



Expand and Improve New Jersey Family Leave Insurance

What is New Jersey Family Leave Insurance?

New Jersey Family Leave Insurance (FLI) is paid family leave, available to employees in New Jersey when they need to take leave from work to bond with a new child (birth or adopted), or care for a seriously ill family member (child, parent, spouse, domestic partner or civil union partner). The FLI program provides workers with six weeks of partially paid leave over a 12-month period. The wage replacement provides those on leave with 2/3 of their average weekly wage, up to a maximum weekly benefit, set at \$637 for 2018. New Jersey was only the second state in the US to provide paid family leave when the FLI program took effect in 2009. Today there are three other states with a paid family leave program: California, Rhode Island and New York. Despite the New Jersey program's overall success and the many benefits of paid leave, many challenges remain in making the program accessible to all of the state's working families when they have caregiving responsibilities.

Who is Affected?

Most workers need to take time off at some point in their lives to provide care for their family; however, women are still the majority of families' primary caregivers and with an aging population, family caregiving is critically important.

- 62% of US workers say they have taken or are very likely to take time off from work for family or medical reasons at some point.ⁱ
- Approximately 65 million people in the United States are unpaid caregivers for a family member, and about one-third of these are also raising children.ⁱⁱ
- The majority of caregivers are female (60%).ⁱⁱⁱ
- In the US, women, unmarried workers, workers of color, and low-wage workers are more likely to report needing to take some type of family leave but being unable to do so; the most common reason given is the inability to take leave without pay.^{iv}
- One in five of New Jerseyans age 45 or older, is currently caring for an adult loved one, and one in three has cared for an adult loved one in the past.^v
- Only a third of New Jerseyans 45-plus has heard of NJ Family Leave Insurance. Yet nearly two in three family caregivers in this age range provided care to their loved ones while holding down a job, with three in ten having to take a leave of absence to provide care.^{vi}
- In New Jersey in 2015, women accounted for 85% of all Family Leave Insurance claims and over 83% of total claims were to bond with a newborn or newly adopted child, and women made up 88% of those claims.^{vii}

Despite the need, the New Jersey FLI program is not utilized by many workers who need it. According to the NJ Department of Labor and Workforce Development (DOLWD), a little over 4.6 million workers were eligible for NJ FLI in 2015, with less than 1 percent, or 32,033, filing claims.^{viii} In 2014, only 14% of New Jersey families who gave birth to or adopted a child utilized the program. And less than 1 percent of family caregivers of the approximately 1.2 million family caregivers in the state in 2009 made use of program.^{ix} This is in part because fewer than 40% even know about the program, with young adults, low-income residents, and African American among the least likely to be aware of it.^x There are other barriers to accessing the program, such as the lack of job protection and low wage replacement rates that keep people from being able to take advantage of it.

Why is Paid Leave Important?

Paid leave provides crucial financial support so that workers are not forced to choose between caring for their families and being able to afford to take leave. Paid family leave benefits extend beyond individual workers and their families, out into the greater community and overall economy. Research had found the many positive effects of paid family leave include:

- Improved health and well-being of children who are cared for by their parents: new babies have better outcomes when parents care for them at the start of life, and sick children recover faster when cared for by parents, also reducing expensive health care expenditures.^{xi}
- New mothers have a reduced risk of depression and an improvement in overall and mental health.^{xii}
- Women have increased labor force attachment and experience higher wages and long-term earnings, increasing retirement saving and helping to narrow the gender pay gap.^{xiii}
- Families have reduced dependency on public assistance and food stamps.^{xiv}
- Employees have improved morale, boosting businesses' productivity and reducing costly turnover. Smaller employers can compete on a more equal playing field with larger companies.^{xv}

The Solution: Expand and Improve Family Leave Insurance in New Jersey

Paid family leave in New Jersey is great for workers and their families and gives the entire state an economic and competitive advantage. Improving and expanding the New Jersey Family Leave Insurance program would help make it more accessible for working families struggling to balance work and family caregiving. All New Jersey workers contribute a small fraction of their earnings (the most a worker contributes in 2018 is \$30.33) to the NJ FLI program and they should be able to access the benefit when they need it most.

In 2017, Governor Christie conditionally vetoed S-3085/A-4927, the Expand & Improve New Jersey's Paid Family Leave Program. In 2018, the New Jersey Senate President Stephen Sweeney introduced S-2528 (A-3975), which made some additional improvements to the previous version of the bill.

