

client ALERT

New Jersey Family Leave Bill to Affect All Employers

On Monday, April 7, 2008, the New Jersey Senate passed a bill which amends the New Jersey Temporary Disability Benefits Law ("TDBL") and provides employees with up to six weeks of paid family leave. Governor Corzine has promised to sign the bill, and it should become law later this week. New Jersey will join California and Washington and become the third state in the nation to give employees the right to take paid time off to care for a newborn or family member with a "serious health condition."

Under the TDBL, employees will not be eligible to take paid family leave until July 1, 2009. Then, employees will be entitled to receive up to two-thirds (2/3) of their weekly salary during the leave with a maximum weekly benefit of \$524. The money paid to employees on family leave will come from the state's temporary disability insurance fund, which will be funded by an additional payroll tax deduction equal to .09% of wages during 2009 and 0.12% of wages in 2010.

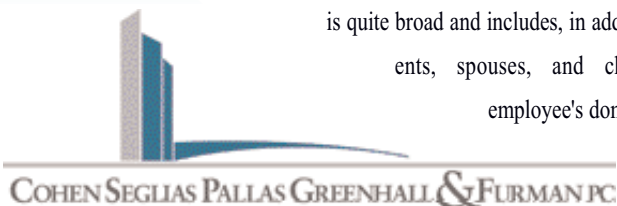
All employers conducting business in New Jersey -- regardless of size -- will be required to provide paid family leave. However, employers with less than 50 employees do not have the same job restoration obligations and generally may refuse to reinstate an employee upon conclusion of leave. Like the definition of a "covered employer," the definition of a "family member" is quite broad and includes, in addition to parents, spouses, and children, an employee's domestic

partner and children of such partner.

An employee is not required to take family leave in six consecutive weeks. On the contrary, an employee has the right to take the leave intermittently in one-day increments. There is no doubt that the availability of paid family leave will lead to a sharp increase in questionable requests for intermittent leave. Fortunately for employers, the amendments to the TDBL provide stiff penalties for employee fraud, including fines up to \$1,000, 90 days in jail and the repayment of the benefits.

Timely designation of leave is critical. Under the amendments to the TDBL, employers must issue notices designating leave to the employee and the Division of Temporary Disability Insurance within 9 days of the start of the leave. In addition, a notification of employees' rights must be conspicuously posted in the workplace.

In addition to understanding the "nuts and bolts" of the amendments to the TDBL, employers need to appreciate the interplay between the TDBL and the virtual maze of other leave laws, including the New Jersey Family Leave Act and the Federal Family and Medical Leave Act. If you have questions about employee leave or wish to discuss any labor and employment law issue, please call Marc Furman or Jonathan Landesman at (215) 564-1700.



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