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The Next Wave of Leave Compliance: New Jersey's NJFLA Expansion

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In early 2026, New Jersey enacted Assembly Bill No. 3451 resulting in sweeping amendments to the New Jersey Family Leave Act (NJFLA) that significantly expand access to job-protected family leave across the state. The changes are expected to extend protections to approximately 400,000 additional employees and will take effect on July 17, 2026. The expansion represents one of the most significant updates to the law in years and will require many employers – especially smaller businesses – to reassess their leave policies and compliance procedures.

First, the law lowers the employer coverage threshold from 30 employees to 15 employees, meaning many smaller businesses will be covered by the NJFLA for the first time. Employee headcount is determined by reviewing the number of employees “for each working day during each of 20 or more calendar workweeks in the then current or immediately preceding calendar year” and is based on the number of employees worldwide, not just those within the state.

Second, the law dramatically lowers employee eligibility requirements. Employees will now qualify for NJFLA leave after only three months of employment and 250 hours worked, replacing the previous requirement of 12 months and 1,000 hours.

Third, the law appears to provide job-restoration protections for employees who receive Temporary Disability Insurance (TDI) or Family Leave Insurance benefits (FLI). The NJFLA amendments to the TDI and FLI laws require that an employee who receives TDI or FLI benefits “be restored by the employer to the position held by the employee when the leave commenced or to an equivalent position of like seniority, status, employment benefits, pay, and other terms and conditions of employment.” At the same time, the law states that it should not be construed as increasing, reducing or otherwise modifying any entitlement provided under the NJFLA. Because TDI and FLI are simply wage-replacement programs that do not provide a right to leave, it is unclear whether the new law creates new job-protection leave rights under the TDI and FLI or whether the law is just reiterating the restoration rights when TDI or FLI runs concurrently with NJFLA leave.

Finally, the law integrates the state's paid sick leave law with TDI and FLI. An employee who is eligible for both earned sick leave and either TDI or FLI benefits may choose either the earned sick leave or TDI or FLI, as applicable, and the order in which the different kinds of leave are taken. An employee may not receive more than one kind of paid leave simultaneously during any period of time.

Employers should begin preparing now for the law's July 17, 2026, effective date. Key steps include reviewing and updating employee handbooks and leave policies; training HR personnel and supervisors on the new eligibility thresholds; and implementing systems to track employee hours and leave requests accurately. Employers near the new 15-employee threshold should also evaluate their workforce counts to determine whether they will fall within the law's coverage.

Vorys lawyers can assist firm clients with NJFLA questions or questions about similar family and/or medical leave laws in other states.