



Annual Report for 2009

Family Leave Insurance & Temporary Disability Insurance Programs

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FAMILY LEAVE INSURANCE AND TEMPORARY DISABILITY INSURANCE PROGRAMS

The enactment of P.L. 2008, chapter 17 on May 2, 2008 created the New Jersey Family Leave Insurance Program and required the Commissioner of the Department of Labor and Workforce Development to issue annual reports, beginning no later than December 31, 2010, containing information on both the Family Leave and Temporary Disability Insurance programs. This report provides a summary of data on claims during calendar year 2009 for the State Plan for Family Leave Insurance (FLI), along with data on claims for the State Plan for Temporary Disability Insurance (TDI).

The report provides information on claims, benefits, revenues and administrative expenses during 2009 for the State Plan for Family Leave Insurance, which can be found in Tables 1 through 5 of the Appendix. The report also provides information for 2009 on claims, benefits, revenues and administrative expenses for the State Plan for Temporary Disability Insurance, which can be found in Tables 6 through 8 of the Appendix.

Highlights

The report contains the following key highlights:

- During the first six months of New Jersey's Family Leave Insurance Program from July through December 2009, there were 14,810 eligible claims.
- More than three-fourths of eligible FLI claims were filed to bond with a newborn or newly adopted child, with the remainder of claims to care for a seriously ill family member.
- Gross benefit payments totaled \$31.2 million for FLI, with an average weekly benefit amount for all claims of \$471.
- The average duration for FLI cases completed in 2009 was 5.0 weeks, while the average amount of benefits paid for FLI cases completed in 2009 was \$2,334.
- The largest single group of FLI claimants was females under age 45, which includes most women of childbearing age. This category accounted for over 76 percent of FLI eligible claimants in 2009.
- Nearly all FLI eligible bonding claimants were under age 45 (98.8%), while the majority of FLI family care claimants were over the age of 45 (55.3%).
- TDI claims for benefits due to pregnancy and complications of childbirth were the largest TDI claims category in 2009, comprising about 24 percent of eligible claims.

- The average duration for TDI cases completed in 2009 was 10.0 weeks, while the average amount of benefits paid for TDI cases completed in 2009 was \$4,049.

Background

With the enactment of P.L. 2008, chapter 17, on May 2, 2008, New Jersey extended the temporary disability benefits program to provide family leave insurance benefits for covered individuals bonding with newborn or newly adopted children or caring for seriously ill family members. Beginning July 1, 2009, claimants were eligible for up to six weeks of family leave benefits per 12-month period. Workers can receive weekly family leave benefits equal to two-thirds of their average weekly wage, up to a maximum weekly benefit amount of \$546 in 2009.

Bonding family leave must be taken for a period of more than seven consecutive days, unless the employer permits the leave to be taken in non-consecutive periods, in which case, each leave period must be at least seven days. In the case of claims to care for a seriously ill family member, leave may be taken either for six consecutive weeks, for intermittent weeks or for up to 42 intermittent days per 12-month period. A family member is defined as your child, spouse, domestic partner, civil union partner or parent.

The family leave program is funded entirely through worker contributions, which were equal to 0.09 percent of taxable wages in calendar year 2009 and 0.12 percent in calendar year 2010. Worker contributions to the family leave account in the disability benefits fund began on January 1, 2009. The worker contribution rate for calendar year 2011 was lowered to 0.06 percent from the 2010 rate of 0.12 percent because it was determined that the lower rate was sufficient to maintain the account balance needed to pay benefits.

All New Jersey employers covered by the Unemployment Compensation Law are also subject to the provisions of the Family Leave Insurance provisions of the Temporary Disability (Family Leave) Benefits Law, including certain government entities which are excluded from automatic temporary disability insurance coverage. A subject employer is automatically covered under the State Plan for family leave insurance unless it has covered its workers under an approved private plan for family leave insurance. Estimated State Plan covered employment for family leave insurance averaged 3,701,300 in 2009.

