

**GOVERNOR'S STATEMENT UPON SIGNING
SENATE BILL NO. 2476**

Today I am pleased to sign Senate Bill No. 2476, which provides, from January 1, 2020 forward, weekly supplemental benefit payments to the dependents of essential employees who die in the course of employment due to the contraction of Coronavirus disease 2019 ("COVID-19"). The supplemental benefits provided under this bill are available to the families of public safety workers, first responders, healthcare professionals, and others who made the ultimate sacrifice performing duties essential to the public's health, safety, and welfare at the height of the COVID-19 pandemic.

The source of funding for the benefits provided under this bill is the Second Injury Fund ("SIF"). Before Congress enacted the Americans with Disabilities Act, which bars employers from denying employment on the basis of an applicant's pre-existing disabilities, the State established the SIF to provide employers with an incentive to hire persons with pre-existing disabilities by limiting an employer's liability for workers' compensation payments. Through the SIF, the State provides benefit payments to workers already partially disabled who subsequently experience a work-related injury that exacerbates a pre-existing injury.

I commend the Legislature for seeking to ensure that the compensation benefits provided to our essential workers are commensurate with the annual cost of living. While I do not believe that the SIF is the most appropriate funding source for the benefits provided under the bill, I am signing this bill because I strongly believe that those willing to sacrifice their own safety and well-being in this crisis deserve to receive fair financial compensation. The supplemental benefits provided by the bill demonstrate our collective gratitude towards the families of our frontline workers who gave our State hope during the darkest of times.

This bill represents a continuation of our commitment to provide adequate compensation to the families of heroes who were willing to risk their own lives for the good of our communities. Last session, we provided similar supplemental benefits to public safety workers through the enactment of P.L.2019, c.127, which, like this bill, provides supplemental compensation benefits through the SIF. Unlike P.L.2019, c.127, which was delayed in its effect, this bill takes effect retroactively beginning January 1, 2020.

The timeline set forth in this bill raises certain complications that the Department of Labor and Workforce and Development ("DOLWD") will have to manage. The SIF is funded by an annual surcharge levied upon insurers and certain employers on the first day of every year. This surcharge ensures sufficient revenues flow into the SIF to cover its liabilities. Each year,

DOLWD has to determine the annual surcharge amount and notify insurers and employers of that amount on or before September 15.

The unique definition of essential employees in the bill coupled with the fact that the average salaries of essential workers vary greatly may prevent the DOLWD from being able to accurately calculate the cost of the benefits. Because of these difficulties and the still unknown long-term effects of COVID-19, the bill could strain the fund balance of the SIF, in which case the payment of the benefits provided under this bill may necessitate a General Fund appropriation.

Insufficient funding of the SIF poses a risk of significant harm to the disabled workers and their families who rely upon these benefits. The recent trend of utilizing the SIF to pay expenses for which the SIF was never intended is a troubling development. I look forward to working with my partners in the Legislature to find new ways to compensate our dedicated workforce without jeopardizing the funds that provide a critical lifeline to the workers and families for which the funds were established.

The courage of our essential workers is an inspiration to all New Jerseyans. This bill is a recognition of their invaluable contributions to the State. My signature today represents my unwavering commitment to all those who continue to put themselves and their families at increased risk for the benefit of their communities.

Date: April 19, 2021

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor