

NEW JERSEY BECOMES THIRD STATE TO ADOPT PAID FAMILY MEDICAL LEAVE.

On May 2, 2008, Governor Jon Corzine signed into law the Paid Family Medical Leave Law. The new law will provide up to six (6) weeks of paid family leave for New Jersey employees. This law makes New Jersey the third state, along with California and Washington, to provide employees with pay while on family medical leaves. Paid leave in New Jersey will be available for workers to care for newborn or newly adopted children or to care for a sick family member.

The Paid Family Leave Law applies to all New Jersey employers subject to the unemployment compensation law. However, businesses with less than 50 employees are not required to reinstate employees who take paid family medical leave.

Eligible employees will be able to collect up to two-thirds of their weekly salary (capped at \$524.00 per week) for up to six (6) weeks. Workers who are eligible for paid leave can use the leave in a single six-week period or intermittently.

The paid leave program is to be funded through an employee payroll deduction that is estimated at \$33 per year. New Jersey employees will start paying these deductions beginning on January 1, 2009 and eligible employees can begin to take paid leave on July 1, 2009.

There are approximately 4.1 million workers in New Jersey and it is estimated that up to 38,000 workers will take paid leaves each year.

Employers throughout the state voiced objections to the law because of the costs associated with its implementation. In addition to costs that employers will incur to administer the program, the new law may also encourage absenteeism which, in turn, may result in decreased productivity and higher labor costs.

Employers in New Jersey should consult with Employment counsel to ensure that their employment practices and policies comply with the new law.

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