### 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.

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th>FUNDING</th>
<th>BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Temporary Disability Insurance (TDI)</strong></td>
<td>Both New Jersey workers and employers contribute to the cost of temporary disability coverage.</td>
<td><strong>Weekly Benefit Rate (WBR)</strong>&lt;br&gt;Your weekly benefit rate is calculated using your average weekly wage. 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 such base weeks to obtain the average weekly wage. Each claimant is paid two-thirds (2/3) of his/her average weekly wage up to the maximum amount payable set for that calendar year. The maximum weekly benefit rate is $559 for disabilities beginning on or after January 1, 2011.</td>
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<td>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.</td>
<td><strong>Cost to Workers</strong>&lt;br&gt;For 2011, workers contribute at the rate of one-half of one percent (0.5%) on the first $29,600 (taxable wage base) in covered wages earned during this calendar year. The maximum worker contribution for 2011 is $148.00. This contribution is in the form of a salary deduction that your employer takes from your weekly wages.</td>
<td><strong>Maximum Benefit Amount (MBA)</strong>&lt;br&gt;The maximum benefit amount which may be paid for each period of disability is one-third (1/3) of the total wages you 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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<td>A subject employer is automatically covered under the State Plan unless workers are covered under an approved private plan for temporary disability benefits.</td>
<td><strong>Cost to Employers</strong>&lt;br&gt;Although the taxable wage base is the same as for workers, the contribution rate for employers varies from 0.10% to 0.75%. For 2011, employers contribute between $29.60 and $222.00 on the first $29.600 earned by each employee during this calendar year.</td>
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<td>A claimant must have had at least 20 calendar weeks in covered New Jersey employment in which he/she earned $145 or more (called &quot;base weeks&quot;), or have earned $7,300 or more in such 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.</td>
<td>On January 1 of each year, the taxable wage base changes.</td>
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<td>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>
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**Note:**
- Both New Jersey workers and employers contribute to the cost of temporary disability coverage.
- For 2011, workers contribute at the rate of one-half of one percent (0.5%) on the first $29,600 (taxable wage base) in covered wages earned during this calendar year. The maximum worker contribution for 2011 is $148.00. This contribution is in the form of a salary deduction that your employer takes from your weekly wages.
- Although the taxable wage base is the same as for workers, the contribution rate for employers varies from 0.10% to 0.75%. For 2011, employers contribute between $29.60 and $222.00 on the first $29.600 earned by each employee during this calendar year.
- On January 1 of each year, the taxable wage base changes.
### Private Plan Coverage

The Temporary Disability Benefits Law allows employers the option of choosing to establish a private plan for the payment of temporary disability benefits in place of paying benefits under the State Plan. All private plans must be approved by the Division of Temporary Disability Insurance.

Neither the employer, nor their workers are required to contribute to the State's Temporary Disability Insurance Trust Fund while the private plan remains in existence. The cost to the worker for the private plan cannot be more than it would be under State Plan.

If employees 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.

At a minimum, approved private plans must meet the basic provisions required of 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.

### Disability During Unemployment Program

If a worker becomes totally disabled and has been out of New Jersey covered employment for more than 14 days, he or she may be eligible for benefits under the Disability During Unemployment program.

Your claim will be processed using wages which your New Jersey employers have submitted to our centralized databank. Your monetary entitlement will be calculated and mailed to you. Your monetary determination will list all New Jersey subject employers for which you worked during your base period as well as the wages they reported for you. You should review the monetary determination carefully as soon as you receive it. If you disagree with the indicated monetary entitlement, or if any employer information is incorrect or incomplete, you should file a written appeal.

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% 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 Temporary Disability Insurance Program are not taxable for New Jersey State Income Tax purposes.

Your weekly benefit amount is 60% of your average weekly wage earned during your base period. For a disability that begins in 2011, the maximum weekly benefit rate is $598. Not everyone receives the maximum weekly benefit amount. If your weekly benefit rate is less than $598, your benefits might be increased if you have unemployed dependents. You will receive instructions on how to qualify.
During Unemployment claim, the claimant must have been paid a minimum amount of wages while in a 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

for these dependency benefits once your claim has been filed.

**Maximum Benefit Amount**

You are entitled to one (1) week of potential benefits for each base week in your base year period during which you worked in covered employment, subject to a maximum of 26 weeks. A base week is a week with earnings of at least $145.

If you have an unemployment insurance claim and become disabled while unemployed during the benefit year (a benefit year is one year minus two days period beginning from the date of the claim.), you may be paid Disability During Unemployment benefits against that claim. In general you will receive the same weekly benefit rate as you were receiving on your unemployment insurance claim. The maximum that you can collect in unemployment insurance and Disability During Unemployment combined is one and one-half times the maximum benefit amount on your claim. If you do not have a current unemployment insurance claim, the filing of a valid Disability During Unemployment claim will start a benefit year for you.

If you have any questions regarding these laws, please contact your Alamo Insurance representative.