

# NEW JERSEY

## EMPLOYMENT LAW

### Workers' Compensation – Employer Responsibilities



Workers' compensation is a system of no-fault insurance that provides medical and cash benefits to employees (or their survivors) for work-related injuries, diseases and deaths.

In New Jersey, the Workers' Compensation Act (WCA) imposes certain obligations on employers in the state. The New Jersey [Division of Workers' Compensation](#) (DWC), part of the New Jersey Department of Labor and Workforce Development (LWD), monitors and enforces compliance with the WCA.

#### STATE RESOURCES

[New Jersey Division of Workers' Compensation \(DWC\) website](#)

[New Jersey Department of Banking and Insurance \(DBI\) website](#)

[New Jersey Compensation Rating and Inspection Bureau website](#)

#### Legal Information

The DWC provides legal information about workers' compensation requirements [here](#).

#### FAQs

The DWC answers frequently asked questions about workers' compensation [here](#).

#### COVERAGE REQUIREMENTS

Although exceptions are possible, all New Jersey employers with at least **one employee** must obtain workers' compensation coverage for them. When considering the number of employees:

- Corporations must include corporate officers;
- Partnerships may exclude partners;
- Limited liability companies may exclude members; and
- Sole proprietorships may exclude the principal owner.

To meet the coverage requirement, employers subject to the WCA must either:

- Purchase a policy from an insurance company licensed to provide workers' compensation coverage in New Jersey; or
- Obtain authorization to self-insure (either as an individual employer or as part of a group of employers).

Self-insured employers use their own assets, rather than an insurance policy, to insure against their workers' compensation obligations. Employers may self-insure only if they receive a license from the [New Jersey Department of Banking and Insurance](#) (DBI).

#### COVERAGE REPORTING REQUIREMENT

Employers must file proof of workers' compensation coverage with DWC on an annual basis. The WCA defines valid proof as:

- A current order from the DBI authorizing the employer to self-insure; or
- A letter or verification from an insurance carrier that includes the carriers' name, the employer's insurance policy number and the date of effective coverage under the policy.



### ***COVERAGE POSTING REQUIREMENT***

Employers must display a notice stating that they have workers' compensation coverage through a specified insurance company or through self-insurance. The notice must be posted in a conspicuous place where employees can see it in the workplace. Employers must obtain the required notice from their insurance carriers or from the DWC. The DWC provides a sample notice [here](#).

### ***CONTACT PERSON***

Employers must designate a contact person who is responsible for responding to issues concerning workers' compensation benefits. The contact person's full name, telephone number, mailing address, e-mail address and fax number must be submitted to the DWC.

### **CLAIM REPORTING REQUIREMENTS**

After an employee reports a work-related injury or disease, the WCA requires the employer (and its insurance carrier, if applicable) to take certain actions and to file specific reports with the DWC.

#### ***FIRST REPORTS OF INJURY***

Employers must **promptly** provide a report to their insurance carriers or third party administrators any time an employee's work-related condition:

- Results in lost time from regular work duties beyond the working day or shift during which a work-related accident occurred;
- Requires medical treatment beyond ordinary first aid; or
- Is an occupational disease and the employer becomes aware of it.

In addition, insurance carriers and self-insured employers must file a [First Report of Injury](#) with the DWC within **three weeks** of an employee's accident or notice of a work-related condition. This report must be filed electronically through the [New Jersey Compensation Rating and Inspection Bureau](#) (CRIB). The CRIB coordinates and shares information with the DWC to ensure compliance with state laws.

If an employer objects to a report filed by its insurance carrier, the employer may prepare and sign an amended report. The employer should then file the amended report with the insurance carrier, which must submit it to the CRIB.

#### ***MEDICAL REPORTS***

Employers are required to provide medical treatment to employees who report work-related conditions. Providing this care does not constitute an admission of liability for the employee's claim. Whenever an employer receives any medical records related to a claim, the employer must file copies of them with the DWC.

#### ***FINAL REPORT OF ACCIDENT***

After a medical provider determines that an employee with a work-related condition has reached maximum medical improvement (MMI) or has recovered enough to return to his or her regular work, the employer has **26 weeks** to submit a [Final/Subsequent Report of Accident](#) to both the employee and the DWC. Employers may do this through their insurance carriers or third party administrators. This report must also be filed electronically through the CRIB.

### **ANNUAL ASSESSMENTS**



New Jersey has created state-run funds for administering certain claims under the WCA. These include:

- The Uninsured Employer's Fund (UEF), which provides limited workers' compensation benefits to employees whose employers do not have workers' compensation coverage as required by law; and
- The Second Injury Fund, which provides benefits for employees who experience two disability injuries.

All employers are required to make annual contributions to both of these funds. For purposes of determining the assessment amounts, employers must file annual reports with the DWC **by July 31 of each year**. The DWC provides employers with the required report forms by June 15.

### **MORE INFORMATION**

Contact Heffernan Insurance Brokers or visit the DWC [website](#) for more information on workers' compensation laws in New Jersey.