



# Major Expansion of New Jersey's Family Leave Act

## *What Employers Need to Know*

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DAYS BEFORE LEAVING OFFICE, Governor Phil Murphy signed legislation that significantly expands the New Jersey Family Leave Act (NJFLA) by broadening access, accelerating employee eligibility, and strengthening reinstatement rights. For employers, the bill also means considerable changes in the way they must manage employee leave moving forward, and ultimately, a more complex compliance landscape to navigate.

### *NJFLA Moves Into Small Employer Space*

One of the most striking changes in the new legislation is the dramatically lower threshold for coverage. Historically, NJFLA applied only to employers with 50 or more employees. Beginning July 17, 2026, NJFLA will apply to employers with 15 or more employees. The threshold will then drop to 10 employees one year later and to just 5 employees two years after that. Supporters argue the change ensures workers at small businesses have the same access to family leave as those at larger employers. Opponents, however, warn that the expanded coverage could impose significant administrative and operational burdens on small businesses. Either way, many employers will soon find themselves newly covered.

### *Employees Qualify Much Faster*

The amendments also sharply reduce the time and hours required for employees to qualify for job-protected family leave. Previously, eligibility required 12 months of employment and at least 1,000 hours worked. Under the new law, employees qualify after just 3 months of employment and 250 hours worked. For employers, it means protected leave requests may arise far earlier in an employee's tenure, increasing both the frequency and unpredictability of leave management.

### *Paid Leave and Job Protection Are Now Intertwined*

Another significant change in the expanded law is the coordination of NJFLA with the state's paid-leave programs, including Family Leave Insurance (FLI), Temporary Disability Insurance (TDI), and statutory Earned Sick Leave. Employees taking paid family leave may receive up to 85 percent of their weekly wages (capped at \$1,119 in 2026), while also gaining enhanced reinstatement rights and protections against employer retaliation. Employees have the right to be returned to the same or a comparable position. Paid benefits and job-protected leave will no longer be treated as separate systems but as a single compliance framework.

### *Earned Sick Leave and Lawful Leave Stacking*

In addition, New Jersey's Earned Sick Leave law is now integrated with TDI and FLI and allows employees to choose which leave to use and in what order, though they may not receive multiple paid benefits simultaneously. This gives employees greater control over leave "stacking" and makes longer protected absences more likely and lawful.

### *What Should Employers Be Doing Now?*

New Jersey employers should take steps to prepare for the NJFLA expansion, including:

- auditing headcount to determine coverage
- updating leave policies for lower eligibility thresholds (6 months/500 hours)
- coordinating payroll and HR tracking across all leave programs
- training managers on reinstatement and leave sequencing
- displaying posters that outline the changes

Ultimately, this shift in New Jersey's leave landscape means more complex rules of compliance and an increased risk for employers who fail to thoroughly understand the new law and implement the necessary changes in leave management within their organization.

More broadly speaking, the new legislation reflects the state's recognition that there is a need for greater work-home balance for all of New Jersey's workforce, and that newer employees and those working for smaller businesses should no longer be excluded from the protections afforded by NJFLA. ■

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*If you would like more information about the expanded NJ Family Leave Act and how to prepare for the changes, contact the NIEDWESKE LAW FIRM, LLC at 908-738-8500 and one of our highly skilled employment attorneys will assist you.*