



## State of New Jersey

CHRIS CHRISTIE  
*Governor*

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT  
PO BOX 381  
TRENTON, NEW JERSEY 08625-0381

HAROLD J WIRTHS  
*Commissioner*

KIM GUADAGNO  
*Lt. Governor*

### MEMORANDUM

March 24, 2011

To: All Judges and Attorneys

From: Peter J. Calderone, Director and Chief Judge

Subject: Centennial Booklet

Attached is a copy of the Centennial Booklet which is printed at this Department and is available to attorneys for distribution to clients or for use at events.

Many libraries and organizations frequently have speakers on various topics. The Centennial Year is a good occasion for attorneys to contact local libraries and organizations to be guest speakers. This would be a good source for client outreach and provide a positive message concerning the New Jersey workers' compensation program.

We also have the general color publication that is set out on our website called "A Worker's Guide to Workers' Compensation in New Jersey." We can also provide copies of this booklet for distribution.

You can send an e-mail request for booklets to this office at [peter.calderone@dol.state.nj.us](mailto:peter.calderone@dol.state.nj.us).

Attachment

*New Jersey Is An Equal Opportunity Employer*



DIVISION OF WORKERS' COMPENSATION  
(609) 292-2515 · FAX (609) 984-2515



State of New Jersey Division of Workers' Compensation

**Celebrating 100 Years  
1911-2011**

*New Jersey  
A leader in providing a fair, transparent and  
evolving workers' compensation program*



A LEGACY OF COOPERATION AND INNOVATION



A Legacy of Cooperation and Innovation

CELEBRATING

100

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1911 YEARS 2011



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# Introduction



As we commemorate the 100th Anniversary of the New Jersey Workers' Compensation program, we recognize that throughout its history workers' compensation in this state has always represented cooperation between government, business and labor. New Jersey has consistently been a leader in developing an evolving workers' compensation system that remains fair, transparent and effective. It has responded over the years to policy and constituent needs through legislative initiatives and the advanced use of technology. New Jersey's Workers' Compensation Centennial celebrates "A Legacy of Cooperation and Innovation."

## **New Jersey in the the Forefront of National Workers' Compensation Movement**

Industrialization was changing the American workforce of the early 1900's, and the federal government and the various states considered legislation to adopt. Of prime concern was the cost and process for handling workplace accidents. European models of workers' compensation provided guiding principles for the development of federal and state workers' compensation systems. New Jersey, as a key manufacturing state, was an early leader in the workers' compensation movement in the United States.

On April 9, 1910, a Joint Resolution of the New Jersey Legislature created an Employers' Liability Commission "to inquire into and report legislation upon the subject of an employers' liability act." The Commission consisted of two business representatives, two labor representatives, a member of the Senate and a member of the House of Assembly. The formation of the Commission was an early acknowledgement that workers' compensation issues required input and consensus among government, employers and labor.

On January 16, 1911, the Commission submitted its report to the Legislature. The Commission recognized that "as the law now stands" an employer is liable for compensation only when an accident is due to the employer's fault or neglect and that the employer is not liable (a) when the negligence of the employee contributes to the accident, (b) when the accident is a natural risk of the employment, or (c) when the accident is due to the act of a fellow servant. In seeking to change the law, the report stated:

The members of the Commission were unanimous in their belief that compensation to injured workmen is a legitimate charge against the cost of manufacture, and that the victim of the industrial accident, or his dependents, should receive compensation not as an act of grace on the part of the employer, but as a matter of justice.

The Commission further reasoned that “compensation to an injured employee should be based on the fact of the accident or injury and not on the question of fault or negligence.” In its report, the Commission proposed statutory language to implement a comprehensive program that would meet the needs of both employers and the workforce.

Following the recommendations and statutory language of the Commission, the New Jersey Legislature adopted an “Act prescribing the liability of an employer to make compensation for injuries received by an employee in the course of employment.” It was signed into law by Governor Woodrow Wilson on April 4, 1911, effective July 4, 1911. New Jersey joined several other states in 1911 to become the initial jurisdictions to enact continuing workers’ compensation programs. Every state has since adopted workers’ compensation legislation.

