

GOVERNOR SIGNS HISTORIC FAMILY LEAVE INSURANCE LEGISLATION

New Jersey becomes only third state in the nation to implement program

TRENTON -- Governor Jon S. Corzine today signed an historic family leave insurance bill ([A873](#) / [S786](#)), propelling New Jersey to become only the third state in the nation to enact a family leave program for workers caring for sick family members, newborn and newly-adopted children. The state of California implemented its program in 2004 while the state of Washington passed legislation last year.

"This family leave insurance bill is personally significant to me," said Governor Corzine. "When I was in the hospital after my accident last spring, it was the strong support from my family that kept me going. I was fortunate my family members had the flexibility to be there for me, day-in and day-out. But not everyone has that luxury.

"I believe the daily reality of the lives of New Jersey families makes this historic law a necessity. I am confident this self-funded family insurance program will improve family life, fill a gap in our social contract with our citizens, and attract workers to this state. More than ever, I am proud to sign this bill into law on behalf of all working New Jerseyans."

The legislation extends the state's existing Temporary Disability Insurance (TDI) program and permits up to six weeks of insurance benefits for workers taking leave to provide care certified to be necessary for a family member.

"Balancing the demands and pressures of family life and the workplace is a daily struggle for New Jersey's working families, especially for low-wage workers who often have little, if any, employer-paid leave," said New Jersey Labor Commissioner David J. Socolow. "Family Leave Insurance will make a real difference for working families in New Jersey at some of the most trying times in their lives, helping them to afford to take time to care for sick family members or bond for a few weeks with a new baby."

The program requires no contributions from employers and is 100% funded by an employee payroll deduction amounting to approximately \$33 a year, or 64 cents a week. Participating workers will receive no more than two-thirds of their weekly pay, up to a maximum weekly benefit of \$524 in 2008.

The legislation also ensures that small businesses (50 or fewer employees) have the option to replace employees receiving Family Leave Insurance benefits. To prevent fraudulent claims, certain anti-fraud measures of the Temporary Disability Benefits Law such as criminal penalties and increased fines for those who improperly claim benefits, will be used.

"The signing of this bill ushers in a new day for New Jersey's workforce, in that it gives hard-working parents and caregivers the time they need to take care of the family members who rely on them the most," said Senator Stephen M. Sweeney, (D-Gloucester, Cumberland and Salem). "By now, you all know of my strong conviction for this legislation, because I was in a similar situation when my 14 year-old daughter, Lauren was born. My employer was understanding, and allowed me to take the time I needed. Had my employment situation been different, I could have had a difficult time balancing spending the 75 days at the hospital with my newborn daughter, or going to work to provide for my wife and young son. This new law is aimed at helping workers whose employers won't allow them to take this necessary leave time."

"For new parents, there is no more important time to be at home than following the birth of their son or daughter," said Senator Barbara Buono, (D-Middlesex). "But for many New Jersey families, taking that much time off of work is a luxury they cannot afford. With paid family leave, new mothers and fathers will be able to pay the bills while being with their newborn during those early weeks."

The Department of Labor estimates that approximately 38,000 individuals or about 1 percent of New Jersey's workforce will collect benefits annually.

"No hard-working New Jerseyan should ever be forced to decide between putting food on the table or caring for a sick family member or new baby," said Assemblyman Nelson Albano (D-Cumberland, Atlantic, Cape May). "It is only proper that we protect a worker's ability to take precious time off to take care of their highest priority -- their family."

"Paid leave is among the most family-friendly policies we can provide New Jersey's working families," said Assemblywoman Sheila Oliver (D-Essex). "We cannot be so inflexible as to prevent employees facing a family crisis from having access to a modest benefit that can keep them financially stable."

"Paid family leave simply is an issue whose time has come," said Assemblywoman Linda Greenstein (D-Middlesex, Mercer). "Too many New Jerseyans already find it hard to balance the needs of both their jobs and their families. This law ensures that when an emergency arises, family needs always will take precedence."

"New Jerseyans support paid family leave because they realize that their friends and neighbors should never be forced to quit their jobs and accept unemployment to tend to an urgent family need," said Assemblyman Wayne DeAngelo (D-Mercer, Middlesex). "Providing a paid family leave benefit is the right thing for New Jersey to do to protect hard-working families."

