



Honoring NJ's 100 years of workers compensation

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By **Star-Ledger Guest Columnist**

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As we near the day celebrating labor, we look back at the first major legislative achievement of Woodrow Wilson, who, while governor of New Jersey, oversaw the enactment of the Workers' Compensation Act. This measure also established New Jersey as the first state to adopt a continuing workers' compensation program.

Before the bill's passage, New Jersey, like other states, precluded an injured worker from compensation for work-related injuries — even medical care — if the worker's negligence contributed to a workplace accident, if the accident was a natural risk of the employment or if the injury was caused by the negligence of a co-worker. The Workers' Compensation Act eliminated these employer defenses to work-injury coverage and established a no-fault system of guaranteed medical care, temporary wage replacement, a benefit schedule for permanent disabilities and dependency payments for fatal work injuries. For these protections, workers gave up the right to sue employers for additional compensation, except in cases of intentional injuries.

It is significant that the New Jersey law was developed by a statutorily established Employers' Liability Commission of six members, composed of two legislators, two business leaders and two labor officials. The commission was directed by the Legislature to review the workplace injury laws and recommend changes. In its Jan. 16, 1911, report, the commission wrote that "compensation to injured workmen is a legitimate charge against the cost of manufacture" and recognized that workers were entitled to just compensation for work injuries. Legislation to accomplish the commission's recommendations for designated work-injury benefits and abolishment of the employer defenses was included.

The Workers' Compensation Act, sponsored by Republican state Sen. Walter Edge, was unanimously passed by the Legislature on April 3, 1911, and signed into law by Wilson the next day. During his run for governor, Wilson, a Democrat, had supported a progressive agenda, including workplace injury reform. It was the work of the commission and the cooperation of a Republican legislature that made this campaign idea a reality.

The governor and Legislature also recognized that the workers' compensation concept was untested in the country, and extended the life of the commission to monitor the implementation of the law. In its yearly reports, which ended in 1915, the commission collected extensive statistical information on workplace accidents, costs and benefits.

Legislative amendments based on these recommendations created the New Jersey Compensation Rating and Inspection Bureau to set insurance rates and a guaranty fund to provide injury benefits for workers of insolvent companies. Additionally, the



Princeton Art
Museum

Oil painting of U.S. President Woodrow Wilson, who was also Princeton University's president from 1902-1910. Wilson's first major legislative achievement was enacting the Workers' Compensation Act.

review and determination of compensation or benefit issues was moved from the civil court system to the present Division of Workers' Compensation. In 1924, the law was expanded to cover occupational injuries.

It was not until 1979 that significant additional changes were made to the New Jersey Workers' Compensation Act. These legislative reforms, which included a restructured benefit payment schedule to provide increased compensation to the more seriously injured workers, were based on the unanimous recommendations of a new commission that had equal business and labor representatives. In this tradition of participation, an ongoing Workers' Compensation Advisory Council of business, labor and other interested groups assists in the oversight of the workers' compensation program.

It is testament to the cooperation and resolve of New Jersey elected officials, the business community and labor leaders that New Jersey was the first state to enact a workers' compensation system. This unity of purpose continues — after 100 years — to support this necessary benefit program for the more than 4 million members of New Jersey's workforce.

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