

ASSEMBLY, No. 2688

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblyman JOHN ARMATO

District 2 (Atlantic)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Requires reduced workers' compensation premiums for farm employers and small employers.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/13/2020)

1 AN ACT concerning premiums for workers' compensation insurance
2 and supplementing P.L.2008, c.97 (C.34:15-90.1 et al).

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. As used in this act:

8 "Bureau" means the Compensation Rating and Inspection Bureau
9 as continued pursuant to section 1 of P.L.2008, c.97 (C.34:15-90.1).

10 "Commissioner" means Commissioner of Banking and
11 Insurance.

12 "Farm employer" means any employer who employs one or more
13 farm workers on a farm.

14 "Farm" means land which is used for commercial raising,
15 growing and producing of any crop, livestock, or fur products; not
16 less than five acres in area; and not used in the business of buying
17 farm products for resale.

18 "Small employer" means any employer who employed less than
19 six employees for every working day during each of a majority of
20 the calendar workweeks in the current calendar year and less than
21 six employees for every working day during not less than 48
22 calendar workweeks in the preceding calendar year, except that, if
23 the employer was newly established during the preceding calendar
24 year, the employer shall be regarded as a "small employer" if the
25 employer employed less than six employees for every working day
26 during all of the weeks of that year, and during a majority of the
27 calendar workweeks in the current calendar year, and, if the
28 employer is newly established during the current calendar year, the
29 employer shall be regarded as a "small employer" if the employer
30 employed less than six employees for every working day during a
31 majority of the calendar workweeks in the current calendar year.

32 b. The Compensation Rating and Inspection Bureau shall, upon
33 the recommendation of the Commissioner of Banking and
34 Insurance, reduce the workers' compensation premiums paid by
35 farm employers and small employers by five percent. Three years
36 after initial approval by the commissioner, the bureau, upon the
37 approval of the commissioner, may increase or reduce the reduction
38 by no more than 2.5 percent, according to any factors that the
39 bureau deems relevant, including, but not limited to, the experience
40 of the employer. Any reduction granted pursuant to this section
41 shall remain in effect until the commissioner revokes its approval.

42 c. (1) A farm employer operating a farm or a small employer
43 may apply to the commissioner for a workers' compensation
44 premium reduction in accordance with subsection b. of this act.
45 Upon receipt of an application, the commissioner shall determine
46 the employer's eligibility for the program, and if the employer is
47 eligible, the commissioner shall notify the bureau of the approved
48 reduction.

1 (2) Following initial approval of a premium reduction, an
2 employer shall continue to submit statements on an annual basis
3 certifying as to the employer's continued eligibility for the premium
4 reduction. An employer shall promptly notify of the commissioner
5 of any change to the employer's status that would disqualify the
6 employer from receiving the premium reduction, including, but not
7 limited to, an increase in the number of employees for an employer
8 designated as a small employer.

9 (3) The commissioner may assess a civil penalty of \$100 per
10 day against an employer for each day that the employer fails to
11 report a disqualifying change to the commissioner subsequent to
12 initial approval. That penalty shall be collected by the
13 commissioner in a summary proceeding in accordance with the
14 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
15 et seq.).
16

17 2. This act shall take effect on January 1 next following the
18 date of enactment, except the Commissioner of Banking and
19 Insurance may take any anticipatory administrative action in
20 advance as shall be necessary for the implementation of this act.
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23 STATEMENT 24

25 This bill requires the Compensation Rating and Inspection
26 Bureau, the agency responsible for setting premiums for workers'
27 compensation insurance, to reduce premiums for farm employers
28 and small employer by five percent.

29 Under the bill, "farm employer" means any employer who
30 employs one or more farm workers on a commercial farm, and
31 "small employer" means an employer with less than six employees.

32 An employer seeking the premium reduction is required to file an
33 application with the Commissioner of Banking and Insurance, who
34 will determine an employer's eligibility for the premium reduction.
35 An employer approved for a premium reduction is subject to an
36 ongoing responsibility to update the commissioner of any change to
37 the employer's status that would disqualify the employer from
38 receiving the premium reduction. If an employer fails to report a
39 disqualifying change to the commissioner subsequent to initial
40 approval, the commissioner may assess a civil penalty of \$100 per
41 day against the employer for each day of its failure to notify the
42 commissioner.