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New Jersey Temporary Disability Benefit (“TDB”)

Total Ben LLC (“TotalBen”) is a licensed insurance agency in the state of New Jersey and offers a wide-range of insurance solutions to its clients. The license encompasses life, accident, health or sickness, personal lines, property & casualty insurance. Tax-favored benefit plans are also offered.

Founded in 2005, the focus of the company is to bring corporate level benefits to the small and mid-sized market. With over 60 years of Fortune 100 experience on staff, including some senior IT staff, TotalBen is uniquely positioned to do just that. The background and experience of the staff gives TotalBen the ability to create and market unique products in the general marketplace.

As part of the long-term vision, the company has aligned itself with many payroll companies in order to assist them in gaining market share. This has generated hundreds of qualified leads for TotalBen. This is accomplished by offering all forms of benefit that a client may need. In the course of our work we have come to be aligned with an entity specializing in the zero-down, automatic payment per-payroll of Workers’ Comp. Our role is that of **aggregator**. TotalBen takes data from several payroll companies and feeds it out to carriers, allowing for a seamless, turnkey Workers’ Comp solution.

TotalBen now offers its unique vision and perspective for New Jersey TDB.

The Benefit: Under the New Jersey Temporary Disability Benefits Law, cash benefits are payable when an individual cannot work because of sickness or injury not caused by their job. An individual must meet certain wage, medical and eligibility requirements to be eligible for temporary disability benefits. The maximum weekly benefit rate is \$595 for disabilities beginning on or after January 1, 2014. The maximum benefit amount which may be paid for each period of disability is one-third (1/3) of the total wages you earned in New Jersey covered employment during the base year, or 26 times the weekly benefit amount, whichever is less.

The Cost: Both New Jersey workers and employers contribute to the cost of temporary disability coverage. For 2014, workers contribute at the rate of 0.38 percent on the first \$31,500 (taxable wage base) in covered wages earned during this calendar year. The maximum worker contribution for 2014 is \$119.40. This contribution is in the form of a salary deduction that the employer takes from weekly wages. Although the taxable wage base is the same as for workers, the contribution rate for employers varies from 0.10% to 0.75%. For 2014, employers contribute between \$31.50 and \$236.25 on the first \$31,500 earned by each employee during this calendar year. On January 1 of each year, the taxable wage base changes, as reported by the New Jersey Department of Labor and Workforce Development.

FICA Liability: A portion of disability benefits is considered taxable income for both the Federal Income Tax and FICA (Social Security). The portion of the benefits payment that is taxable is that portion attributable to the employer's disability contribution. The worker's share of FICA is deducted from State Plan benefit payments. The employer is liable for the employer's share of FICA. Federal income tax is withheld only if requested by the claimant.

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TotalBen has now focused on benefiting our New Jersey clients. Today, most employers have TDB coverage via the state. There is primarily because of the default implementation of coverage with the state. All New Jersey employers covered by the Unemployment Compensation Law are also subject to the Temporary Disability Benefits Law (with the exception of certain government entities). A subject employer is automatically covered under the State Plan unless workers are covered under an approved private plan for temporary disability benefits. TotalBen now has the ability to leverage our role as aggregator and to save our clients in a variety of ways:

- **Eliminate the state assessment of \$9 - \$15 dollars per employee as an immediate savings**
- **Reduce or eliminate the employer contribution of the TDB** (as much as \$236.25 per covered employee – or over \$200k for 1000 covered employees)
- Migrate the employer to an approved private plan for temporary disability benefit
- Assist with the completion of form DP-1, notifying the State of the potential move prior to the effective date of the move
- Reduce the burden of paperwork at the time of application by providing signature ready documents
- Offer assistance with the written election that must be held (whereby a majority of employees must agree to the plan prior to the effective date of the plan)
- Eliminate the burden of paperwork and interaction with the state in the event of a claim
- **Reduce or eliminate the liability of the employer-matching FICA payment** (up to \$1590.44 per covered employee – or almost \$1m for 1000 covered employees)
- Debit ACH the funds from the client automatically, on a per-quarter (or per month) basis, based on payroll reporting, done through TotalBen

As an example*, a company with 100 employees may currently be paying \$36,000 in annual premiums, with \$21,000 contributed by the employer. After a TotalBen implementation, their premium may, under favorable conditions, only be \$16,000, with only \$2000 of it being contributed by the employer. That is an annual savings of \$19,000 to the company.

Why not recommend TotalBen and help your clients save money?

For more information or to refer clients to start saving today, please contact Moishe Miller via email – moishe.miller@totalben.com or via telephone, at **718-535-7070** to learn more about how TotalBen can help your company reduce cost. Call to schedule a face-to-face meeting.

For a comprehensive list of our services, see www.totalben.com/services

* For illustrative purposes only. Results may vary, depending on claims experience and other factors.