

# Temporary Disability Insurance Program

## Division of Temporary Disability Insurance

PO Box 387

Trenton, New Jersey

08625-0387

### Claims Information:

609-292-7060

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### FAX:

609-984-4138

## TEMPORARY DISABILITY INSURANCE

Most workers whose employment is covered by the New Jersey Unemployment Compensation Law are also protected by a mandatory disability insurance system. Coverage is also extended to employees of the state of New Jersey; Rutgers, the State University of New Jersey; the University of Medicine and Dentistry of New Jersey; and the New Jersey Institute of Technology. County and municipal governments as well as other governmental entities may elect coverage for their employees. New Jersey is one of only five states that provide compulsory temporary disability insurance for workers.

Cash benefits are payable when you cannot work because of sickness or injury not caused by your job. If you became disabled within 14 days of your last day of work in covered New Jersey employment, you may be covered for disability insurance under the State Plan or an approved Private Plan. Inquiries concerning your coverage may be directed to your employer. If you became disabled more than 14 days after your last day of work, you may be covered by our Disability During Unemployment program.

## STATE PLAN

### Cost

Effective January 1, 2017, each worker contributes .24% of the taxable wage base. For 2017 the taxable wage base is \$33,500 and the maximum yearly deduction for Temporary Disability Insurance is \$80.40. Although the rates may vary, employers must also pay contributions on the first \$33,500 in wages paid to each worker in 2017. For both workers and employers, this tax base is subject to change each year.

### Wage Requirements

To establish a valid claim, you must have earned a certain amount in New Jersey covered employment during your "base year." The base year is the 52 weeks immediately before the week in which the disability begins.

You must have either:

worked 20 calendar weeks in the base year, each being a week in which you had New Jersey earnings of \$168 or more OR a week (up to 13 weeks) in which you were separated from employment due to a declared state of emergency during the base year or; earned \$8,400 or more during the base year.

### Average Weekly Wage

Under the Temporary Disability Benefits Law, 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.

**NOTE:** If the average weekly wage used to calculate your weekly benefit amount is less than the average weekly wage that you earned during the 26 weeks immediately preceding your period of leave, you may request that your weekly benefit amount be

recalculated using those 26 weeks. The request must be in writing to the Division of Temporary Disability Insurance.

### **Weekly Benefit Amount**

The weekly benefit amount is calculated on the basis of your average weekly wage. If eligible, you will be paid two-thirds of your average weekly wage up to the maximum amount payable, which is \$633 for disabilities beginning on or after January 1, 2017.

### **Total Benefit Amount**

The maximum amount of benefits payable for each period of disability is one-third of the total wages in New Jersey covered employment paid to you during the base year, or 26 times the weekly benefit amount, whichever is less.

### **Limitation of Benefits**

No benefits are payable under the State Plan:

- a) For the first seven consecutive days of each period of disability (the "waiting week"). The waiting week becomes compensable when disability benefits have been paid for all or some part of each of the three weeks immediately following the waiting week.
- b) For more than 26 weeks with respect to any one period of disability.
- c) For any period of disability which did not commence while you were a covered individual (employed or disabled within 14 days of the last day of work).
- d) For any period during which you were not under the care of a legally licensed physician, dentist, podiatrist, chiropractor, optometrist, psychologist, advanced practice nurse, or certified nurse midwife.
- e) For any period of disability due to willfully and intentionally self-inflicted injury, or injury sustained while you perpetrated a crime of the first, second, third, or fourth degree, or for any period that you would be disqualified for unemployment benefits for gross misconduct.
- f) For any period during which you perform any work for remuneration or profit.
- g) For any period in which you would be disqualified under the Unemployment Compensation Law for participation in a labor dispute, unless the disability began prior to such disqualification.
- h) In a weekly amount which, together with any remuneration you continue to receive from your employer, would exceed your regular weekly wages immediately prior to your disability.
- i) If you are a covered government worker and have not exhausted all accumulated sick leave.

### **Nonduplication of Benefits**

In addition to the above limitations, the law also prohibits the payment of disability benefits:

- a) For any period with respect to which benefits are paid or payable under any unemployment compensation or similar law, or under any disability or cash sickness benefit or similar law, of this state or of any other state or the federal government.

However, if disability benefits are paid or payable to you under the disability benefit law of another state, or under the federal maritime law, you may still be eligible for New Jersey benefits. In this circumstance, your weekly benefit rate would be reduced by the amount paid concurrently under the other state or maritime law.

- b) For any period during which workers' compensation benefits are paid or payable, other than for permanent partial or permanent total disability previously incurred.

Also, temporary disability benefits are reduced by the amount paid concurrently under any governmental or private retirement pension or permanent disability benefit or allowance program to which your most recent employer contributed on your behalf. Social Security retirement benefits do not reduce State Plan temporary disability benefits.

### **How to Apply for Benefits**

Disability insurance is designed to serve you by mail. You need not leave your home or the hospital to apply for benefits. Form DS-1, "Claim for Disability Benefits," may be obtained from your employer; union; or the Division of Temporary Disability Insurance, PO Box 387, Trenton, NJ 08625-0387 (phone: 609-292-7060). Or you can request a form through our Web site at [www.nj.gov/labor](http://www.nj.gov/labor). Go to Benefits, Temporary Disability.

The sooner you file, the earlier you will be paid, if eligible. You must file your claim for benefits within 30 days of the start of your disability. Failure to do so may result in the loss of some or all of your benefits.

