

Sick Leave Injury Reform (SLI):

The MEL urges the legislature to eliminate sick leave injury programs. Currently under 18A:30-2.1 and 11A:6-8, Municipalities and Boards of Education are permitted to extend for a period up to one year full pay for workers injured in the course of their employment. In 2010, a similar provision for State workers was repealed. The MEL recommends that the repeal be extended to all levels of government.

Sick Leave Injury programs are unnecessary because workers are also covered by workers' compensation and the retirement disability programs. Under workers' compensation, employees who lose time because of job related injuries or illnesses are compensated for lost wages at 70% of their regular earnings up to the statewide average wage. The 70% figure is appropriate because worker's compensation benefits are not subject to income or other payroll tax. Under the Sick Leave Injury (SLI) Programs, governmental workers continue to receive their regular salary (subject to income and payroll taxes) and the workers' compensation benefit goes to the employer as partial offset for the salary continuation. This arrangement substantially increases costs because:

- 1) The cost of SLI weekly wage continuation is a minimum of 43% higher than the weekly workers' compensation benefit,
- 2) Unlike workers' Compensation, under SLI the employer must also pay the employer portion of payroll taxes, and
- 3) SLI acts as a disincentive to return to work, further increasing the total amount of the claim.

The State currently saves \$10s of millions each year because it eliminated its SLI program. The MEL contends that State, county, municipal and BOE employees should be treated the same with respect to these benefits. Since SLI was eliminated for state workers, it should be eliminated for workers at the other levels of government as well.