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LWD

- News Release -

NEW JERSEY DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

FOR IMMEDIATE RELEASE

Maximum Benefit Rates and Taxable Wage Base Changes

TRENTON, December 30, 2015 – The state Department of Labor and Workforce Development today announced the annual changes to the maximum benefit rates and taxable wage base that will take place in 2016 for New Jersey's Unemployment Insurance, Temporary Disability Insurance, Family Leave Insurance and Workers' Compensation programs.

According to laws governing these programs, the maximum benefit rates and the taxable wage base must be recalculated each year, based on the statewide average weekly wage. The benefit rates and taxable wage base for 2016 reflect the \$1,161.04 average weekly wage for 2014, which rose by 1.8 percent from \$1,140.02 in 2013.

Effective January 1, 2016, the maximum weekly benefit amount for eligible unemployment insurance claimants will increase from \$646 to \$657. The maximum weekly benefit for state plan temporary disability insurance and family leave insurance claims will increase from \$604 to \$615, while the maximum weekly benefit for workers' compensation will rise from \$855 to \$871.

The level of wages subject to wage taxes in 2016 will increase to \$32,600 under the unemployment, temporary disability and family leave insurance programs; as well as the Workforce Development Partnership Program; and Supplemental Workforce Fund for Basic Skills; the taxable wage base in 2015 was \$32,000.

The benefit eligibility criteria in New Jersey will increase in 2016.

Benefit eligibility criteria for any given year are based on the state minimum hourly wage that was in effect as of October 1 the prior year. Therefore, the benefit eligibility criteria for

2016 is based on the minimum hourly wage of \$8.38 that was in effect as of October 1, 2015. The benefit eligibility criteria for 2016 are being increased because there was an increase in the state's minimum hourly wage from the 2014 rate of \$8.25 to \$8.38 as of Jan. 1, 2015.

NOTE: There will be no increase in New Jersey's minimum hourly wage in 2016. It will remain \$8.38. The minimum hourly wage, by law, is tied to increases in the Consumer Price Index (CPI). For more information go to:
http://lwd.state.nj.us/labor/forms_pdfs/lwdhome/MinWage.pdf

The amount of weekly earnings required to establish a base week in order to be eligible for unemployment, temporary disability, or family leave benefits under regular criteria will increase from \$165 to \$168 in 2016. The amount of earnings required in cases in which a claimant has not worked 20 base weeks will rise from \$8,300 to \$8,400.

The contribution rate for state and local government entities that choose to make contributions, rather than reimbursing the trust fund for unemployment insurance benefits paid to their former employees, will remain at 0.7 percent of taxable wages during calendar year 2016.

Below is a chart showing the 2015 rates and the changes taking place January 1, 2016:

MAXIMUM BENEFIT RATES AND ELIGIBILITY CRITERIA

	2015	2016
Maximum Unemployment Insurance Weekly Benefit Amount	\$646	\$657
Maximum Temporary Disability Insurance and Maximum Family Leave Insurance Weekly Benefit Amount	\$604	\$615
Maximum Worker's Compensation Weekly Benefit Amount	\$855	\$871
Taxable Wage Base	\$32,000	\$32,600
Base Week Amount	\$165	\$168
Alternative Earnings Amount	\$8,300	\$8,400
Governmental Entities Contribution Rate	0.7%	0.7%