# [Second Reprint]

# ASSEMBLY, No. 2354

# STATE OF NEW JERSEY

# 216th LEGISLATURE

INTRODUCED FEBRUARY 6, 2014

# Sponsored by:

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# **SYNOPSIS**

Concerns earned sick leave.

## **CURRENT VERSION OF TEXT**

As reported by the Assembly Budget Committee on December 15, 2014, with amendments.

(Sponsorship Updated As Of: 6/19/2015)

1	AN ACT mandating certain employers provide earned side	ck leave to	0
2	employees.		

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

 1. For the purposes of this act:

1"Benefit year" means the period of 12 consecutive months established by an employer in which an employee shall accrue and use earned sick leave as provided pursuant to section 2 of this act, provided that once the starting date of the benefit year is established by the employer it shall not be changed unless the employer <sup>2</sup>[petitions] notifies<sup>2</sup> the commissioner <sup>2</sup>[for a] of the<sup>2</sup> change in accordance with regulations promulgated pursuant to this act. <sup>1</sup> The commissioner shall impose a benefit year on any employer that the commissioner determines is changing the benefit year at times or in ways that prevent the accrual or use of earned sick leave by an employee. <sup>2</sup>

"Certified Domestic Violence Specialist" means a person who has fulfilled the requirements of certification as a Domestic Violence Specialist established by the New Jersey Association of Domestic Violence Professionals.

"Child" means a biological, adopted, or foster child, stepchild or legal ward of an employee, child of a domestic partner or civil union partner of the employee, if the child is less than 19 years of age, or is 19 years of age or older but incapable of self-care because of mental or physical impairment.

"Civil union" means a civil union as defined in section 2 of P.L.2006, c.103 (C.37:1-29).

"Commissioner" means the Commissioner of Labor and Workforce Development.

"Department" means the Department of Labor and WorkforceDevelopment.

"Designated domestic violence agency" means a county-wide organization with a primary purpose to provide services to victims of domestic violence, and which provides services that conform to the core domestic violence services profile as defined by the Division of <sup>1</sup>[Youth and Family Services] Child Protection and Permanency<sup>1</sup> in the Department of Children and Families and is under contract with the division for the express purpose of providing the services.

"Domestic partner" means a domestic partner as defined in section 3 of P.L.2003, c.246 (C.26:8A-3).

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ALA committee amendments adopted October 27, 2014.

<sup>&</sup>lt;sup>2</sup>Assembly ABU committee amendments adopted December 15, 2014.

"Domestic <sup>1</sup>or sexual <sup>1</sup> violence" means <sup>1</sup>stalking, any sexually 1 2

violent offense, as defined in section 3 of P.L.1998, c.71 (C.30:4-

3 27.26), or domestic violence as defined in section 3 of P.L.1991,

c.261 (C.2C:25-19) and section 1 of P.L.2003, c.41 (C.17:29B-6)<sup>1</sup>[, 4

stalking, or any sexually violent offense, as defined in section 3 of

6 P.L.1998, c.71 (C.30:4-27.26) **1**<sup>1</sup>.

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"Employee" means an individual engaged in service to an employer in the business of the employer for compensation. <sup>1</sup>"Employee" does not include an employee performing service in the construction industry that is under contract pursuant to a collective bargaining agreement.<sup>1</sup>

"Employer" means any person, firm, business, educational institution, nonprofit agency, corporation, limited liability company or other entity that employs employees in the State.

"Family member" means a child, grandchild, sibling, spouse, domestic partner, civil union partner, parent, or grandparent of an employee, or a spouse, domestic partner, or civil union partner of a parent or grandparent of the employee, or a sibling of a spouse, "domestic partner, or civil union partner of the employee. <sup>2</sup>"Family member" shall also mean, if an employee does not have a spouse, domestic partner, or civil union partner, any one person designated by the employee for whom the employee may use earned sick leave to care for as provided in paragraphs (2) and (3) of subsection a. of section 3 of this act, and this designation may be changed by the employee once annually, prior to the start of the proceeding benefit year.2

"Health care professional" means any person licensed under federal, State, or local law, or the laws of a foreign nation, to provide health care services, or any other person who has been authorized to provide health care by a licensed health care professional, including but not limited to doctors, nurses and emergency room personnel.

"Parent" means a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or of the employee's spouse, domestic partner, or civil union partner, or a person who stood in loco parentis of the employee or the employee's spouse, domestic partner, or civil union partner when the employee, spouse or partner was a minor child.

