is important to understand that the OLS cannot conclusively project that the outcomes of the Rhode Island's program will be homologous in New Jersey. Accordingly, the OLS calculates, extrapolating data from Rhode Island's PRTW program and using data provided by the New Jersey Department of Labor and Workforce Development through the OLS Discussion Point process, that the State may incur in TDI benefit expenditures from the SDBF of up to \$1,000,000 for PRTW program purposes.

Although certain individuals in Rhode Island have chosen to participate in the PRTW program and receive only a portion of their full-time TDI benefit, it is not possible to conclude with any certainty what the behavior of these individuals would have been in the absence of the PRTW program. Given this lack of information, the OLS cannot draw on Rhode Island's experience in estimating the fiscal impact of a New Jersey PRTW program.

It is possible that three percent of New Jersey beneficiaries, similar to their Rhode Island counterparts, will choose to participate in the PRTW program, or about 4,000 beneficiaries. However, it cannot be determined with certainty if these individuals would choose to return to work earlier for their full pay or continue to receive full-time disability benefits in the absence of the PRTW program.

Section: Commerce, Labor and Industry
Analyst: Juan C. Rodriguez
Associate Fiscal Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE BILL NO. 844

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 844 with my recommendations for reconsideration.

Senate Bill No. 844, Assembly Bill No. 2762 (First Reprint), Assembly Bill No. 2763 (First Reprint), and Assembly Bill No. 4118 all address various aspects of our temporary disability and family leave insurance systems. Senate Bill No. 844 would establish a partial return to work program allowing for the payment of temporary disability insurance ("TDI") benefits to temporarily disabled workers. The program will enable workers to return to work on a reduced basis while recovering from disability and receiving a reduced benefit.

I unequivocally support the expansion of these benefits for workers in the State, and will continue to work with the Legislature on future legislation addressing shortfalls in coverage, underutilization by vulnerable populations, and inequities in benefit administration. I have identified, however, significant issues with the infrastructure supporting these programs. As a result, I am concerned that these bills require changes that will render the Department of Labor and Workforce Development ("DOLWD") unable to administer the benefits contemplated by the bills, and will disrupt the timely delivery of all benefits managed by the system. I have recommended an extension of the effective dates of the bills to allow additional time for the Department to implement these measures.

In the interim, I have directed the DOLWD to work with the Office of Information Technology on coordinating a strategy for implementation and locating opportunities for much-needed modernization of the Department's computer systems.

Accordingly, I herewith return Senate Bill No. 844 and recommend that it be amended as follows:

Page 3, Section 3, Line 35:

Delete "on the 180th day" and insert "one year"

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

06/17/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

S150 (Singleton, Greenstein/Zwicker, Benson, Sumter) - Concerns disclosure requirements by independent expenditure committees.

[Copy of Statement on S150](#)

S393 w/GR (Madden, Singleton/DeAngelo, Murphy, Verrelli) - Establishes Talent Network Program in DOLWD.

S844 w/GR (Turner, Cruz-Perez/Sumter, Mukherji, Pintor Marin, Wimberly) - Establishes a partial return to work TDI program.

S1967 w/GR (Sweeney, Madden/Jasey, Taliaferro, Benson) - Concerns certain workers' compensation supplemental benefits.