



Employment Litigation, Counseling and Training Practice Group

Coughlin Duffy LLP represents corporate clients, from small family-run businesses to Fortune 500 companies, in all facets of employment law. We regularly appear and represent our clients throughout the country in state and federal trial and appellate courts, in administrative proceedings before federal and state agencies, and in arbitrations and mediations. We also provide day-to-day counseling, advice, training, and other assistance to our clients on all aspects of the employment relationship, from wage and hour, contract, and non-compete issues to family leave, disability, discrimination and harassment matters.

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The Employment Law Lowdown

May 5, 2008

New Jersey Passes Family Leave Insurance Bill

On May 2, 2008, Governor John Corzine signed the Family Leave Insurance bill. In so doing, New Jersey became only the third state in the nation to enact a family leave insurance program for employees who take time off from work to care for a newborn child, a newly adopted child or a sick family member. This new legislation extends New Jersey's existing temporary disability insurance program and allows up to six weeks of insurance benefits for employees taking family leave. The Family Leave Insurance funds will be available beginning on July 1, 2009.

The basic facts about the Family Leave Insurance program are:

- 1) employees are permitted up to six weeks of paid leave to care for a newborn, newly adopted child or a sick family member, though an employer may require an employee taking family leave to use up to two weeks of available sick or vacation time;
- 2) an employee taking family leave must provide his/her employer with thirty days notice of the leave and benefits run concurrently with any leave provided under the New Jersey Family Leave Act and the Federal Family and Medical Leave Act;
- 3) employees who take family leave would receive no more than two-thirds of their weekly pay, up to a maximum weekly benefit of \$524 in 2008;
- 4) employees have the option to receive benefits intermittently;
- 5) employers are not required to contribute to the insurance fund;
- 6) beginning on January 1, 2009, employees will be required to contribute 0.14% of their earned wages to the New Jersey state disability fund*;
- 7) small businesses (50 employees or less) are not required to hold positions open and the new legislation allows small businesses to replace employees receiving family leave insurance benefits with permanent replacements;
- 8) employers receive notice when a claim for benefits is made and have the right to appeal eligibility determinations; and
- 9) anyone who files a fraudulent claim may be subject to criminal penalties and increased fines.

* This amount will increase to 0.18% in 2010.

For more information about this new program, contact Leslie A. Lajewski or Steven J. Luckner.

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