



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT



LWD Home > Press Releases > 2007 > Jan-02-07 ANNUAL CHANGES IN BENEFIT RATES ANNOUNCED FOR 2007 Maximum Weekly Benefit Levels Set for Unemployment and Temporary Disability Insurance and for Workers' Compensation Beginning January 1, 2007

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- 2007 News Releases
- 2006 News Releases
- 2005 News Releases
- 2004 News Releases
- 2003 News Releases
- 2002 News Releases

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ANNUAL CHANGES IN BENEFIT RATES ANNOUNCED FOR 2007 Maximum Weekly Benefit Levels Set for Unemployment and Temporary Disability Insurance and for Workers' Compensation Beginning January 1, 2007

TRENTON, January 2, 2007 – Commissioner David J. Socolow of the New Jersey Department of Labor and Workforce Development today announced the annual changes for 2007 in the maximum benefit rates and the 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 on which employers and workers pay into the systems must be recalculated each year, based on the statewide average weekly wage. The benefit rates and taxable wage base for 2007 are based on the average weekly wage for 2005, which rose 2.9 percent that year to \$947.64 from \$920.88 in 2004.

Effective January 1, 2007, the maximum weekly benefit amount for eligible unemployment insurance claimants will increase from \$521 to \$536. The maximum weekly benefit for State Plan temporary disability insurance claims will rise from \$488 to \$502, while the maximum weekly rate for workers' compensation will increase from \$691 to \$711.

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 \$26,600 in 2007 from the current level of \$25,800.

Benefit eligibility criteria that are based on the State minimum hourly wage also will change in 2007 because of the increase in the State minimum hourly wage from \$6.15 per hour to \$7.15 per hour which becomes effective on October 1, 2006. In order to be

eligible to receive unemployment or temporary disability benefits under regular criteria, a claimant must have worked at least 20 base weeks in the preceding year in employment covered by unemployment insurance. The amount of earnings required to establish a base week will increase from \$123 to \$143 in 2007, while the amount of earnings required in those cases in which a claimant has not worked 20 base weeks will rise from \$6,200 to \$7,200.

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 0.4 percent of taxable wages during calendar year 2007.

The proposed changes were published in the September 5, 2006 New Jersey Register and are available on the Department Web site at www.state.nj.us/labor/leg/NJAC12_15_1.pdf. Attached is a chart showing the 2006 rates and the changes taking place January 1, 2007.

<u>MAXIMUM BENEFIT RATES AND ELIGIBILITY CRITERIA</u>	<u>2006</u>	<u>2007</u>
Maximum Unemployment Insurance Weekly Benefit Amount	\$521	\$536
Maximum Temporary Disability Insurance Weekly Benefit Amount	\$488	\$502
Maximum Worker's Compensation Weekly Benefit Amount	\$691	\$711
Taxable Wage Base	\$25,800	\$26,600
Base Week Amount	\$123	\$143
Alternative Earnings Amount	\$6,200	\$7,200
Governmental Entities Contribution Rate	0.4%	0.4%

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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