New Jersey Employers Must Now Offer Paid Sick Leave

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What Employers Need to Know:

On Wednesday, May 2, 2018, New Jersey became the 10th State in the Country to mandate paid sick leave be provided to employees. Governor Phil Murphy described the new law as "one of the strongest earned leave protections in the country." The new law impacts every New Jersey employer, regardless of the number of employees, and every out-of-state employer with employees working in New Jersey.

What's New:

Under the new law, employees will accrue one hour of sick leave for every 30 hours worked. Employees may carry-over accrued, unused hours from one benefit year to the next, however, the law does not require employers to permit employees to use more than 40 hours per year. When taken, the employee must be compensated at the same level of pay and benefits the employee receives for his or her working time.

There also is an anti-retaliation provision that prohibits employers from retaliating against employees who use paid sick leave. Accrued paid leave may be taken for the employee's own illnesses, as well as to care for the employee's family member. Importantly, the law broadly defines "family member" to include children, grandchildren, siblings, spouses, domestic partners, civil union partners, parents, and grandparents, as well as any individual "whose close association with the employee is the equivalent of a family relationship." In addition the law allows leave to be taken to attend school-related events for a child.

The law also expressly preempts all existing municipal ordinances enacted by cities and towns requiring employers to provide paid sick leave. This is important for employers that have offices in the 13 municipalities that passed local paid sick leave ordinances. Employers need not follow the requirements of these ordinances, even if the requirements are greater than that found in the State's paid sick leave law.

Employers will be required to keep records documenting the hours worked and paid sick leave used by employees and retain these records for a minimum of five years. In addition, employers must provide notice of the new paid sick leave law both by a posting in the workplace, and by providing individual notice to each existing employee and upon hire for all new employees. Employers should review existing paid sick leave policies to ensure they are compliant with the State mandated accrual rate and compensation level. Employers without paid sick leave policies have 180 days after the governor signed the law to implement a compliant policy.

Employers may choose the minimum increments in which employees may use their earned sick leave, providing it is not for a longer duration than the hours the employee was scheduled to actually work during his or her shift.

What Actions do Employers Need to Take?

The law will go into effect on October 29, 2018. In the next 6 months, employers will need to ensure that its sick leave policies meet the State's requirements. Employers should train their human resource personnel on the law's requirements and ensure that their record keeping practices accurately document the hours worked and the paid sick leave taken by all employees.