

New Jersey Employers Must Provide Paid Leave Notice to Employees

The New Jersey Department of Labor (NJDOL) published a Paid Family Leave Notice (Notice), which provides an explanation of employee rights under New Jersey's Paid Family Leave Law (PFL). Unlike the federal Family and Medical Leave Act and the New Jersey Family Leave Act, employers need not have a minimum number of employees to be covered by the PFL. All New Jersey employers who are subject to New Jersey Unemployment Compensation Law are covered by the PFL. The PFL provides eligible employees with up to six weeks of paid leave to bond with a newborn or newly-adopted child or to care for a seriously ill family member. Employees are eligible for paid leave if they have either (1) worked 20 weeks for a covered employer; or (2) earned at least 1000 times the New Jersey hourly, minimum wage during the 52 weeks immediately preceding the leave.

Employers may find English and Spanish versions of the Notice on the NJDOL's website at: http://wd.dol.state.nj.us/labor/fli/content/emp_requirements.html. The Notice must be posted in a conspicuous place in the workplace, and it must be distributed to all New Jersey employees no later than December 15, 2008. After December 15, 2008, individuals must be provided with a copy of the Notice under the following circumstances:

1. upon commencement of employment;
2. each time employees provide notification that they intend to take time off to bond with a newborn or newly-adopted child or to care for a seriously ill family member; and
3. upon request.

Importantly, employers are required to withhold 0.09% of employees' wages beginning January 1, 2009 in order to fund the paid leave benefits. The withholding rate increases to 0.12% on January 1, 2010. Employers must then report the wages and withholdings and submit payment together with Form NJ-927 (Employer's Quarterly Report). Employers may, however, opt out of the state plan. If they opt out, they must provide self-coverage or arrange to have employees covered by a private insurance carrier, and both alternatives require prior approval of the Division of Temporary Disability Insurance.

Notably, the Family and Medical Leave Act regulations issued by the U.S. Department of Labor become effective on January 16, 2009. In light of all of the developments in the area of employee leaves of absence, employers should carefully review and revise, where applicable, their employee handbooks and policies in order to be in compliance with these recent changes. For more information about employers' rights and obligations under New Jersey's Paid Family Leave Law and other laws with which it interacts, such as the Family and Medical Leave Act, please contact Claudia M. Williams at 717.612.6021 or

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