Senate sponsors were Stephen M. Sweeney (D- Gloucester, Cumberland and Salem) and Barbara Buono (D-Middlesex). In the Assembly, primary bills sponsors were Nelson T. Albano (D-Cumberland, Atlantic, Cape May), Sheila Y. Oliver (D-Essex), Linda R. Greenstein (D-1 Middlesex, Mercer) and Wayne P. DeAngelo (D –Mercer, Middlesex).

An information sheet on the Family Leave Insurance Program follows:

JUST THE FACTS FAMILY LEAVE INSURANCE IN NEW JERSEY

The bill signed into law by Governor Jon S. Corzine extends the state's existing Temporary Disability Insurance program to provide insurance benefits to all New Jersey workers when they take time off to care for newborn and newly adopted children, or sick family members.

As a worker-funded insurance program, the new law:

* permits up to 6 weeks of leave for workers to provide care for a sick family member or care for a newborn or newly adopted child.

* allows workers to receive no more than two-thirds of their weekly pay, up to a maximum weekly benefit of \$524 in 2008. The employer may require the employee take up to two weeks of available sick or vacation pay and workers must provide as much as 30-days advance notice of leave.

* requires no contributions from employers. The program is 100% funded by employee contributions, through a payroll deduction on the first \$27,700 earned (in 2008). The deduction would amount to approximately \$33 a year, or 64 cents a week.

* provides small businesses, (50 or fewer employees), with the option to replace employees receiving FLI benefits. Small businesses do not have to hold jobs open and provisions in the law allow small businesses, to fill a worker's position with a permanent replacement without running the risk of being sued.

* prevents fraudulent claims by using measures contained in the Temporary Disability Benefits Law, including criminal penalties and increased fines for those who improperly claim benefits. Employers receive notice when benefits are claimed and have the right to appeal eligibility determinations.

* ensures benefits would run concurrently with any leave provided under the NJ Family Leave Act and the federal Family and Medical Leave Act -- not consecutively.

* offers employees the option to receive benefits intermittently creating a flexible arrangement to meet the needs of both employees and employers.

The Department of Labor estimates that approximately 38,000 individuals -- about 1 percent of New Jersey's workforce -- will collect benefits annually. Studies over the past four years in California show that 87 percent of those who collected benefits were parents of a newborn or newly-adopted child.

WHAT OTHERS ARE SAYING ABOUT NEW JERSEY FAMILY LEAVE INSURANCE

SENATOR CHRISTOPHER DODD

"Today the State of New Jersey becomes the third state to adopt a paid family leave policy. I applaud Governor Corzine and the New Jersey legislature for recognizing how critically important this provision will be to hard working families, and sincerely hope that their efforts will inspire more support for my efforts to make paid family leave a reality for every American family. I've introduced the Family Leave Insurance Act, which would allow American workers to take up to eight weeks of paid leave under the Family and Medical Leave Act. This legislation would help to make sure that no one is forced in a time of crisis to make the impossible choice between work and family. I am well aware that I have an uphill battle on my hands, but with the growing support of states like New Jersey, I am confident that it is a battle we can win for millions of American families."

DEBRA L. NESS, PRESIDENT
National Partnership for Women & Families

"Working families in New Jersey will be much better off because their leaders are putting in place a smart, reasonable paid family leave law that will benefit both employees and employers. We thank Governor Jon Corzine, and every legislator who supported this measure for having the courage and wisdom to withstand the threats and scare tactics used by business interests that opposed the bill. Its enactment makes this a very a good day for New Jersey.

"The National Partnership for Women & Families congratulates all our partners, including the New Jersey Time to Care coalition for this great victory.

"The state's new law will expand the state's temporary disability insurance program to

provide workers with up to six weeks of family leave benefits to care for a sick family member or a newborn or newly adopted child. It provides temporary disability insurance benefits at two-thirds of wage replacement up to a maximum of \$524 per week in 2008. It will be financed by a small employee payroll deduction.

"California's paid leave law took effect in 2004; it also provides six weeks of partial pay to workers who take family leave, and is funded through the state's disability insurance program. Washington State passed a paid family leave law last May. New Jersey is the third state to pass paid family leave, but it will not be the last. We expect the progress to continue from here."