State Disability Insurance Laws – New Jersey

State disability insurance benefits are also called temporary disability insurance benefits and short-term disability insurance benefits. The chart below summarizes information regarding New Jersey’s requirements, compiled from the agencies responsible for administration of the benefits.

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<td><strong>Temporary Disability Insurance (TDI) State Plan</strong>&lt;br&gt;Under the New Jersey Temporary Disability Benefits Law, cash benefits are payable when an individual cannot work because of sickness or injury not caused by their job. All New Jersey employers covered by the Unemployment Compensation Law are also subject to the Temporary Disability Benefits Law, with the exception of certain government entities. A subject employer is automatically covered under the State Plan unless workers are covered under an approved private plan for temporary disability benefits. A claimant must have had at least 20 calendar weeks in covered New Jersey employment in which he or she earned $145 or more (called “base weeks”), or have earned $7,300 or more in the employment during the &quot;Base Year&quot; period (the 52 weeks immediately before the week in which the disability began). Only covered wages earned during the base year period can be used in determining a claim. Benefits may be limited if the employee does not meet certain eligibility requirements, has benefits from another source or continues to be paid by the employer while...</td>
<td>Both New Jersey workers and employers contribute to the cost of temporary disability coverage. <strong>Cost to Workers</strong> For 2012, workers contribute 0.2 percent on the first $30,300 (taxable wage base) in covered wages earned during this calendar year. The maximum worker contribution for 2012 is $60.60. This contribution is in the form of a salary deduction that the employer takes from weekly wages. <strong>Cost to Employers</strong> Although the taxable wage base is the same as for workers, the contribution rate for employers varies from 0.10 percent to 0.75 percent. For 2012, employers contribute between $30.30 and $227.25 on the first $30,300 earned by each employee during this calendar year. On Jan. 1 of each year, the taxable wage base changes.</td>
<td><strong>Weekly Benefit Rate (WBR)</strong>&lt;br&gt;The WBR is calculated on the basis of the claimant’s average weekly wage. Each claimant is paid two-thirds of his or her average weekly wage up to the maximum amount payable set for that calendar year. The maximum weekly benefit amount is $572 for disabilities beginning on or after Jan. 1, 2012. The average weekly wage is generally based on the earnings in the eight calendar weeks immediately before the week in which the disability begins. The total wages earned during all base weeks worked in the eight week period are divided by the number of base weeks to obtain the average weekly wage. <strong>Maximum Benefit Amount (MBA)</strong>&lt;br&gt;The MBA which may be paid for each period of disability is one-third of the total wages the claimant earned in New Jersey covered employment during the base year, or 26 times the weekly benefit amount, whichever is less.</td>
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| Private Plan Coverage | Neither the employer nor their workers are required to contribute to the State's TDI Trust Fund while the Private Plan remains in existence. A worker cannot be charged more for a Private Plan than he or she would have contributed for State Plan coverage. If workers are to be required to contribute toward the cost of the plan, a written election must be held and a majority of employees must agree to the plan prior to the effective date of the plan. | Private Plans must be at least as liberal in benefit amounts, eligibility requirements and duration of payments as the State Plan. Under a Private Plan:
- Benefits paid must be at least equal to the amount that would be paid on a State Plan claim.
- Eligibility requirements cannot be more restrictive than they would be for a State Plan claim.
- Coverage must be at least equal to the coverage offered by the State Plan. |

| Disability During Unemployment Program | Disability During Unemployment benefits are subject to federal income tax. Upon the claimant's written request, a federal income tax deduction at the rate of 10 percent will be made. All benefits received under the Disability During Unemployment program are considered taxable for federal income tax purposes. At the beginning of the year, the claimant will be sent a Form 1099-G, which will include the disability benefits as well as any unemployment benefits they received during the previous calendar year. Benefits under the New Jersey TDI program are not taxable for New Jersey State Income Tax purposes. | A claim will be processed using wages which the claimant’s New Jersey employers have submitted to a centralized databank. |

**Weekly Benefit Rate**

The weekly benefit rate is 60 percent of the claimant’s average weekly wage earned during the base period. For a disability that begins in 2012, the maximum weekly benefit amount is $611. Not everyone receives the maximum weekly benefit amount. If the weekly benefit amount is less than $611, the claimant’s benefits might be increased if he or she has unemployed dependents.

**Maximum Benefit Amount**

A claimant is entitled to one week of potential benefits for each base week in the base year period during which he or she worked in covered employment, subject to a maximum of 26 weeks. As of July 24, 2009, a base week is a week with earnings of at least $145.

If the claimant has an unemployment insurance claim and becomes disabled while unemployed during the benefit year (a benefit year is one year minus...
job covered by New Jersey's disability insurance program during the base period of the claim. Employment with local governments that have not elected disability coverage for their workers is not covered for disability benefits, nor is out-of-state employment, even though it is covered for unemployment insurance. [http://lwd.dol.state.nj.us/labor/tdi/employer/ddu/ddu_emp_menu.html](http://lwd.dol.state.nj.us/labor/tdi/employer/ddu/ddu_emp_menu.html)

two days, beginning from the date of the claim), he or she may be paid Disability During Unemployment benefits against that claim. In general, the claimant will receive the same weekly benefit rate as he or she was receiving on the unemployment insurance claim. The maximum that he or she can collect in unemployment insurance and Disability During Unemployment combined is one and one-half times the maximum benefit amount on the claim. If the claimant does not have a current unemployment insurance claim, the filing of a valid Disability During Unemployment claim will start a benefit year for him or her.

If you have any questions regarding these laws, please contact your Brown & Brown Metro, Inc representative.

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