ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 508

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2020

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 508.

As amended, this bill revises the definition of "employee" in the workers' compensation law, R.S.34:15-1 et seq., to permit an S corporation that has only one individual who performs services for the corporation and is the only shareholder in the corporation to choose whether or not to obtain workers' compensation coverage.

The bill, as amended and reported, is identical to Senate Bill No. 967 of the 2020-2021 session.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

Revise the definition of "employee" in the workers' compensation law, R.S.34:15-1 et seq., to permit an S corporation that has only one individual who performs services for the corporation and is the only shareholder in the corporation to choose whether or not to obtain workers' compensation coverage;

Remove changes from the introduced version of the bill to the existing law regarding the definition of employer; and

Revise the effective date from immediately to the 180th day following enactment and apply to all policies issued on or after that date.