Since its enactment in 1948, the New Jersey Temporary Disability Benefits Law has provided benefits to workers affected by non-work related injuries or illnesses. All employers, except local government, for which coverage is optional, are subject to the provisions of this law when their quarterly payrolls are at least \$1,000. Employers may choose between the State's insurance plan or obtain private coverage equal to or better than the State Plan. The State TDI Plan is funded through a combination of worker and employer contributions. Estimated State Plan covered employment for temporary disability insurance averaged 2,733,400 in 2009.

FAMILY LEAVE INSURANCE

Summary of FLI Claims and Benefits

During the first six months of the FLI program from July through December 2009, there were 14,810 eligible claims (see Table 1). Of this total, more than three-fourths were bonding claims (11,640), with the remaining claims for care of a seriously ill family member (3,170). Claims for benefits for bonding with a newborn child were the largest single category of claims in 2009 out of the five claimant groups, comprising 77.8 percent of all eligible claims. The next largest category was for care of a family member other than a child or spouse (which includes parents); the category comprised 9.2 percent of total eligible claims.

Gross benefit payments totaled \$31.2 million in 2009, with \$26.3 million, or 84.3 percent, of benefit payments for bonding claims. An additional \$0.4 million was paid for family leave benefits during unemployment. The average weekly benefit amount for all claims was \$471, ranging from a low of \$431 for care of an ill child to a high of \$513 for bonding with a newly adopted child. The average total benefit per eligible claim was \$2,104. Benefit measures, such as the average weekly benefit amount and gross benefit payments, are influenced by the maximum weekly benefit rate which was \$546 in 2009.

Estimated average duration for all FLI eligible new claims was 4.5 weeks. The estimated duration data, which was calculated for each claim category as weeks compensated divided by eligible claims, may reflect claimants who are just beginning a claim or who are intermittent claimants and therefore have not collected all of their potential weeks of benefits and is therefore different from the duration data for completed cases presented in Table 3.

FLI Claimant Characteristics

Table 2 contains data on the age and sex of all FLI claimants in 2009, with Tables 2A and 2B providing age and sex data for bonding claimants and family care claimants, respectively. Females represented 85.3 percent of all eligible claimants for whom information was available and 81.2 percent of ineligible claimants (see Table 2). Females under age 45, which includes most women of childbearing age, were the largest single group of family leave claimants in 2009, accounting for 76.1 percent of eligible and 67.5 percent of ineligible claimants. Claimants under 45 years of age accounted for 87.7 percent of total eligible claimants in 2009. Claimants between the ages of 25 and 34 were the largest subcategory, comprising 55.2 percent of all eligible claimants.

For FLI claimants taking leave to bond with a newborn or newly adopted child, females comprised 88.1 percent of eligible claimants (see Table 2A). Nearly all eligible bonding claimants were under age 45 (98.8%), with 65.2 percent between the ages of 25 and 34 and 28.5 percent in the age range of 35 to 44.

The majority of FLI eligible claimants taking leave to care for a seriously ill family member were female (74.5%), but in contrast to bonding claimants, more than 55 percent were over the age of 45 (see Table 2B). Nearly one-third of family care claimants were in the age range of 45 to 54 (29.9%).

FLI Completed Cases by Type of Claim

Table 3 contains a summary of average claim duration and average benefit payment data by type of claim for cases which were completed in 2009. Completed cases include those claims formally closed in the FLI database, as well as those with no payment activity for 90 days.

Of the 12,226 total completed FLI cases during 2009, 79.5 percent were for bonding with a newborn or newly adopted child (9,717) and 20.5 percent were for care of a seriously ill family member (2,509). Approximately 40 percent of total bonding claims for FLI immediately followed a TDI claim for pregnancy and childbirth (3,848).

