

NEW JERSEY

FAMILY LEAVE INSURANCE (ASSEMBLY NO. 873)



Adopted in 2008, New Jersey's Family Leave Insurance (FLI) extended the existing Temporary Disability Insurance (TDI) program to provide wage replacement (not a leave entitlement) to workers caring for sick family members, newborn, and newly adopted children. The law was the second paid family and medical leave state insurance program to be enacted. Ten years later in 2018, there is currently a push to expand the FLI law to double the number of weeks covered and provide job protection, among a number of other updates.

LAW DETAILS

EMPLOYEE BENEFIT

- + 6 weeks for care and bonding
- + 67% of weekly wages (in 2018, max \$637/week)

ELIGIBILITY

- + All public and private sector employees
- + Must be biological parent, or in partnership with parent
- + Must have earned at least \$169/week for previous 20 weeks

FUNDING

- + 100% employee payroll deductions
- + 0.09% of taxable wage base (in 2018, max \$30.33/year)

WORKER RIGHTS + REQUIREMENTS

- + Leave taken in increments – yes
- + Job protection – no

EMPLOYER RIGHTS

- + Require use of accrued paid time - yes
- + Educate employees - yes

SUPPORTING LAWS

Temporary Disability Insurance (TDI)

New Jersey's TDI program replaces 67% of an employee's weekly wages for non-work related sickness or injury, which may include disability from pregnancy or post-partum complications. Enacted in 1948, the TDI is funded through both employee and employer contributions.

New Jersey Family Leave Act (NJFLA)

The NJFLA guarantees 12 weeks of job-protected leave during any 24-month period to care for a child or ill relative, but does not provide wage replacement. It is more comprehensive than FMLA in that all companies with 50 or more global employees must comply.

OVERSIGHT BODIES

- Department of Labor and Workforce Development
Administers funds to eligible claimants
- Division of Temporary Disability Insurance
Employers submit employer statements and employee information when filing for a claim
- Temporary Disability Benefits Program
Benefits are administered through the TDI benefits program

EMPLOYER IMPACT

Three studies of New Jersey businesses show that employers have had either no changes or positive impacts following the passage of the FLI. Over half of all employers asked report that all-in-all, impacts are either neutral or positive. The studies show potential for administrative burden and high overtime costs, depending on the size of the organization.



89% of New Jersey employers feel productivity has either improved or not changed after the passage of the Family Leave Insurance law.



Over half of employers feel the law has either positively affected them "all-in-all" or not had a significant change to their business.

READ MORE

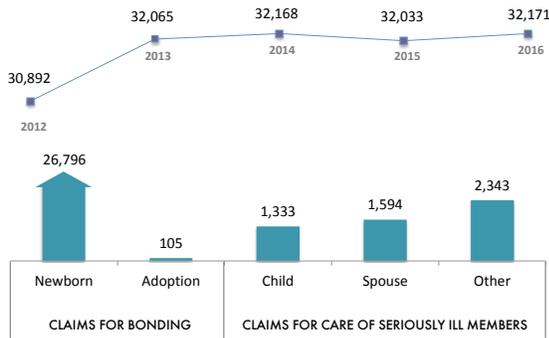
- > [Business as Usual: New Jersey Employers' Experience with Family Leave Insurance](#)
- > [Employer Attitudes to Paid Family Leave](#)
- > [The Impact of Paid Family Leave on New Jersey Businesses](#)

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FAMILY LEAVE INSURANCE

- **April 7, 2008**
 Passed
Assembly Bill No. 873 approved 21-15 after a 12 year legislative battle
- **May 2, 2008**
 Signed into law
Governor Corzine signs the Family Leave Insurance into law
- **January 1, 2009**
 Deductions start
Employers authorized to deduct contributions from employee wages
- **July 1, 2009**
 Claims start
Employees can apply for paid leave through the Department of Labor and Workforce Development
- **October 22, 2018**
 Expansion
NJ Senate committee approved S-2528 to expand and improve NJFLI; the bill will continue in the 2018-2019 legislative session

TOTAL ELIGIBLE CLAIMS



SUPPORTING/OPPOSING ARGUMENTS

Significant public support from advocates and businesses came from the New Jersey Time to Care Coalition that formed in 2003 and was instrumental in introducing the NJFLI act in early in 2005. As an employee-funded program, many businesses were in support of the insurance structure. Political support from Senate President Stephen Sweeny and Governor Corzine set a supportive political tone during passage.

Business associations such as the New Jersey Business & Industry Association and the New Jersey Chamber of Commerce publicly opposed the bill, with concern that the fragile economy could not handle an added tax. Specific concerns were for small businesses. After passing of the law, the change of leadership in New Jersey was less favorable, which influenced how implementation of the law was carried out.

EXPANSIONS

Numerous attempts have been made to expand the scope of the NJFLI. Governor Christie vetoed a similar bill, S-3085/A-4927, in 2017. Other proposed expansions to the law have included increasing the duration and weekly amount of benefits (S3085), increasing data collection relating to policy use (A4183/S2823), and allowing shared benefits across covered individuals (A3912/S2823).

ONLY 1 OUT OF EVERY 3

New Jerseyans are aware of the NJFLI program. Awareness is particularly low among disadvantaged residents who need financial assistance for caregiving the most.



PANORAMA

Panorama envisions a world where everyone has the opportunity to thrive at work, regardless of gender, race, or economic standing. As part of an initiative around the Future of Work, Panorama seeks to understand the incentives and barriers to corporate adoption of paid family and medical leave policies, and to provide tools, resources, and knowledge that allow employers to make strategic decisions for both their workers and their bottom lines. Learn more at uspaidleave.org

ADDITIONAL RESOURCES

- [Department of Labor and Workforce Development Employer Guide](#)
- myLeaveBenefits.nj.gov
- [Employer NJFLI Poster](#)
- [Family & Medical Leave – New Jersey Business & Industry Association](#)
(overview of NJFLI, NJFLA, and FMLA)