The Commission continued for several years to report on the implementation of the new law. In its first report covering implementation through October 31, 1912, the Commission reported 6,635 accidents fell within the purview of the law. Of those accidents, 4,336 workers received temporary disability payments, four workers were paid total disability benefits and 384 workers received partial total disability. There were also 193 fatal accidents cited. The average medical cost per claim was \$21.17 with the maximum statutory compensation rate being \$10.00 per week. This report recommended amendments to, among other areas, the compensation schedule and dependency benefits that were adopted in 1913.

While New Jersey’s Workers’ Compensation Act has been periodically amended and refined over the years to its present structure and benefit program, the work of the original Commission representing government, business and labor and the quick adoption by the Governor and Legislature in 1911 set New Jersey’s workers’ compensation program on a sound foundation and provided a model for other states.

The 1911 law, as initial legislation, generally provided coverage for only workplace accidents with limited benefits. Over the years that legislation has been expanded to include, among other changes, a workers' compensation judicial system, mandated insurance requirements, occupational disease coverage, case-related eligibility standards, and the establishment of the Second Injury Fund, the Uninsured Employer's Fund and the Guaranty Funds. Court decisions and administrative procedures have also provided guidance and direction in the development of a comprehensive and responsive New Jersey system of workers' compensation.

Workers' compensation continues as a "no-fault" insurance program that provides defined benefits for workplace accidents or occupational illnesses. An injured worker is covered regardless of fault. In exchange for guaranteed benefits, the worker relinquishes the right to bring a civil action against the employer for pain and suffering or other damages, except in cases of intentional acts. Employment is broadly construed as to generally include all New Jersey workers who receive wages.

To maintain a uniform and compulsory program, every private-sector employer must obtain a workers' compensation insurance policy or be qualified as a self-insured employer. Insurance premium rates and policy procedures are set by the New Jersey Compensation Rating and Inspection Bureau. Public sector employers may be self-insured, be part of a joint insurance program or obtain an insurance policy. Failure to maintain workers' compensation coverage for employees can result in significant civil fines and penalties and criminal violations.

Every insurance policy, joint insurance program or self-insured plan must provide the following benefits:

**Medical Benefits:** A worker receives all necessary and reasonable medical treatment, prescriptions and hospital services related to an employment injury or illness. The employer, joint insurance administrator or the insurance carrier has the right to designate medical providers.

**Temporary Total Benefits:** Wage replacement at 70 percent of the worker's weekly wage, not to exceed the statutory maximum or fall below the statutory minimum, is provided if an injured worker is totally disabled for a period of more than seven days, retroactive to the first day of lost time. Benefits are paid until the worker returns to work, has reached maximum medical improvement or has received the statutory 400-week payment limit.

**Permanent Partial Benefits:** A worker is compensated for job-related injury or illness that results in permanent bodily impairment. An established benefit schedule sets compensation based on the individual's functional loss.

**Permanent Total Benefits:** A worker receives continuing compensation at 70 percent of the worker's weekly wage, not to exceed the statutory maximum or fall below the statutory minimum, for job-related injury or illness that prevents the worker from returning to gainful employment. Payments are provided initially for a period of 450 weeks and continue thereafter on a showing the worker remains permanently and totally disabled.

**Death Benefits:** Compensation is paid to dependents of a worker whose death is due to an employment-related injury or illness. Weekly benefits at 70 percent of the deceased worker's weekly wage, not to exceed the statutory maximum or fall below the statutory minimum, are paid to the dependents and continue for periods set by statute. Funeral expenses not to exceed \$3,500 are also provided.

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The New Jersey program has also established the following:

**Second Injury Fund:** Compensation at 70 percent of a worker's weekly wage, not to exceed the statutory maximum or fall below the statutory minimum, is paid to a totally disabled worker who — due to a combination of a last work-related injury or illness and pre-existing disabilities — is prevented from returning to gainful employment. The employer pays a period of benefits for the work-related percentage of the total disability, and this Fund continues payments as long as the worker remains totally and permanently disabled.

