

Workers' compensation insurance penalties in New Jersey

New Jersey's workers' compensation statutes were amended in October 2008 by a series of bills signed by then-Gov. Jon Corzine, which intended to strengthen the system and set penalties that can be levied against participants who run afoul of the system's requirements.

What are these requirements?

An employer in New Jersey must satisfy its obligations to injured employees under the Workers' Compensation Law either by purchasing an insurance policy or by obtaining authorization to self insure by fulfilling certain filing requirements.

What was changed in October 2008?

The law that has the most impact on you as an employer is **Chapter 230, Act 2008**. This law increased the penalties on employers who fail to provide their workers with the required coverage.

What are the penalties?

For starters, this statute makes an employer who fails to provide the coverage prescribed by law a **disorderly person's** offense. If the employer **knowingly** fails to

provide insurance, the employer shall be guilty of a crime of the fourth degree. The treasurer can be liable for failure to provide the required insurance coverage.

What's the penalty for these crimes?

Being found guilty of a disorderly person's offense implicates the employer. This is not an administrative penalty, but a **criminal offense**. A disorderly person's offense carries a fine of up to \$1,000 and a term of imprisonment of up to 100 hours. A conviction of a disorderly person's offense is a **fourth-degree crime**. Being found guilty of a disorderly person's offense is not a violation, but is in the same class as reckless endangerment and aggravated assault. A conviction of a fourth-degree crime can result in a **\$10,000 fine and 12 months imprisonment**.

I don't own the corporation, I'm not responsible for making sure the insurance is being provided, right?

Not necessarily. Where the employer is a corporation, **any** officer who is actively engaged in the corporate business such as the president, vice president, secretary and

Are there any other ones I need to look out for?

Yes, there are noncompliance money penalties that grow larger with the time you remain out of compliance with the law. If the Division of Workers' Compensation finds that an employer has failed, for a period of more than 10 consecutive days, to make provision for compensation payments as required by law, the division shall impose a penalty of up to \$5,000 and, if the period exceeds 10 days, an additional penalty of up to \$5,000 for each subsequent period of 10 days will be imposed.

New Jersey is really serious about making sure workers are protected. Is there anything else I need to know?

New Jersey **is** serious about protecting workers—remember, if a worker is injured, and he or she wasn't protected, **you, the employer**, will end up paying! The employer is responsible financially for the worker's benefits.