"Retaliatory personnel action" means denial of any right guaranteed under this act and any threat, constructive discharge, suspension, demotion, unfavorable reassignment, refusal to promote, disciplinary action, sanction, or any other adverse action against an employee.

"Sibling" means a biological, foster, or adopted sibling of an employee.

"Small employer" means an employer who had, on average, fewer than 10 employees during the preceding calendar year, or during the current year if the employer had no employees during the preceding calendar year. Periods of time in which the employer had no employees shall not be considered in determining the average number of employees. In determining whether an employer is a small employer, the number of employees shall include all individuals working for compensation on a full-time, part-time or temporary basis, including individuals made available to work at a workplace of the employer through a temporary help services firm.

"Spouse" means a husband or wife.

- 2. a. Each employer shall provide earned sick leave to each employee working for the employer in the State. For every 30 hours worked, the employee shall accrue one hour of earned sick leave. The employer shall not be required to permit the employee to accrue at any one time, or carry forward from one <sup>1</sup>benefit<sup>1</sup> year to the next, more than 40 hours of earned sick leave if the employer is a small employer, or more than 72 hours of earned sick leave if the employer is not a small employer. Unless the employee has accrued earned sick leave prior to <sup>1</sup> [January 1, 2014] the effective date of this act<sup>1</sup>, the earned sick leave shall begin to accrue on <sup>1</sup> [January 1, 2014] the effective date of this act of this act for any employee hired before the effective date of this act and the employee shall be eligible to use the earned sick leave beginning<sup>2</sup> on the 90th day after the hiring of the employee<sup>2</sup>, and<sup>2</sup> if hired after <sup>1</sup> [January 1, 2014] the effective date of this act<sup>1</sup>, <sup>2</sup>the earned sick leave shall begin to accrue upon the date of hire and the employee shall be eligible to use the earned sick leave beginning on the 90th day after the hiring of the employee, unless the employer agrees to an earlier date. The employee may use earned sick leave as it is accrued.
- b. An employer shall be in compliance with this section if the employer offers any other fully paid leave that may be used for the purposes of section 3 of this act in the manner provided by this act, and is accrued at a rate equal to or greater than the rate described in this section.
- c. The employer shall pay the employee for earned sick leave at the same rate of pay with the same benefits as the employee normally earns, except that the pay rate shall not be less than the minimum wage required for the employee pursuant to section 5 of P.L.1966, c.113 (C.34:11-56a4).
- d. Upon the mutual consent of the employee and employer, an employee may voluntarily choose to work additional hours or shifts during the same or following pay period, in lieu of hours or shifts missed, but shall not be required to use accrued earned sick leave. An employer may not require, as a condition of an employee's using earned sick leave, that the employee search for or find a replacement worker to cover the hours during which the employee is using earned sick leave.

<sup>2</sup>e. If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, then the employee shall be entitled to all earned sick leave accrued at the prior division, entity, or location, and shall be entitled to use the accrued earned sick leave as provided in this act. If an employee is terminated, laid off, furloughed, or otherwise separated from employment with the employer, any unused accrued earned sick leave shall be reinstated upon the re-hiring or reinstatement of the employee to that employment, within six months of termination, being laid off or furloughed, or separation, and prior employment with the employer shall be counted towards meeting the eligibility requirements set forth in this section.<sup>2</sup>

- 3. a. An employer shall permit an employee to use the earned sick leave accrued pursuant to this act for any of the following:
- (1) Time needed for diagnosis, care, or treatment of, or recovery from, an employee's mental or physical illness, injury or other adverse health condition, or for preventive medical care for the employee;
- (2) Time needed for the employee to aid or care for a family member of the employee during diagnosis, care, or treatment of, or recovery from, the family member's mental or physical illness, injury or other adverse health condition, or during preventive medical care for the family member;
- (3) Absence necessary due to circumstances resulting from the employee, or a family member of the employee, being a victim of domestic <sup>1</sup>or sexual <sup>1</sup> violence, if the leave is to allow the employee to obtain for the employee or the family member: medical attention needed to recover from physical or psychological injury or disability caused by domestic <sup>1</sup>or sexual <sup>1</sup> violence; services from a designated domestic violence agency or other victim services organization; psychological or other counseling; relocation; or legal services, including obtaining a restraining order or preparing for, or participating in, any civil or criminal legal proceeding related to the domestic <sup>1</sup>or sexual <sup>1</sup> violence; or
- (4) Time during which the employee is not able to work because of a closure of the employee's workplace, or the school or place of care of a child of the employee, by order of a public official due to an epidemic or other public health emergency, or because of the issuance by a public health authority of a determination that the presence in the community of the employee, or a member of the employee's family in need of care by the employee, would jeopardize the health of others.
- b. If an employee's need to use earned sick leave is foreseeable, an employer may require advance notice, not to exceed seven days prior to the date the leave is to begin, of the intention to use the leave and its expected duration, and shall make a reasonable effort to schedule the use of earned sick leave in a manner that does not

