

DEO, LAMANNA, DEO & CO., PC  
Certified Public Accountants  
[www.dldcpa.com](http://www.dldcpa.com)

Patrick J. Deo, CPA, Cr.FA  
[pat@dldcpa.com](mailto:pat@dldcpa.com)  
Anthony LaManna, CPA  
[tonyl@dldcpa.com](mailto:tonyl@dldcpa.com)  
Michael J. Deo, CPA  
[miked@dldcpa.com](mailto:miked@dldcpa.com)

## BUSINESS CLIENT ALERT

### NEW JERSEY PAID FAMILY LEAVE

Earlier this year, the state of New Jersey passed an amendment to the New Jersey Temporary Disability Benefits Law extending the temporary disability benefits program to provide covered individuals with “family leave insurance benefits,” more commonly referred to as the Family Leave Insurance (FLI) law. Under the law, covered employers have the option of using the state-operated plan or a private plan (through self-insurance or an insurance policy) to provide the required benefits to qualifying employees.

*Covered employers are required to provide notification to their employees by December 15, 2008, detailing program information and employee rights to New Jersey Family Leave Insurance benefits.* For details on the employer notification requirements and to download a copy of the Family Leave Insurance Poster, go to [http://lwd.dol.state.nj.us/labor/fli/content/emp\\_requirements.html](http://lwd.dol.state.nj.us/labor/fli/content/emp_requirements.html).

Effective January 1, 2009, employers with employees in the state of New Jersey who elect to use the state-operated plan, will be required to withhold an additional 0.09 percent of employees’ taxable wages currently subject to the Unemployment Compensation Law and the Temporary Disability Insurance (TDI) law (\$28,900 maximum wage base for 2009). In addition, employers are required to report the wages and deductions for the new FLI and submit payment with Form NJ-927, Employer’s Quarterly Report. *(Note: As of January 1, 2009, all payments for Form NJ-927 must be electronically filed.)*

Effective July 1, 2009, eligible employees may receive up to six weeks of FLI benefits for leave taken to care for a covered family member with a serious health condition or to take care of a newborn or newly adopted child. Eligible employees covered under the state FLI plan will receive weekly benefits equal to two-thirds of their average weekly wage, up to a maximum equal to that of the temporary disability insurance maximum. The maximum weekly benefit rate for TDI will increase to \$546 for 2009.

CORRESPONDENCE TO:  
One Indian Road, Suite 3  
Denville, New Jersey 07834  
(973) 983-8880  
Fax: (973) 983-8228

5 Cold Hill Road  
Mendham, New Jersey 07945  
(973) 543-2480

In general, the provisions of the New Jersey Family Leave Insurance (FLI) law include the following:

- Covered employers include all private and public employers subject to the state's "Unemployment Compensation Law," including local governmental employees who choose to opt out of the regular TDI program.
- Eligible employees must have had New Jersey employment in at least 20 weeks with earnings of \$143 or more or have earned \$7,200 or more during the 52 weeks immediately prior to the week in which family leave begins.
- The FLI benefits program provides covered individuals with Family Leave Insurance benefits, a monetary benefit, not a leave entitlement.
- The FLI benefits program does not establish the right of a covered individual to be restored to employment following a period of leave; however, a covered individual's job may be protected if the employer is subject to the Family and Medical Leave Act or the New Jersey Family Leave Act.
- An employer can require an employee to use up to two weeks of any paid sick leave, vacation time, or other leave at full pay made available by the employer.
- Employees are required to give at least 30 days prior notice, except when unforeseeable circumstances prevent prior notice, when requesting benefits during a leave to care for a child after birth or adoption. If FLI benefits are requested during a leave to care for a family member with a serious health condition, the employee must give the employer reasonable and practicable notice unless the time of the leave is unexpected or the time of the leave changes for unforeseeable reasons and is required to schedule, when possible, the leave in a manner to minimize disruption of employer operations.
- FLI may be offered through private plans; may cover TDI benefits, FLI benefits, both or neither.
- Requires no changes in existing private plans.

The New Jersey Department of Labor and Workforce Development (NJDOLE) has issued proposed regulations implementing the state's "Family Leave Insurance Law" with a comment period ending on December 5, 2008. For more information or to read the proposed regulations you can go to the NJDOLE website at <http://lwd.dol.state.nj.us/labor/fli/fliindex.html>.

The penalty for misrepresentations, fraud, and other violations for both the existing TDI program and the FLI program is \$250 per statement or non-disclosure. The penalty for willful violations of the TDI law or the bills is \$500 and an additional penalty for violations with intent to defraud the program is not more than \$1,000.

December 4, 2008

***Disclaimer: This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation. Any tax information contained in the body of this e-mail was not intended or written to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.***