

COMPLIANCE OVERVIEW



State Disability Insurance Laws – New Jersey

A small number of states, including New Jersey, require employers to provide disability benefits coverage to employees for non-work-related illnesses or injuries. The chart below summarizes information regarding New Jersey’s requirements for disability insurance.

PROGRAMS	FUNDING	BENEFITS
<p><u>TEMPORARY DISABILITY INSURANCE (TDI) STATE PLAN</u></p> <p>All New Jersey employers covered by the state’s unemployment compensation law (except for certain governmental entities) are required to provide temporary disability benefits for non-work-related illnesses or injuries, including pregnancy, that prevent employees from working. Covered employers must provide disability benefits under a state plan, unless benefits are provided through an approved private plan.</p> <p>To be eligible for disability benefits in 2024, a claimant must (1) have at least 20 “base weeks” (calendar weeks in covered New Jersey employment in which he or she earned \$283 or more), or 2) have earned \$14,200 or more in</p>	<p>Both New Jersey workers and employers contribute to the cost of temporary disability coverage.</p> <p>Cost to Workers: For 2024, the worker contribution has been reduced to zero. Therefore, there are no salary deductions for the program in 2024.</p> <p>Cost to Employers: The contribution rate for employers is experience rated. It varies from 0.10 percent to 0.75 percent of worker earnings up to the employer taxable wage base. For 2024, this amounts to a contribution of between \$42.30 and \$317.25 on the first \$42,300 earned by each employee during the calendar year.</p>	<p>Weekly Benefit Rate (WBR)</p> <p>The WBR is calculated based on the claimant’s average weekly wage (AWW). Each claimant is paid a set portion of his or her AWW up to the maximum amount payable set for that calendar year.</p> <p>The WBR is 85 percent of the claimant’s AWW, subject to a maximum of \$1,055 per week for 2024.</p>

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<p>covered employment during the "base year" period (the first four of the last five quarters before the week the disability began). Alternate base year calculations may be used for workers who do not qualify with a standard base year.</p>		<p>Maximum Benefit Amount (MBA)</p> <p>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.</p>
<p><u>TDI PRIVATE PLAN COVERAGE</u></p> <p>New Jersey permits employers to provide coverage for temporary disability benefits through an approved private plan instead of the state plan. The plan may be insured by the employer, by an insurance company or by a union welfare fund. All private plans must be approved by the Division of Temporary Disability Insurance before they become effective. Employer notice and posting requirements apply to private plans.</p>	<p>Employees may be required to contribute to the cost of an employer's private plan. However, employees cannot be charged more than they would have contributed for state plan coverage. If collectively bargained 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. These requirements do not apply if the collective bargaining agreement waives the right to a majority election. Written elections may be by electronic communications with the electronic signature of the employees.</p>	<p>Private plans must be at least as generous in benefit amounts, eligibility requirements and duration of payments as the state plan. Under a private plan:</p> <ul style="list-style-type: none">• 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.

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PROGRAMS

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 state's Disability During Unemployment program.

To be eligible for benefits, a claimant must have had at least 20 base weeks in covered New Jersey employment during the base period. A base week is a week in which an individual earned a minimum of \$283 for 2024. If the claimant does not meet the minimum weekly requirements, he or she may still be eligible for benefits if, for 2024, he or she earned a minimum of \$14,200 in covered employment during the base period. If a claimant does not satisfy either of these requirements, [alternate base year provisions](#) may apply.

In addition, the claimant must be totally disabled and under the care of a legally licensed physician, dentist, podiatrist, optometrist, chiropractor, psychologist, certified nurse midwife or advanced practice nurse.

FUNDING

Benefits are covered under the state temporary disability plan or an approved private plan.

BENEFITS

Weekly Benefit Rate

A claimant's weekly benefit amount is 60 percent of their AWW. The maximum weekly benefit rate for 2024 is \$854. If the claimant's weekly benefit rate is less than the maximum weekly benefit rate, the benefits might be increased if the claimant has unemployed dependents.

Maximum Benefit Amount

A claimant is entitled to one week of potential benefits for each base week during which he or she worked in covered employment, subject to a maximum of 26 weeks.

If a claimant has an unemployment insurance claim and become disabled while unemployed during the benefit year, he or she may be paid Disability During Unemployment benefits against that claim. In general, claimants will receive the same weekly benefit rate as they were receiving on their unemployment insurance claim. The maximum amount allowable to collect in unemployment insurance, Disability During Unemployment and family leave during unemployment combined is one and one-half times the maximum benefit amount on a claim.