**Uninsured Employer's Fund:** Medical benefits and temporary total disability payments are provided by this Fund to an eligible worker where the employer is uninsured and has refused to provide statutory benefits. In addition to fines and penalties, the Fund has subrogation rights to recover any payments made against the uninsured employer, principals of the uninsured employer and successor companies.

**Guaranty Funds:** Statutory benefits are provided by these Funds if an insurance carrier or self-insured employer is declared bankrupt or liquidated and after any posted bonds or distributions are exhausted. These mandated benefits and programs are more fully discussed as to eligibility and coverage in the workers' compensation statute, agency regulations and court decisions. This information can be found on the Division of Workers' Compensation's website: [nj.gov/labor/wc](http://nj.gov/labor/wc).



## **The Mission of the Division of Workers' Compensation**

The New Jersey Division of Workers' Compensation, an agency within the Department of Labor and Workforce Development, is responsible for the administration of the state's workers' compensation program. This is accomplished by:

- *Developing cooperation between government, business and labor through communication and dialogue, including a strong and effective Advisory Council with constituent representation;*
- *Providing a judicial forum to ensure that all parties receive fair and equal treatment in workers' compensation proceedings;*
- *Mandating full and timely workers' compensation benefits for injured workers and dependents of deceased workers;*
- *Enforcing the workers' compensation statute including the compulsory insurance provisions and fraud prevention procedures; and*
- *Maintaining a responsive Second Injury Fund, Uninsured Employer's Fund and Guaranty Funds.*

The Division has a central office in Trenton and 15 local facilities throughout the state. Each year, the Division receives nearly 40,000 claim petitions, which for the most part concern permanent disability benefits. Since appropriate medical treatment and temporary disability payments are routinely provided by employers, their insurance carriers or plan administrators, less than 2 percent of the open claims involve issues concerning the failure to provide adequate medical care and/or the payment of temporary disability benefits. The majority of claim petitions are settled between the parties with judicial review to ensure that the resolution is fair and just. Absent settlement, the assigned workers' compensation judge would render a final and binding decision on contested issues.

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The Division has developed innovative systems to ensure cost-effective and timely processing of documents and information for the workers' compensation program. Consistent with state accident reporting requirements, the Division annually reviews approximately 150,000 workplace accident reports electronically filed by New Jersey employers, insurance carriers or plan administrators for statistical and benefit review activities. It also partners with Labor Planning and Analysis in the Department of Labor and Workforce Development, the United States Bureau of Labor Statistics, the New Jersey Department of Health and Senior Services and other agencies to ensure accurate information on workplace accidents and occupational illnesses is obtained for state and national reporting and injury-prevention purposes. Overall, New Jersey has maintained a workplace accident rate significantly below the national average; this low rate represents the state's emphasis on the maintenance of safe and healthy work sites by employers, insurance carriers, plan administrators and labor representatives.

Through its award-recognized case management program, referred to as COURTS, the Division maintains computer access for judges and staff to all active and resolved claim petition records, provides case parties with secured online access to relevant Division-maintained information and court proceedings, daily e-mails of case schedules, and utilizes e-filing and interactive forms for most court-related materials. The Division's website contains the workers' compensation statute, administrative regulations, leading court decisions, a research manual, guides for employers and workers, a library of forms, Division activities and other relevant information. Additionally, the Division provides a computer-based program that contains valuable tools and information such as disability schedules and workers' compensation award calculations.

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**A History of Fiscal Viability and Integrity**

Benefits of over \$170,000,000 are paid annually from the Second Injury Fund to over 8,500 totally disabled workers. Medical and temporary disability payments of over \$4,000,000 are annually provided by the Uninsured Employer's Fund to injured workers who have not been compensated by their employers. Much of these Uninsured Employer's Fund expenditures are recovered through liens and litigation by the Fund against the uninsured employers. Throughout the years, needs were identified and the funds supporting this socially beneficial program were initiated to ensure the fiscal viability of the program.

