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Final Regulations Issued for New Jersey Paid Sick Leave Act

Article By:

Harris M Mufson

Arielle E. Kobetz

Alex S. Downie

The New Jersey Department of Labor and Workforce Development (the "Department") has issued its final regulations regarding the state's Paid Sick Leave Act (the "Act"), which took effect on October 29, 2018. The Department also published its responses to over one hundred comments submitted by members of the public regarding the proposed regulations.

As we <u>previously reported</u>, the Act requires employers to provide eligible employees with paid leave for: (i) their own medical needs; (ii) medical needs of a covered family member; (iii) certain needs resulting from the employee or the employee's family member being a victim of domestic or sexual violence; (iv) an employee's inability to work because of a closure of the employee's workplace or their child's school or daycare facility, due to a public health emergency; or (v) to attend a child's school-related conference, meeting, or event.

The final regulations and comments are nearly identical to the Department's <u>proposed regulations</u> <u>and Frequently Asked Questions</u>, with a couple of notable changes:

- The proposed rules required employers to establish a single benefit year for all employees, but this requirement has since been removed. Employers are still required to establish a benefit year for each employee, but are now permitted to establish different benefit years for different employees or groups of employees.
- The final rules do not, however, change the process for changing the benefit year. If an
 employer wishes to change the benefit year after it has been established, it must provide
 written notice to the Commissioner of Labor and Workforce Development at least 30 days
 prior to the proposed change. Among other information, the notice must specify the new
 benefit year and the reason for the change.
- An existing paid time off ("PTO") policy that allows employees to take paid leave for reasons
 in addition to those covered under the Act fulfills an employer's obligation to provide paid sick
 leave only if the *entire* PTO program adheres to all of the requirements imposed by the Act.
 Therefore, even if the employee is provided more than 40 hours of PTO, the existing policy

must conform to all of the Act's requirements, "including the carry-over requirements, relative to all of the PTO."

These regulations are effective as of January 6, 2020. Employers should therefore review their leave policies as soon as possible to ensure compliance. The Department intends to adopt additional regulations in the future, which will address outstanding issues, such as the standard for determining whether the Act applies to certain individuals working both inside and outside of New Jersey and the prorating of advanced earned sick leave for employees that either work part-time or begin work in the middle of a benefit year.

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