To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 929 (First Reprint) without my approval.

Workers’ compensation is an important program in New Jersey, providing compensation to employees who suffer job-related injuries or illnesses through no fault of their own. It is especially significant to families who receive benefits after a loved one has died in the line of duty.

In 1979, the State made comprehensive changes to the workers’ compensation law, resulting in higher payments for workers totally and permanently disabled after December 31, 1979. The changes, however, created a disproportionate effect on workers’ compensation payments made to those who sustained total and permanent disability or death before the implementation of those changes. In recognition of this disparity, the Legislature established a cost-of-living adjustment ("COLA") for those injured on or before December 31, 1979 to align their payments with those injured after the new reforms.

This well-intended bill would extend the workers’ compensation COLA benefit to total disability beneficiaries and those receiving survivors’ benefits where the injury occurred after December 31, 1979. The estimated yearly cost for the COLA is at least $58 million and would be funded solely through an increase in the annual surcharge on private-sector employers paid into the Second Injury Fund ("SIF").
Employers in New Jersey already pay the third highest workers’ compensation rates in the Nation. This bill would further raise those rates, putting even more of a burden on private sector businesses. I have worked tirelessly with my Administration to maintain a business environment that fosters the growth of private-sector jobs in the State, and we have been successful. This bill represents a step in the wrong direction because an increase in the annual SIF surcharge would threaten the State’s ability to keep existing employers in the State and undermine efforts to attract new ones. I cannot sign a bill that will pile yet another unacceptable financial burden on the businesses of this State.

Accordingly, I am returning Senate Bill No. 929 (First Reprint) without my approval.

Respectfully,

[seal]

/s/ Chris Christie
Governor

Attest:

/s/ Thomas P. Scrivo
Chief Counsel to the Governor