Benefits Denied in Connection with Injuries Sustained Attending a Social Event

In Regalado v. F & B Garage Door, the Appellate Division in an unpublished decision (06.08.21) affirmed the decision of a Workers' Compensation Judge finding that the petitioner's injuries fell into the recreational or social activity exception on N.J.S.A. 34:15-7 and, therefore, the claim did not qualify for workers' compensation benefits.

The facts revealed that the respondent sells and installs residential garage doors. The petitioner is an office manager who processes orders, bills clients, and performs other clerical work.

On Friday, December 23, 2016, the respondent hosted its annual holiday party at a local restaurant. Each employee was encouraged to invite a friend or family member to the event. There were no clients, business associates, or vendors invited. The respondent contended that the annual party is a "thank you" to the respondent's employees for their hard work throughout the year.

The petitioner invited her brother to the party as she had done in the past. Transportation was provided for the petitioner and her brother since neither one of them drove. On the way home from the party there was a motor vehicle accident while a friend of the respondent was driving the petitioner home.

The petitioner filed a claim alleging that when she was invited, she was told by the owner of the company that she would not receive a holiday bonus if she did not attend and that she did, in fact, receive her bonus at the restaurant during the event. The petitioner stated she would not have attended had transportation not been provided.

The respondent testified that bonuses were paid a few days before the party and the Judge felt that the evidence was clear that this was accurate. The respondent also confirmed that the party optional and an employee's decision not to attend would "absolutely not" affect their employment relationship.

Ultimately, the Judge did not find the petitioner credible. He found that under the two-prong test of Section 7 of the statute that attending the holiday party provided no benefit to the respondent other than to improve the morale of its employees. He found that attendance was not mandatory, and that receipt of the bonus was not contingent upon the petitioner's attendance. Accordingly, the claim was dismissed.

The Appellate Division affirmed the Judge's decision noting the two-prong test of Section 7 required that the social activity:

1. Must be a regular incident of employment and
2. Must produce a benefit to the employer beyond improvement and employee health and morale.

The Court noted that an employee's subjective impression and compulsion alone was not sufficient. The Appellate Division found no error in the Judge's conclusion that the holiday party was a recreational or social activity that produced no benefit beyond employee morale. The Court noted the evidence revealed that the holiday party was an informal company gathering removed from any economic purpose which the petitioner could have freely chosen not to attend.