The average duration of a family leave claim to bond with a newborn or newly adopted child was 5.2 weeks, with FLI bonding claims immediately following TDI pregnancy and childbirth claims recording slightly longer average durations (5.5 weeks) when compared with bonding claims that did not immediately follow TDI claims (5.1 weeks). Completed cases for care of a seriously ill family member had an average duration of 3.9 weeks, while the average duration for all completed cases was 5.0 weeks.

The average gross benefits paid per completed case was \$2,334, with the average benefit payment for bonding claims (\$2,496) about 46 percent higher than the average for family care claims (\$1,710).

FLI Employer Required Leave Resulting in Reduced Benefit Duration

Employers have the option of requiring their employees to use up to two weeks of any employer paid leave prior to receiving FLI benefits, with the duration of the employee's FLI claim reduced by the amount of employer paid leave taken. Table 4 contains a summary of claims which had reduced benefit duration because of employer required sick leave, vacation or other fully paid leave.

During 2009, there were 2,848 claims, or 19.2 percent of all eligible family leave claims, which had reduced benefit duration due to the use of some type of employer required fully paid leave. The average number of days that benefits were reduced for these claims was 10.

FLI Revenues, Benefits and Administrative Expenses

Table 5 contains a summary of State Plan revenues, benefits and administrative expenses during 2009. The State Plan for FLI is financed entirely through worker

contributions, which began January 1, 2009 and totaled \$72.8 million for the calendar year. The FLI account had \$0.8 million in other income during 2009, including interest income. Total FLI State Plan benefits during 2009 were \$31.6 million, with benefit payments for family leave during unemployment of \$0.4 million. FLI administrative expenses totaled \$2.5 million during the first year of the program; this does not include program start-up costs.

TEMPORARY DISABILITY INSURANCE

Summary of TDI Claims and Benefits

Claims for temporary disability benefits are broken down into 17 major claim categories based on the claimant's type of illness or injury. Table 6 contains a summary of eligible claims data for disabilities due to pregnancy and complications of childbirth compared with disabilities for all other types of claims. Claims for benefits due to pregnancy and complications of childbirth were the largest single claims category in 2009 out of the 17 major claim categories, comprising 23.8 percent of all eligible claims. During 2009, there were 25,848 eligible claims for temporary disability benefits due to pregnancy and complications of childbirth compared with 82,759 eligible claims for the other 16 claim categories out a total of 108,607 eligible claims.

Table 7 contains a summary of average claim duration and average benefit payment data for TDI cases which were completed in 2009. Completed cases include those claims formally closed in the TDI database, as well as those with no payment activity for 90 days. As with eligible claims, pregnancy and complications of childbirth were the largest single category of TDI completed cases in 2009, with 26,591 cases comprising 24.5 percent of total completed cases (108,693). For all other claim categories combined, there were 82,102 completed cases, which comprised 75.5 percent of the total.

The average claim duration for disabilities related to pregnancy and childbirth was 9.9 weeks, compared with 10.0 weeks for non-pregnancy and total completed cases. The maximum number of weeks allowable for any one period of disability is 26. Gross benefits for all cases completed during 2009 averaged \$4,049 per completed case. Average gross benefits per pregnancy and childbirth completed case were \$3,874 during 2009, slightly lower than average gross benefits for other claim types combined of \$4,106 per completed case.

TDI Revenues, Benefits and Administrative Expenses

Table 8 contains a summary of State Plan revenues, benefits and administrative expenses during 2009. The State Plan for TDI is financed by a combination of worker and employer contributions which in 2009 totaled \$303.5 and \$207.7 million,

respectively. The State Disability Fund also reported \$45.4 million in other income, including interest income.

Total TDI State Plan benefits paid during 2009 were \$430.1 million, with benefit payments for disability during unemployment of \$25.0 million. TDI administrative expenses were \$36.7 million during 2009. The average weekly benefit amount for all TDI eligible claims during 2009 was \$407.

