Disability Benefits Insurance

Under the unemployment insurance laws of the country, most workers are afforded some income protection during periods of unemployment However, to be eligible for these benefits the worker must be ready, willing, and able to work Therefore, he cannot receive these benefits if disabled

If a disability arose out of the and during the course of his employment, he may be entitled to workmen's compensation benefits, but no protection extends to off-the-job disability except under laws in four states or as may be provided under private insurance plans or employee welfare plans

Aside from compulsory plans in effect in the four states, an increasing number of employers in recent years have installed private plans that give their employees some indemnity for loss of time due to nonoccupational disability Such plans are completely voluntary on the part of the employer or are entered into as a result of collective bargaining between employers and employees or their trade union

Where such group disability plans are in effect, they, together with state unemployment and workmen's compensation laws, afford the worker with some protection against such major threats to his income-producing power as inability to work because he is disabled on the job or off it

Although there have been extensive discussions in most states concerning compulsory plans covering employees against nonoccupational illnesses and accidents, to date only four states have enacted such legislation These states are New York, New Jersey, Rhode Island, and California

In California and Rhode Island, the employee pays all the costs of such plans In New York and New Jersey, the employer and the employee share the costs Three of these four states treat this insurance as a function of unemployment Only one, New York, treats it as a function of employment

In Rhode Island, California, and New Jersey, the agency that administers unemployment compensation also administers the nonoccupational disability insurance A separate agency administers workmen's compensation In New York, the workmen's compensation board administers both

Although the employer does not contribute toward the cost of the plan in California and Rhode Island, he is required to deduct certain amounts from the wages of each eligible employee and to remit these deductions with his regular unemployment taxes

In New Jersey, the employer must contribute toward the cost of the plan The rate varies with the employer's loss experience and the status of the state's disability fund The employee must also contribute to the cost of the plan The employer deducts this contribution directly from the wages of his employee and forwards it with the state unemployment taxes

In New York, the employer may deduct from each employee's wages up to a maximum amount per week The employer is required to pay the excess of the cost of the plan over this allowable deduction per person on his payroll

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