



July 5, 2010: Family Leave Insurance gets high marks on first anniversary

July 5th, 2010 | by [NJPP Staff](#) | Published in [Monday Minute](#), [NJPP Blog: As a Matter of Fact ...](#)

The dynamics of work and family have changed drastically in the past 50 years. In today's shaky economic climate, it's not unusual for working parents to juggle one or more jobs to make ends meet, leaving less time for family caregiving responsibilities.

New Jersey has worked to strengthen state policies for working families and became a leader among states by implementing Family Leave Insurance last year. Signed into law by former Gov. Jon Corzine, Family Leave Insurance gives workers up to six weeks of paid benefits to care for sick family members or to bond with newborn and newly-adopted children. New Jersey is only the second state (after California) to offer this type of paid leave.

By all accounts FLI is a hugely successful program. While some business groups initially opposed the idea as an unfair burden, especially on smaller businesses, most employers now recognize that it has not been the nightmare forecast by some.

Here are the most recent statistics from the NJ Department of Labor:

- Between July 1, 2009 and July 1, 2010, approximately 26,000 people benefited from the program.
- 86% of the beneficiaries were women between the ages of 25 and 44.
- 80% of claims were to allow parents to bond with newborn or newly adopted children.
- 77% of beneficiaries were employed in the private sector.
- The average duration of leave was 4.6 weeks, less than the 5.5 weeks expected when the law was enacted.
- 85% of those who applied were approved for leave. Denials were predominantly due to an insufficient relationship between the worker and family member needing care (parent, spouse – yes; great aunt, step-uncle – no).

Family Leave Insurance benefits in New Jersey are funded entirely by employee payroll deductions based on a formula adjusted annually according to the taxable wage base. For this year, the payroll deduction was .012% of wages earned. The maximum amount anyone was required to contribute was \$35.64.

To be eligible for Family Leave Insurance benefits, a worker has to be employed by a New Jersey covered employer and earn at least \$145 per week during 20 calendar weeks in the base year. The base year covers 52 weeks immediately preceding the week in which Family Leave Insurance coverage would begin. Only New Jersey covered wages can be used to establish a valid claim. The weekly benefit rate is 2/3 of average weekly wages, with a maximum of \$561. Employers with fewer than 50 workers are not required to hold open the employee's job.

Fewer people than originally expected have taken advantage of the program.

New Jersey collected \$131.4 million in taxes for FLI between April 2009 and May 2010, and paid out \$59.9 million in benefits during that same time.