



July 2009

RE: New Jersey Paid Family Leave Insurance

Dear Valued Client:

As you may recall, Governor Corzine signed a historic family leave insurance bill on 05/02/2008 making New Jersey only the third state in the nation to enact a family leave insurance program for workers caring for sick family members and newborn or newly adopted children.

Beginning 01/01/2009 employers were required to withhold 0.09% (0.0009) of their employees' taxable wages as defined in the Unemployment Compensation Law. This is the same wage upon which the withholding for unemployment compensation is based (\$28,900 in 2009). **There is no employer contribution to the program.** Note that the withholding rate increases to 0.12% (0.0012) beginning in 2010.

Effective 07/01/2009, the New Jersey Temporary Disability Benefits law will provide up to six (6) weeks of Family Leave Insurance (FLI) benefits to covered individuals to bond with newborn or newly adopted children and to care for sick family members. Eligible applicants who are covered by the state FLI plan will receive weekly benefits amounting to no more than two-thirds of their weekly pay, subject to the same maximum as Temporary Disability Insurance (TDI) for an individual's own disability (the maximum weekly benefit for both is \$546.00 in 2009).

****IMPORTANT** - This program does not provide job protection; it provides only a monetary payment for qualified leaves. However, a covered individual's job may be protected under other Federal or State family and medical leave laws.

The following link will take you to the Dept. of Labor and Workforce website for additional information: <http://lwd.dol.state.nj.us/labor/fli/fliindex.html>

Click on "Information for Employers". This will provide another set of links which includes employee notices and contributions as well as an employer poster for the workplace (English & Spanish).

As always, we at PSI Consultants are proud of our high standards. Our goal is to keep you up to date and informed on all insurance related issues. Please refer to the "In The News" section of our website (www.psi-consultants.com) for other important industry topics.

Sincerely,

Ed Gaelick, CLU
PSI Consultants, LLC