APPENDIX

Detailed Data Tables

TABLE 1
FAMILY LEAVE INSURANCE – STATE PLAN
AVERAGE COST AND ESTIMATED AVERAGE DURATION FOR ELIGIBLE CLAIMS
 July – December 2009

	Bonding Claims		Care Claims			Total
	Newborn	Adopted Child	Child	Spouse	Other Family	
Eligible Claims ¹	11,522	118	795	1,009	1,366	14,810
Gross Benefits (Millions) ²	\$26.0	\$0.3	\$1.2	\$1.6	\$2.0	\$31.2
Average Benefit per Eligible Claim ³	\$2,260	\$2,503	\$1,482	\$1,588	\$1,491	\$2,104
Average Weekly Benefit Amount ⁴	\$477	\$513	\$431	\$438	\$443	\$471
Estimated Average Duration per Eligible Claim (weeks) ⁵	4.7	4.9	3.4	3.6	3.4	4.5

¹Eligible claims are defined as eligible original determinations, plus eligible redeterminations, less ineligible redeterminations.

²In addition to total State Plan gross benefits of \$31.2 million, approximately \$0.4 million in Family Leave During Unemployment benefits were paid during 2009.

³Average benefit per eligible claim is calculated as gross benefits divided by eligible claims.

⁴Average weekly benefit amount is calculated as gross benefits divided by weeks compensated.

⁵Estimated average duration is calculated as weeks compensated divided by eligible claims; duration data may reflect claimants who are just beginning a claim or who are intermittent claimants and therefore have not collected all of their potential weeks of benefits.

TABLE 2
FAMILY LEAVE INSURANCE – STATE PLAN
AGE AND SEX OF TOTAL FAMILY LEAVE CLAIMANTS
BY ELIGIBILITY STATUS

July - December 2009

	<u>Total</u>	<u>Female</u>	<u>Male</u>
Eligible Claimants			
Total with Information - Number	14,127	12,050	2,077
Percent*	100.0%	85.3%	14.7%
Total, Under 45 - Percents	87.7%	76.1%	11.6%
<i>Under 25</i>	4.3	3.9	0.4
<i>25 - 34</i>	55.2	49.0	6.2
<i>35 - 44</i>	28.2	23.3	4.9
Total, Over 45 - Percents	12.3%	9.2%	3.1%
<i>45 - 54</i>	7.0	5.1	1.9
<i>55- 64</i>	4.3	3.4	0.9
<i>Over 65</i>	1.0	0.6	0.4
Ineligible Claimants			
Total with Information - Number	2,376	1,930	446
Percent*	100.0%	81.2%	18.8%
Total, Under 45 - Percents	81.4%	67.5%	14.0%
<i>Under 25</i>	9.1	8.3	0.8
<i>25 - 34</i>	46.2	39.2	7.0
<i>35 - 44</i>	26.1	19.9	6.2
Total, Over 45 - Percents	18.6%	13.8%	4.8%
<i>45 - 54</i>	11.0	8.3	2.7
<i>55- 64</i>	5.6	4.2	1.4
<i>Over 65</i>	2.0	1.3	0.7

Note: Demographic data for eligible and ineligible claimants are based on original determinations and do not incorporate eligibility changes due to redeterminations. Totals do not match those in Table 1 due to differences in data processing procedures.

*Percentages are computed by eligibility status for the total number of claimants with age and sex information. Percents may not add to totals due to rounding.

