

Injured At A Company Sponsored Event: Can I File A Workers' Compensation Claim?

June 25, 2021 | by Thomas F. Dorn, Jr

Employees who work for companies sometimes attend company sponsored events like picnics or dinners. When an employee gets injured at the event does the employee have the right to file a workers' compensation claim in [New Jersey workers' compensation](#) court? The New Jersey Supreme Court answered this question recently.

In Goulding v. North Jersey Friendship House, 245 N.J. 157 (2021), plaintiff Goulding was employed by North Jersey Friendship House (Friendship House), a non-profit organization that assists individuals with developmental disabilities.

Workers' Compensation Court Considers Chef Injured During Employer's "Family Fun Day"

Plaintiff worked full-time as a chef/cook for the Friendship House. In September 2017, the Friendship House hosted its first ever "Family Fun Day" with recreational activities for clients of Friendship House and their families. Friendship House requested, but did not require, their employees to volunteer at the event. The plaintiff volunteered to cook lunch at the event, and while preparing the meal, she injured her ankle when she stepped into a pothole. When she filed a workers' compensation claim petition, the Friendship House denied her claim, stating that she was not working when the accident happened. The workers' compensation court agreed that the Family Fun Day was a social/recreational event and therefore dismissed her case. The Appellate Division affirmed the dismissal.

Supreme Court Addresses "Recreational/Social Activities" and 2-Step Test to Determine Compensation

The New Jersey Supreme Court granted certification on this matter to clarify the law on company sponsored events. The Court noted that the Workers' Compensation Act is a humane social legislation that is to be construed liberally to afford coverage to as many workers as possible.

Under amendments to the Workers' Compensation Act in 1979, an injury arising out of and in the course of employment is not compensable if it is sustained during "recreational or social activities."

The Court referred to N.J.S.A. 34:15-7 and its two-step test to determine if the activity that caused the injury was a "recreational or social activity." The rule provides that the activity is not recreational or social if it meets these criteria:

- (1) must be a regular incident of employment and
- (2) must produce a benefit to the employer beyond improvement in employee health and morale.

The court explained that the determination of recreational or social activity applies to events that employees are not required or compelled to attend.

If an employer requires employees to attend an event and an injury occurs, the injury is compensable. In Lozano v. Frank DeLuca Construction, 187 N.J. 513 (2004), an employee who sustained serious injuries when ordered by his supervisor to drive a go-kart after work was entitled to workers' compensation benefits. Although the activity (go-karting) was clearly a recreational activity, because the employee was forced by his supervisor to drive a go-kart, the employee was entitled to workers' compensation benefits.

For non-compulsory events, the facts of the case will determine whether there was a recreational or social activity within the meaning of the statute. The Supreme Court disagreed with the Appellate Division's implication that whenever an employee volunteers at an employer-sponsored event, the employee cannot be compensated for injuries because the event has a recreational or social purpose. This view ignores the fact that the Workers' Compensation Act is to be construed liberally in favor of

compensation. The Court made the distinction that the statute applies to recreational or social activities as opposed to recreational or social events.

Supreme Court Rules Chef's Injury is Compensable

The plaintiff Goulding did not participate at the "Family Fun Day" in a social or recreational role; she was there as a volunteer to help facilitate the event. She therefore satisfied the first prong of the two-step test because as a volunteer to cook for the event she was simply doing the same job that she performed each workday for her employer.

As to the second prong, the court found that the "Family Fun Day" event was held to celebrate clients or members, their families and the community. Clearly, the employer received intangible benefits in promoting itself and fostering goodwill in the community. Also, the Court stated, "the experience enjoyed at Family Fun Day by the clients and their families –the very people Friendship House has made it its mission to serve—is a separate benefit in and of itself." Plaintiff's injury was held to be compensable.

Based upon the Goulding decision, the focus of whether an employee has the right to pursue a workers' compensation claim at a company sponsored event is based on the activity the employee was performing. These matters, and their final resolutions, are fact-sensitive.