

**Sep-24-07 PROPOSED ANNUAL CHANGES IN BENEFIT RATES FOR 2008**

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Maximum Weekly Benefit Levels Announced for Unemployment and Temporary Disability Insurance and for Workers' Compensation Beginning January 1, 2008

TRENTON, September 24, 2007 – Commissioner David J. Socolow of the New Jersey Department of Labor and Workforce Development today announced the proposed annual changes for 2008 in the maximum benefit rates and taxable wage base for New Jersey's Unemployment Insurance, Temporary Disability 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 2008 are based on the average weekly wage for 2006, which rose by 4.4 percent to \$989.23 from \$947.64 in 2005.

Effective January 1, 2008, the maximum weekly benefit amount for eligible unemployment insurance claimants will increase from \$536 to \$560. The maximum weekly benefit for State Plan temporary disability insurance claims will rise from \$502 to \$524, while the maximum weekly rate for workers' compensation will increase from \$711 to \$742.

Wages subject to taxation under the unemployment and temporary disability insurance programs, as well as the Workforce Development Partnership Program and Supplemental Workforce Fund for Basic Skills, will increase to \$27,700 in 2008 from the current level of \$26,600.

Benefit eligibility criteria that are based on the State minimum hourly wage of \$7.15 per hour will not change in 2008. Therefore, the amount of earnings required to establish a base week in order to be eligible for unemployment or temporary disability benefits under regular criteria will remain \$143 in 2007, while the amount of earnings required in those cases in which a claimant has not worked 20 base weeks will stay at \$7,200.

The proposed 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 increase from 0.4 to 0.5 percent of taxable wages during calendar year 2008.

Below is a chart showing the 2007 rates and the changes taking place January 1, 2008.

MAXIMUM BENEFIT RATES AND ELIGIBILITY CRITERIA

	<u>2007</u>	<u>2008</u>
Maximum Unemployment Insurance Weekly Benefit Amount	\$536	\$560
Maximum Temporary Disability Insurance Weekly Benefit Amount	\$502	\$524
Maximum Worker's Compensation Weekly Benefit Amount	\$711	\$742
Taxable Wage Base	\$26,600	\$27,700
Base Week Amount	\$143	\$143
Alternative Earnings Amount	\$7,200	\$7,200
Proposed Governmental Entities Contribution Rate	0.4%	0.5%

The New Jersey Department of Labor and Workforce Development is an equal employment opportunity employer and provides equal opportunity programs. Auxiliary aids and services are available upon request to assist individuals with disabilities.

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