TABLE 2A

**FAMILY LEAVE INSURANCE – STATE PLAN
AGE AND SEX OF BONDING FAMILY LEAVE CLAIMANTS
BY ELIGIBILITY STATUS**

July - December 2009

	<u>Total</u>	<u>Female</u>	<u>Male</u>
Eligible Claimants			
Total with Information - Number	11,222	9,886	1,336
Percent*	100.0%	88.1%	11.9%
Total, Under 45 - Percents	98.8%	87.5%	11.3%
<i>Under 25</i>	5.1	4.7	0.4
<i>25 - 34</i>	65.2	58.5	6.7
<i>35 - 44</i>	28.5	24.3	4.2
Total, Over 45 - Percents	1.2%	0.6%	0.6%
<i>45 - 54</i>	1.1	0.6	0.5
<i>55- 64</i>	0.1	0.0	0.0
<i>Over 65</i>	0.0	0.0	0.0
Ineligible Claimants			
Total with Information - Number	1,571	1,348	223
Percent*	100.0%	85.8%	14.2%
Total, Under 45 - Percents	98.3%	84.6%	13.7%
<i>Under 25</i>	12.9	11.9	1.0
<i>25 - 34</i>	60.3	52.6	7.7
<i>35 - 44</i>	25.0	20.1	5.0
Total, Over 45 - Percents	1.7%	1.28%	0.5%
<i>45 - 54</i>	1.4	1.0	0.4
<i>55- 64</i>	0.3	0.2	0.1
<i>Over 65</i>	0.1	0.0	0.1

Note: Demographic data for eligible and ineligible claimants are based on original determinations and do not incorporate eligibility changes due to redeterminations. Totals do not match those in Table 1 due to differences in data processing procedures.

*Percentages are computed by eligibility status for the total number of claimants with age and sex information. Percents may not add to totals due to rounding.

TABLE 2B
FAMILY LEAVE INSURANCE – STATE PLAN
AGE AND SEX OF FAMILY CARE FAMILY LEAVE CLAIMANTS
BY ELIGIBILITY STATUS

July - December 2009

	<u>Total</u>	<u>Female</u>	<u>Male</u>
Eligible Claimants			
Total with Information - Number	2,905	2,164	741
Percent*	100.0%	74.5%	25.5%
Total, Under 45 - Percents	44.7%	32.3%	12.4%
<i>Under 25</i>	<i>1.3</i>	<i>0.9</i>	<i>0.4</i>
<i>25 - 34</i>	<i>16.6</i>	<i>12.2</i>	<i>4.5</i>
<i>35 - 44</i>	<i>26.8</i>	<i>19.2</i>	<i>7.5</i>
Total, Over 45 - Percents	55.3%	42.2%	13.1%
<i>45 - 54</i>	<i>29.9</i>	<i>22.9</i>	<i>7.1</i>
<i>55- 64</i>	<i>20.5</i>	<i>16.4</i>	<i>4.1</i>
<i>Over 65</i>	<i>4.9</i>	<i>2.9</i>	<i>1.9</i>
Ineligible Claimants			
Total with Information - Number	805	582	223
Percent*	100.0%	72.3%	27.7%
Total, Under 45 - Percents	48.6%	34.0%	14.5%
<i>Under 25</i>	<i>1.6</i>	<i>1.4</i>	<i>0.2</i>
<i>25 - 34</i>	<i>18.6</i>	<i>12.9</i>	<i>5.7</i>
<i>35 - 44</i>	<i>28.3</i>	<i>19.8</i>	<i>8.6</i>
Total, Over 45 - Percents	51.4%	38.3%	13.2%
<i>45 - 54</i>	<i>29.7</i>	<i>22.5</i>	<i>7.2</i>
<i>55- 64</i>	<i>16.0</i>	<i>11.9</i>	<i>4.1</i>
<i>Over 65</i>	<i>5.7</i>	<i>3.9</i>	<i>1.9</i>

Note: Demographic data for eligible and ineligible claimants are based on original determinations and do not incorporate eligibility changes due to redeterminations. Totals do not match those in Table 1 due to differences in data processing procedures.

*Percentages are computed by eligibility status for the total number of claimants with age and sex information. Percents may not add to totals due to rounding.

