

NJ Time To Care

FAMILY LEAVE INSURANCE FACT SHEET

WHAT IS IT?

6 weeks of paid leave over a 12-month period to bond with a new born, adopted or foster child or to care for an ill child, parent, spouse or domestic partner.

People taking this leave will receive up to two-thirds of their usual wage, with a maximum of \$524 a week in 2008. The limit will rise yearly to keep up with the cost of living.

WHY DO WE NEED IT?

Balancing the demands of job and family is a tremendous challenge; for many it is insurmountable under the current rules. More women with children work than ever before and there are more single-parent households. Meanwhile, many businesses find it hard to recruit, train and keep skilled workers. A family leave insurance program means workers, business and government come together to create a winning situation for everyone. It's an investment in New Jersey's workers and its economic prosperity.

WHO GETS IT?

The more than 3.2 million workers who now are paying into the state's Temporary Disability Insurance program would be covered. That's anyone working for a New Jersey employer for at least 20 weeks and who has earned \$143 in a base week.

WHO PAYS and HOW MUCH?

Depending on their current wages, workers would pay an additional sum into the TDI fund. The increase will range from 34 cents a week for someone making \$7.15 an hour to 64 cents a week for someone making \$27,700 or more. It would cost no workers more than \$33 per year. And the money paid to workers who take leave would come from the TDI fund, not from employers' pockets.

WHAT DO PEOPLE GET NOW?

Some people have employers who grant them paid leave. Some are required to use vacation or sick time. But some have no options at all. Low-wage service workers are among those least likely to have access to paid leave of any kind.

The federal Family and Medical Leave Act lets workers in companies of 50 employees or more, and public sector workers, take up to 12 weeks of **unpaid** leave over a 12-month period to care for a new child, a seriously ill family member or the employee's own serious health condition. More than 40% of workers aren't covered.

The New Jersey Family Leave Act lets workers in companies of 50 employees or more, and public sector workers, take up to 12 weeks of **unpaid** leave over a 24-month period for the birth or adoption of a child or a serious illness of a parent, child or spouse.

The state's Temporary Disability Insurance system provides two-thirds wage replacement to those who can't work because of sickness or injury not sustained on the job—including pregnancy disability and recovery from childbirth.

WILL THERE BE A NEW BUREAUCRACY?

No. The existing TDI structure can easily accommodate a family leave insurance program.

WHO ELSE DOES THIS?

California is the only state that has enacted a family leave insurance program. California started its program in 2004 and nearly 150,000 workers (1.3% of California's workforce) have benefited so far. Of 177 countries worldwide, the US is one of only four that do not have paid family leave.

WON'T IT BE BAD FOR BUSINESS?

Today, many workers who need to take leave are forced to quit their jobs, forcing employers to spend the time and money on finding permanent replacements. With family leave insurance, employers can pay part-time or temporary help with some of the money they save from not having to pay salary to the worker on leave. And a family leave insurance system would add no new guarantees that the person on leave can have their job back. No longer will small businesses be at a disadvantage compared to bigger businesses that are now able to provide leave benefits. Many small businesses will find they now can offer workers the kind of support that wasn't possible if the employer had to pay for it, making it easier to recruit good employees. The end result is likely to be increased commitment, morale and productivity among workers and lower turnover and training costs for employers.

FOR MORE INFORMATION, CONTACT:

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