Key components of S-2528:

- Increases the number of available weeks from 6 to 12 and allows for intermittent use of less than 7 days for bonding leaves.
- *Increases the wage replacement rate* for both FLI and Temporary Disability Insurance (TDI) when related to pregnancy and childbirth, from 66.7% of workers average weekly wage to 85%
- *Raises the maximum benefit* for the same above program usage, from 53% (\$637 for 2018) of the statewide average weekly wage 2 years prior to 100% (approx. \$859 for 2019).
- Provides *job protection* for workers who qualify for coverage under the NJ Family Leave Act and work at companies with 30 or more employees (the current threshold is 50 employees).
- Expands the *definition of family for caregiving* and provides benefits for survivors of domestic violence or sexual assault and for caring for family members who are dealing with issues of domestic or sexual assault. Additional family members covered for caregiving leave are; *adult children, grandparents, grandchildren, siblings, parents-in-laws, and individuals whose close association with the employee is the equivalent of a family relationship.*
- Gives employees the *choice to use their own paid time* off before accessing FLI. Under the current program, employers can require employees take up to two weeks of their paid time off which reduces the FLI benefit weeks by the same amount.
- Provides benefits for *survivors of domestic violence or sexual assault and for caring for* family members who are dealing with issues of domestic or sexual assault.
- Includes *additional protections* so that employers may not retaliate against employees who request TDI or FLI benefits. Employers who fail to provide the DOLWD with necessary information to process a claim (as required under law), causing a delay in benefits, may be required by the DOLWD to pay an added amount equal to the amount of delayed benefits.
- *Increases public awareness* by requiring additional funding for outreach and education (\$1.2 million annually), *improves program efficiency* by requiring shorter processing times, and requires the DOLWD provide relevant *additional reporting of program data.*

<http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/>

ⁱⁱNational Alliance for Caregiving in collaboration with AARP. Caregiving in the U.S.: Executive Summary. November 2009. <http://www.caregiving.org/pdf/research/CaregivingUSAllAgesExecSum.pdf>

ⁱⁱⁱThe National Alliance for Caregiving and AARP, *Caregiving in the U.S. National Alliance for Caregiving*, 2009. <https://www.caregiver.org/women-and-caregiving-facts-and-figures>

^{iv}Barbara Gault, Heidi Hartmann, Ariane Hegewisch, Jessica Milli and Lindsey Reichlin, *Paid Parental Leave in the United States*, Institute for Women's Policy Research, 2014. www.iwpr.org/publications/pubs/paid-parental-leave-in-the-united-states-what-the-data-tell-us-about-access-usageand-economic-and-health-benefits

^vTerri Guengerich, *Caregiving in New Jersey: A Profile of Registered Voters 45-plus and Support for Caregiving Initiatives, 2017*. www.aarp.org/research/topics/care/info-2017/new-jersey-caregiver-vote.html

^{vi}Ibid

^{vii}http://lwd.dol.state.nj.us/labor/forms_pdfs/tdi/FLI%20Summary%20Report%20for%202015.pdf

^{viii}http://www.njleg.state.nj.us/legislativpub/budget_2018/DOL_response.pdf

^{ix}Amy Dunford, New Jersey Policy Perspective, Boosting Families, Boosting the Economy, How to Improve New Jersey's Paid Family Leave Program, April, 2017. www.njpp.org/wp-content/uploads/2017/04/NJPPFLIApril2017.pdf

^xKaren White, Linda Houser, Elizabeth Nisbit, *Policy in Action: New Jersey's Family Leave Insurance Program at Age Three, 2013*, <http://smlr.rutgers.edu/CWW-report-FLI-at-age-three>

^{xi}Barbara Gault, Heidi Hartmann, Ariane Hegewisch, Jessica Milli and Lindsey Reichlin, *Paid Parental Leave in the United States*, Institute for Women's Policy Research, 2014. www.iwpr.org/publications/pubs/paid-parental-leave-in-the-united-states-what-the-data-tell-us-about-access-usageand-economic-and-health-benefits

^{xii}Ibid

^{xiii}www.nationalpartnership.org/research-library/work-family/other/pay-matters.pdf

^{xiv}Ibid

^{xv}Council of Economic Advisers, *The Economics of Paid and Unpaid Leave*, June 2014. www.whitehouse.gov/sites/default/files/docs/leave_report_final.pdf