TABLE 3

**FAMILY LEAVE INSURANCE – STATE PLAN
SUMMARY OF DATA FOR COMPLETED CASES*
BY TYPE OF CLAIM**

July - December 2009

<u>Type of Claim</u>	<u>Number of Cases</u>	<u>Percent of Cases</u>	<u>Average Duration (weeks)</u>	<u>Average Gross Benefits</u>
Care of a Family Member	2,509	20.5%	3.9	\$1,710
Total Bonding Claims	9,717	79.5	5.2	\$2,496
<i>Bonding Immediately Following a Pregnancy Claim for TDI</i>	3,848	31.5	5.5	\$2,432
<i>Bonding That Does Not Immediately Follow a Pregnancy Claim for TDI</i>	5,869	48.0	5.1	\$2,537
Total	12,226	100.0%	5.0	\$2,334

*Completed cases include those claims formally closed in the FLI database in 2009, as well as those with no payment activity for 90 days.

TABLE 4

**FAMILY LEAVE INSURANCE – STATE PLAN
EMPLOYER REQUIRED LEAVE RESULTING IN REDUCED BENEFIT DURATION*
July - December 2009**

	<u>Number</u>
Number of Claims Reduced	2,848
Total Number of Days Reduced	27,301
Average Number of Days Reduced	10

*Includes all reported sick leave, vacation or other fully paid leave which resulted in reduced benefit duration.

TABLE 5

**FAMILY LEAVE INSURANCE – STATE PLAN
REVENUES, BENEFITS AND EXPENSES**

Calendar Year 2009

	<u>(Millions)</u>
<u>FLI Income</u>	
FLI Worker Contributions	\$72.8
Other Income (including interest)	\$0.8
Total FLI Income	\$73.6
<u>FLI Benefits and Expenses</u>	
FLI State Plan Benefit Payments	\$31.6
Benefit Payments for Family Leave During Unemployment	\$0.4
FLI Administrative Expenses	\$2.5
Total FLI Benefits and Expenses	\$34.5

Note: Totals for benefit payments do not match those in Table 1 because the data are from different sources.

TABLE 6

TEMPORARY DISABILITY INSURANCE – STATE PLAN
SUMMARY OF DATA FOR ELIGIBLE NEW CLAIMS
BY TYPE OF CLAIM

Calendar Year 2009

<u>Type of Claim</u>	<u>2009</u>	
	<u>Number of Cases</u>	<u>Percent of Cases</u>
Pregnancy and Complications of Childbirth	25,848	23.8%
All Other Claim Categories	82,759	76.2
Total	108,607	100.0%

TABLE 7

TEMPORARY DISABILITY INSURANCE – STATE PLAN
SUMMARY OF DATA FOR COMPLETED CASES*
BY TYPE OF CLAIM

Calendar Year 2009

<u>Type of Claim</u>	<u>Number of Cases</u>	<u>Percent of Cases</u>	<u>Average Duration (weeks)</u>	<u>Average Gross Benefits</u>
Pregnancy and Complications of Childbirth	26,591	24.5%	9.9	\$3,874
All Other Claim Categories	82,102	75.5%	10.0	\$4,106
Total	108,693	100.0%	10.0	\$4,049

*Completed cases include those claims formally closed in the TDI database in 2009, as well as those with no payment activity for 90 days.

TABLE 8

**TEMPORARY DISABILITY INSURANCE – STATE PLAN
SUMMARY OF REVENUE, BENEFITS AND EXPENSES**

Calendar Year 2009

	<u>(Millions)</u>
<u>TDI Income</u>	
TDI Worker Contributions	\$303.5
TDI Employer Contributions	\$207.7
Other Income (including interest)	\$45.4
Total TDI Income	\$556.6
<u>TDI Benefits and Expenses</u>	
TDI State Plan Benefits	\$430.1
Benefit Payments for Disability During Unemployment	\$25.0
TDI Administrative Expenses	\$36.7
Total TDI Benefits and Expenses	\$491.8