

# CLIENT ALERT

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## UPDATED INFORMATION REGARDING NEW JERSEY'S PAID FAMILY LEAVE

On May 2, 2008, Governor Corzine signed into law the NJ Paid Family Leave Law. New Jersey becomes the third state in the nation to adopt paid family leave. California is the only state that currently offers workers paid family leave and Washington State approved a paid-family-leave law that will go into effect beginning October 1, 2009.

The document that is attached to this e-mail provides a copy of the highlights itemized below as well as Notes, Complications and Recommendations.

### Highlights of the N.J. Family Leave Law

**Employers Subject to this Law** – All employers in New Jersey who are subject to the **Unemployment Compensation Law**. (Virtually all) As opposed to FMLA – employers who have more than 50 employees for 20 or more work weeks in the preceding year. Only worksites that have 50 employees within a 75 mile radius are subject to FMLA. Also as opposed to NJFLA – NJ employers that have 50 or more employees worldwide.

**Funding** – The funding is through an additional tax on the employee, not the employer. The rate for 2009 is set at .09% and will increase to .12% in 2010. These percentages are assessed on the NJTDB wage base.

**Start Date** – Deductions from employees wages will begin on January 1, 2009. Employees may begin taking the leave on July 1, 2009.

**Eligibility for Employees** – Any employee covered by the Unemployment Compensation Law or who has been unemployed for less than two weeks. Typically, employees who have worked 20 base weeks and earned \$7,150 (this year)

**Benefit** – Matches the NJTDB Benefit. For 2008, this is 662/3 of weekly compensation to a maximum of \$524. Expect this number to increase as the NJTDB increases each year.

**Duration** – Six weeks, not including a one week waiting period. Once benefits have been payable for three weeks, the benefit becomes retroactively payable for the first week.

Employers may permit OR require that an employee use up to two weeks paid time off. (Sick days, vacation days etc...) In this case, one week of paid time off would apply to the week long waiting period. The two week requirement reduces the benefit available from the Leave Act by two weeks, thus providing a four week benefit.

**Job Reinstatement** – The law provides for income substitution and provides no guarantee of job reinstatement. However if an employer is subject to FMLA and/or NJFLA and the employee's leave is also considered an FMLA or NJFLA Leave, job reinstatement is probably required.

**Communication and Forms** – Employers will be responsible for providing notification when an employee is hired, when an employee advises that he/she is taking or will take leave and any time an employee requests a copy. The employer is also responsible for posting a notice (within 30 days from the time it is provided by the Commissioner of the NJDOL)

Employees are required to provide notice in advance of taking a leave. For Example, an employee who fails to provide his/her employer with 30 days advance notice of leave to care for a newborn child or newly adopted child forfeits two weeks of paid benefits.

Both the Employer and Employee will be responsible for completing forms to be submitted to the Division of Temporary Disability Insurance.

**This e-mail is informational only and is not meant to advise you of your obligations under the NJ Paid Family Leave Law. If you would like more information, please do not hesitate to contact our office.**