

New Jersey Workers' Compensation Benefits and Coverage, 2004

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Summary

This brief summarizes the most recent data on workers' compensation benefits and coverage for workers in New Jersey and in the nation as a whole. It is based on the report *Workers' Compensation: Benefits, Coverage, and Costs, 2004*, issued by the National Academy of Social Insurance (NASI) in July 2006. That report is the ninth in a series on workers' compensation that provides the only comprehensive national data on these state-run programs. The full report is available on NASI's website, www.nasi.org.

In New Jersey, total workers' compensation payments to injured workers and their medical care providers rose by 1.4 percent to \$1,398 million in 2004, the latest year for which comprehensive data are available. Both payments for medical care and cash benefits rose by 1.4 percent. At the same time, total covered payroll for New Jersey workers rose by 4.3 percent (see Table 1).

As a result, when payments are shown relative to covered payroll, New Jersey payments for medical care and cash benefits combined fell by two cents from \$0.79 to \$0.77 between 2003 and 2004 (see Figure 1).

Both payments for medical care and wage replacement benefits fell by one cent per \$100 of New Jersey payroll. Payments for medical care fell from \$0.38 to \$0.37 between 2003 and 2004 (see Figure 2). Wage replacement benefits paid directly to New Jersey workers fell from \$0.41 to \$0.40 between 2003 and 2004.

For the nation as a whole, benefits peaked as a share of payroll in 1992 at \$1.68 per \$100 of payroll and then fell every year until they reached a low of \$1.06 per \$100 of payroll in 2000. Since 2000, national benefits rose slightly but never returned to the peak level experienced in the early 1990s. In contrast, workers' compensation payments in New Jersey have been lower and more stable than for the nation as a whole.

Table 2 provides annual data on covered payroll and benefits paid to New Jersey workers and their medical care providers in 1989 through 2004. To learn about the methods used to produce the estimates, see the NASI report *Workers' Compensation: Benefits, Coverage, and Costs, 2004*. Appendix A of the report explains the estimates of covered jobs and covered payroll. Appendixes C through G describe the estimates of total, medical, and cash benefits. Each annual report updates the data for the previous four years. Data for cash and medical benefits are available separately only since 1996. Estimates for 1993 and prior years come from the *Social Security Bulletin*.

Figure 1.
Workers' Compensation Payments per \$100 of Payroll, 1989-2004
New Jersey and the United States

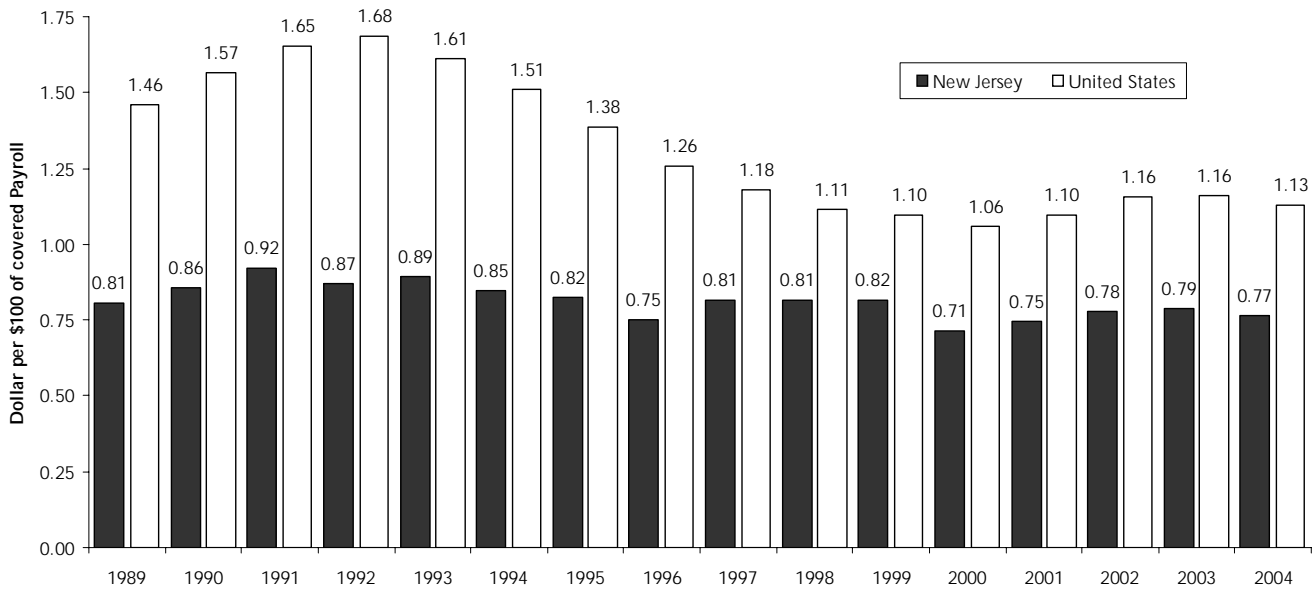


Figure 2.
Workers' Compensation Medical Payments per \$100 of Payroll, 1996-2004
New Jersey and the United States

