

INSIGHTS

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NEW JERSEY PAID FAMILY LEAVE LAW

Effective January 1, 2009 **ALL** employers subject to New Jersey unemployment compensation laws, regardless of size, are required to comply with the New Jersey Paid Family Leave Act. The law will allow covered employees to take up to six weeks of paid leave to **Bond with a Child** ⁽¹⁾ or **Care for a Family Member** ⁽²⁾ **with a Serious Health Condition**. A covered employee is defined as one who has worked 20 calendar weeks in covered New Jersey employment or earned at least 1,000 times the NJ minimum wage (currently \$7.15/hr) during 52 weeks preceding the leave. The following steps must be implemented to be in compliance with the legislation:

No later than December 15, 2008 you must conspicuously display at each New Jersey worksite an official notification poster that explains the new law. The poster (English and Spanish versions) can be downloaded from the Department of Labor and Workforce Development's website www.nj.gov/labor. In addition every employee must receive a written copy of the official notice (which may be transmitted electronically).

Beginning December 15, 2008 you must provide a copy of the notice to each employee at the time of hire, whenever an employee intends to take time off for the criteria noted above, or whenever an employee requests a copy of the notice.

Beginning January 1, 2009 you are required to withhold .09% of each employee's taxable wages (same as used for withholding unemployment compensation). This deduction must be clearly noted on the employee's paycheck or some other form of notice.

Beginning July 1, 2009 you must allow covered employees to take paid family leave benefits after a one week waiting period. Employers may coordinate company-provided paid time off benefits (subject to certain limitations) with paid family leave. Newly hired employees can qualify for paid leave if they had been previously employed and contributing to the fund.

For more information, please contact your Chernoff Diamond consultant.

Notes:

⁽¹⁾ Child means biological, adopted, or foster child, stepchild or legal ward of a covered individual, child of a domestic or civil union partner who is less than 19 years old or, greater than 19 if unable to self-care due to mental or physical impairment.

⁽²⁾ Family Member means child, spouse, domestic or civil union partner, or parent.

This notice is a brief summary of the action steps that are required for New Jersey employers to be in compliance with the Paid Family Leave Act and is not intended to be a comprehensive legislative analysis. Chernoff Diamond & Co., LLC is a benefits advisory firm and does not provide tax or legal advice. Employers should consult with qualified legal and/or tax counsel for guidance in respect of matters of law, tax and related regulation.