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## CLIENT ALERT

### NEW JERSEY PAID SICK LEAVE LAW

**The following are general observations.**

We recommend employers review the specifics of the law and consult a labor attorney or contact the Department of Labor for answers to specific situations.

**A summary of this law is as follows:**

The law becomes effective October 29, 2018 and provides that all employees, whether full time or part time, will accrue one hour of sick leave for every 30 hours worked up to a maximum of 40 hours sick leave per twelve-month cycle. Employers can have a 120-day waiting period before sick leave can be used. Employers can also require that sick leave be used in stated increments, for example; 4 hours or 8 hours. The law also states the circumstances regarding documentation for the use of sick leave.

An employer can still provide a bank of paid time off that accrues at the same rate or better and can be used as required under the new law for sick leave, vacation, personal, etc. The law provides for a variety of circumstances for use of sick leave, other than when the employee is sick, which include sick family members and various circumstances involving the employee or employee's family.

If an employee does not use the accrued sick pay, they can carryover up to a maximum of 40 hours to the following year. Employers are not required to pay for unused sick pay if an employee leaves the employer.

In addition to provisions dealing specifically with providing for sick pay, the law imposes various record keeping provisions and a 5-year retention policy related to these records.

Failure to adhere to the new law can result in substantial penalties.

May 22, 2018

**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.*

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