More Leave, More Compliance: Unpacking New Jersey's Expanded Family Leave

May 28, 2026

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Employers in New Jersey are facing a major expansion of Family Leave Act requirements under newly enacted legislation that broadens eligibility and extends protections to a wider workforce. In one of his final official acts, then-Governor Philip D. Murphy signed Assembly Bill 3451 into law on January 17, 2026, amending the New Jersey Family Leave Act, with the amendments set to take effect on July 17, 2026.

There are several changes that will affect many employers. First, the Family Leave Act will apply to all private employers with 15 or more employees, instead of the current threshold of 30 employees. The Act will continue to apply to all state and local government employers regardless of the number of employees. Second, an employee will become eligible for job-protected leave under the Act after three months of employment, a substantial reduction from the current 12-month requirement. Third, an employee only needs to work at least 250 hours in the 12-month period immediately preceding the start of the anticipated leave, instead of the current 1,000 hours. Together, these changes will make employees of smaller employers, newer employees, and part-time employees more likely to be eligible for job-protected leave under the New Jersey Family Leave Act.

The new law also creates a standalone anti-retaliation provision for any employee who is receiving partial wage replacement benefits from the State of New Jersey's Temporary Disability Insurance (TDI) or Family Leave Insurance (FLI) programs. Previously, an employee who was receiving wage replacement benefits from the TDI or FLI programs did not have job protection during their leave unless it was also covered by the Family Leave Act, the federal Family and Medical Leave Act, or another law providing job-protected leave. Now, an employee who receives TDI or FLI benefits “shall, upon the expiration of the law, be entitled to be restored by the employer to the position held by the employee when the leave commenced or to an equivalent position of like seniority, status, employment benefits, pay, and other terms and conditions of employment.”

However, the Legislature muddied the waters when it also stated that nothing in the amendments would increase or otherwise modify an employee's entitlement to job restoration under the Family Leave Act. In light of this ambiguity in the Act, employers should await further guidance from the New Jersey Department of Labor and Workforce Development, which is expected prior to the effective date of the amendments.

Recommended Actions for Employers

All employers with 15 or more employees should review their employee handbooks and policies and consult with counsel to make the necessary revisions to bring themselves into compliance with the expanded coverage of the Family Leave Act prior to July 17, 2026. They should also train their Human Resources professionals to recognize that a much broader group of employees, including newer and part-time ones, will likely be eligible for leave. Also, prior to taking any employment action for an employee receiving TDI or FLI benefits, employers should consult counsel.

Porzio's employment and labor attorneys are ready to counsel employers on best practices to minimize claims and avoid litigation.