The Division also actively identifies uninsured employers through wage records and the cooperation of other government agencies. Such identification generally results in the obtaining of insurance coverage. A knowing violation of the compulsory insurance provisions and/or other statutory requirements results in fines and penalties, which are deposited into the Second Injury Fund. Benefits paid by the Guaranty Funds depend upon the number of injured workers who have claims against bankrupt or liquidated self-insured employers or insurance carriers.

Since its founding, the Division of Workers' Compensation has fulfilled its mission to ensure that New Jersey maintains a supported and comprehensive workers' compensation program.





## **For More Information**

*If you have any questions about the  
New Jersey workers' compensation program, please contact:*

New Jersey Division of Workers' Compensation

1 John Fitch Plaza

P.O. Box 381

Trenton, NJ 08625-0381

(609) 292-2515

Fax: (609) 984-3924

e-mail: [dwc@dol.state.nj.us](mailto:dwc@dol.state.nj.us)

Division of Workers' Compensation website:

*[nj.gov/labor/wc](http://nj.gov/labor/wc)*

*If you have questions about workers' compensation insurance  
rates or obtaining coverage, please contact:*

New Jersey Compensation Rating and Inspection Bureau

60 Park Place

Newark, NJ 07102

(973) 622-6014

Fax: (973) 622-6110

*[www.njcrib.com](http://www.njcrib.com)*





THE SENATE AND GENERAL ASSEMBLY  
STATE HOUSE, TRENTON, N. J.

JOINT LEGISLATIVE RESOLUTION

By Senate President SWEENEY, Assembly Speaker OLIVER, Senator T. KEAN,  
Assemblyman DECROCE and All Members of the Legislature

**WHEREAS,** The Senate and General Assembly of the State of New Jersey are pleased to mark and observe the One Hundredth Anniversary of the New Jersey Workers' Compensation Program; and,

**WHEREAS,** Signed into law by Governor Woodrow Wilson on April 4, 1911, the New Jersey Workers' Compensation Program is comprised of legislation established by the Employers' Liability Commission to provide medical care, temporary wage replacement, permanent disability compensation, and dependency benefits as an exclusive remedy for workplace injuries and fatal accidents; and,

**WHEREAS,** The New Jersey Workers' Compensation Program has continued to develop with the collaborative efforts of business and labor through the Workers' Compensation Advisory Council, as well as through the administrative guidance of the New Jersey Division of Workers' Compensation, which ensures a fair and effective forum for workplace injury issues and includes nationally-recognized, advanced technology for program access and information; and,

**WHEREAS,** Throughout the past century, the New Jersey Workers' Compensation Program has grown and broadened to include additional benefits, coverage, and workplace safety incentives, making the Garden State a national leader and model in safety and employee care with a workplace accident rate well below the national average; and,

**WHEREAS,** It is altogether proper and fitting for this Legislature to acknowledge the New Jersey Workers' Compensation Program for one hundred years of exemplary service and dedication in benefit of the citizens of this State; now, therefore,

*Be It Resolved by the Senate and General Assembly of the State of New Jersey:*

That this Legislature hereby recognizes the One Hundredth Anniversary of the New Jersey Workers' Compensation Program, and pays tribute to all those who have contributed to this praiseworthy endeavor throughout the past ten decades; and,

*Be It Further Resolved,* That a duly authenticated copy of this resolution be signed by the Senate President and the Assembly Speaker and attested by the Senate Secretary and the Assembly Clerk.

Attest:



Kent M. Hicks  
Secretary of the Senate



Dana M. Burley  
Clerk of the General Assembly

*Stephen M. Sweeney*  
President of the Senate

*Richard Y. Oliver*  
Speaker of the General Assembly



NEW JERSEY DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT



NEW JERSEY WORKERS' COMPENSATION COURTHOUSE



C E L E B R A T I N G 1 0 0 Y E A R S

**New Jersey**

A Leader in Providing a Fair, Transparent &  
Evolving Workers' Compensation Program



**Chris Christie**, Governor  
**Kim Guadagno**, Lt. Governor  
**Harold J. Wirths**, Commissioner