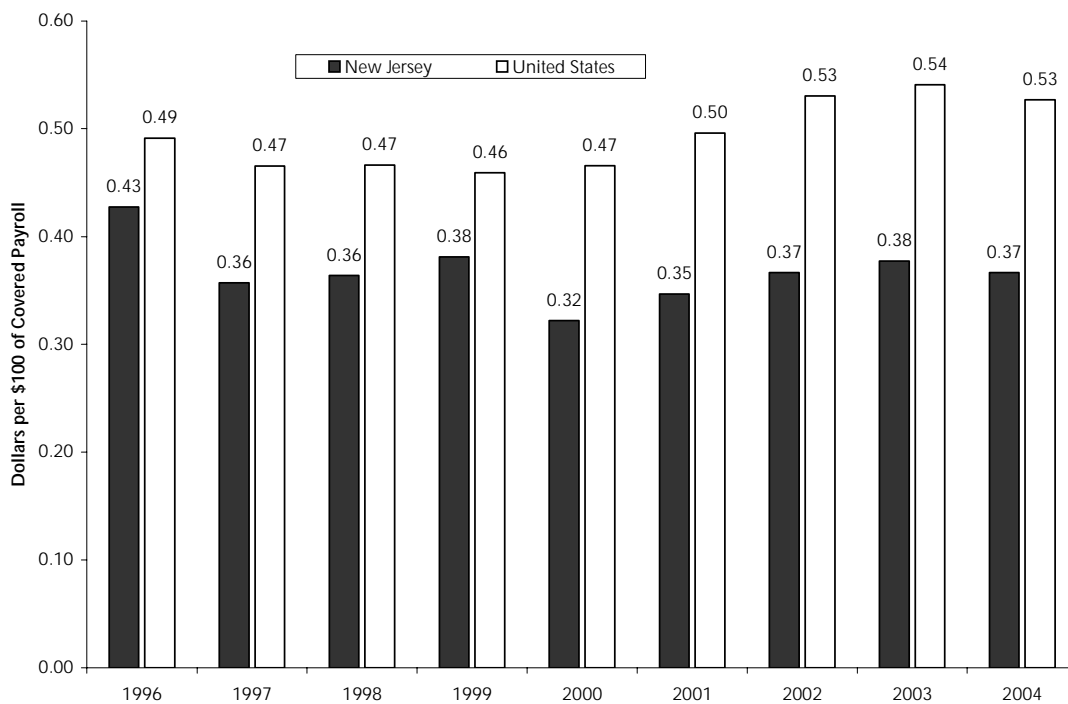


Table 1.
Workers' Compensation Benefits and Coverage
New Jersey and the United States, 2004

	Total 2004	Percent Change 2003-2004
New Jersey		
Covered workers (in thousands)	3,812	0.6
Covered wages (in billions)	\$183	4.3
Workers' compensation benefits paid (in millions)	\$1,398	1.4
Medical benefits	\$669	1.4
Cash benefits	\$729	1.4
United States		
Covered workers (in thousands)	125,863	0.9
Covered wages (in billions)	\$4,953	5.0
Workers' compensation benefits paid (in millions)	\$55,968	2.3
Medical benefits	\$26,099	2.3
Cash benefits	\$29,869	2.3

Table 2.
New Jersey Workers' Compensation Coverage and Benefits, 1989-2004
(in millions of dollars)

Year	Covered Payroll	Total Benefits	Medical Benefits	Cash Benefits
1989	94,353	761	-	-
1990	98,598	844	-	-
1991	99,256	916	-	-
1992	105,062	956	-	-
1993	108,327	968	-	-
1994	112,822	958	-	-
1995	118,145	972	-	-
1996	124,132	931	531	400
1997	132,496	1,080	473	607
1998	142,862	1,164	520	644
1999	152,386	1,244	581	663
2000	166,150	1,183	535	648
2001	168,391	1,256	584	672
2002	170,802	1,329	626	702
2003	174,951	1,379	660	719
2004	182,512	1,398	669	729

The National Academy of Social Insurance (NASI) is a nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance. Its mission is to promote understanding and informed policymaking on social insurance and related programs through research, public education, training, and the open exchange of ideas.

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