If your disability is expected to last for one year or longer, you may be eligible for federal Social Security disability benefits. To learn more about this program, contact Social Security at 1-800-772-1213. You may also be entitled to services from the New Jersey Division of Vocational Rehabilitation. Call 1-866-871-7867 for more information.

## Pregnancy

You may be eligible for temporary disability benefits if you are disabled due to pregnancy. Eligibility for benefits is determined in the same way as any other disability.

The usual payment period for a normal pregnancy may be up to four weeks before the expected delivery date and up to six weeks after the actual delivery date.

If there are medical complications or you are unable to do your regular work, your doctor may certify to a longer period of disability either before or after the birth of your child.

Please do not submit your claim for pregnancy benefits early. Your claim cannot be paid until:

- Your pregnancy becomes disabling, and
- You suffer a loss of wages, and
- Your doctor certifies that you are disabled.

## Medical Examinations

You may be required to submit to a physical examination by a state-appointed physician to support your disability claim. There is no cost to you. However, failure to submit to an examination is cause for the denial of benefits.

## P-30 Form

During the course of your claim, you will receive a "Request to Claimant for Continued Claim Information," Form P-30. To obtain additional benefits beyond the date specified, additional personal and medical information is needed to continue paying benefits on your claim.

In order to determine if you are eligible for additional benefits, the P-30 Form must be completed and returned immediately. Allow 14 days for processing of the P-30 after receipt in our office.

When you receive the P-30, answer all the questions on the front of the form (Part A). Pay particular attention to Questions #1 and #4. If you continue to be disabled beyond the date in Item 9, your doctor must complete the reverse side of the form (Part B).

If you have recovered or returned to work on or before, or the day after the date shown in Item 9, you are only required to complete Part A.

## Your Right to Appeal

If you disagree with a determination on your claim for State Plan benefits and wish to appeal, you may do so **in writing within seven calendar days after delivery or within 10 calendar days after the mailing of the decision**. Your appearance before an Appeal Tribunal examiner will cost you nothing, and you do not need a lawyer.

## State Plan Tax Information

Temporary disability benefits are considered third-party sick pay for both Social Security (FICA) and federal income tax purposes, and must be reported on your federal income tax return. The portion of State Plan benefits paid to you which is attributable to your last employer's contribution to those benefits will be included on your W-2 Form (Annual Earnings Statement). Contact your employer if this amount is missing on your W-2 form. The Division of Temporary Disability Insurance will not send you a W-2 form.

If you wish to have federal income taxes withheld from your disability benefits, you must attach Form W-4S (Request for Federal Income Tax Withholding From Sick Pay) to your claim. Form W-4S may be obtained from your employer or the Internal Revenue Service.

Temporary disability benefits are not subject to the New Jersey state income tax.

## Fraud

**If you have knowledge of an individual who may be fraudulently collecting temporary disability benefits, please call (609) 984-4540 or fax: 609-292-1692**

## PRIVATE PLANS

The Temporary Disability Benefits Law permits employers to provide coverage through an approved Private Plan instead of the State Plan. Private Plans must be at least as liberal in benefit amounts, eligibility requirements and duration of payments as the State Plan. Some are more liberal. The cost to you cannot be more than for State Plan coverage. All Private Plans must be approved by the Division of Temporary Disability Insurance.

Private Plans vary from employer to employer. If you are covered by a Private Plan, you should familiarize yourself with its provisions. If you become disabled, advise your employer as soon as possible, and ask for the necessary forms to claim benefits. A decision on your eligibility will be made by the Private Plan insurer.

If you disagree with a decision made on a Private Plan claim, you may file a complaint with the Private Plan Compliance Section, Claims Review Unit, PO Box 957, Trenton, NJ 08625-0957. All appeals must be filed within one year from the first day of disability. If a satisfactory settlement cannot be obtained through the efforts of the Claims Review Unit, a formal hearing will be scheduled before a hearing officer whose order is binding.

Private Plan disability benefits may be subject to Social Security (FICA) and federal income tax. For more information, contact your employer or Private Plan insurer.

### Disability During Unemployment

If you become disabled more than 14 days after your last day of work, you may be eligible for benefits through the Disability During Unemployment (DDU) program. It is administered under the provisions of the Unemployment Compensation Law rather than the Temporary Disability Benefits Law. If you are claiming benefits under this program you must meet all the eligibility requirements of the Unemployment Compensation Law, except for the ability to work.

The same form (DS-1) is used for both State Plan and DDU. Your claim must be received within 30 days from your first day of disability.

Appeals must be made in writing within 7 calendar days after delivery or within 10 calendar days after the determination was mailed.

### Voluntary Tax Withholding

DDU benefits are subject to federal income tax. The New Jersey Department of Labor and Workforce Development will provide you with a Form 1099G showing taxable benefits paid and any federal income tax withheld by January 31 of the following year. See pamphlet BC-103, Taxation of Unemployment Benefits & Voluntary Tax Withholding, for additional information and application for tax withholding.

### Filing for Unemployment Insurance After a Period of Disability

If you are unemployed after your recovery, you may be entitled to an unemployment insurance claim based on wages earned before your disability began.

## IMPORTANT:

***Your Social Security number and signature must appear on any correspondence or inquiry about your claim. Without this number, we cannot locate your claim.***

For general information about the Temporary Disability Benefits program, visit our Web site at [www.nj.gov/labor](http://www.nj.gov/labor). Go to Benefits, Temporary Disability.

Hearing-impaired individuals may inquire about their claim via the Telecommunication Device for the Deaf (TDD). Contact TDD at (609) 292-8319, or the NJ Relay Service at 1-800-852-7899.