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46 47 unduly disrupt the operations of the employer. If the reason for the leave is not foreseeable, an employer may require an employee to give notice of the intention as soon as practicable. For earned sick leave of three or more consecutive days, an employer may require reasonable documentation that the leave is being taken for the purpose permitted under subsection a. of this section. If the leave is permitted under paragraph (1) or (2) of subsection a. of this section, documentation signed by a health care professional who is treating the employee or the family member of the employee indicating the need for the leave and, if possible, number of days of leave, shall be considered reasonable documentation. If the leave is permitted under paragraph (3) of subsection a. of this section because of domestic <sup>1</sup>or sexual <sup>1</sup> violence, any of the following shall be considered reasonable documentation of the domestic <sup>1</sup>or sexual<sup>1</sup> violence: medical documentation; a law enforcement agency record or report; a court order; documentation that the perpetrator of the domestic <sup>1</sup>or sexual <sup>1</sup> violence has been convicted of a domestic <sup>1</sup>or sexual<sup>1</sup> violence offense; certification from a certified Domestic Violence Specialist or a representative of a designated domestic violence agency or other victim services organization; or other documentation or certification provided by a social worker, counselor, member of the clergy, shelter worker, health care professional, attorney, or other professional who has assisted the employee or family member in dealing with the domestic <sup>1</sup>or sexual<sup>1</sup> violence. If the leave is permitted under paragraph (4) of subsection a. of this section, a copy of the order of the public official or the determination by the health authority shall be considered reasonable documentation. An employer who chooses to require documentation for earned sick leave shall pay all out-ofpocket expenses the employee incurs to obtain the documentation.

Nothing in this act shall be deemed to require an employer to provide earned sick leave for an employee's leave for purposes other than those identified in this section, or prohibit the employer from taking disciplinary action against an employee who uses earned sick leave for purposes other than those identified in this section. <sup>2</sup>An employer may provide an offer to an employee for a payment of unused earned sick leave in the final month of the employer's benefit year. The employee shall choose, no later than 10 calendar days from the date of the employer's offer, whether to accept a payment or decline a payment. If the employee agrees to receive a payment, the employee shall choose a payment for the full amount of unused earned sick leave or for 50 percent of the amount of unused earned sick leave. The payment amount shall be based on the same rate of pay that the employee earns at the time of the payment. If the employee declines a payment for unused earned sick leave, or agrees to a payment for 50 percent of the amount of unused sick leave, the employee shall be entitled to carry forward

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any unused or unpaid earned sick leave to the proceeding benefit year as provided pursuant to subsection a. of section 2 of this act. If the employee agrees to a payment for the full amount of unused earned sick leave, the employee shall not be entitled to carry forward any earned sick leave to the proceeding benefit year pursuant to subsection a. of section 2 of this act.<sup>2</sup> Unless an employer policy or collective bargaining agreement provides for the payment of accrued earned sick leave upon termination, resignation, retirement or other separation from employment, an employee shall not be entitled under this section to payment of unused earned sick leave upon the separation from employment. 

d. Any information an employer possesses regarding the health of an employee or any family member of the employee or domestic <sup>1</sup>or sexual <sup>1</sup> violence affecting an employee or employee's family member shall be treated as confidential and not disclosed except to the affected employee or with the written permission of the affected employee.

- 4. a. No employer shall take retaliatory personnel action or discriminate against an employee because the employee requests or uses earned sick leave either in accordance with this act or the employer's own earned sick leave policy, as the case may be, or files a complaint with the commissioner alleging the employer's violation of any provision of this act, or informs any other person of their rights under this act. No employer shall count earned sick leave taken under this act as an absence that may result in the employee being subject to discipline, discharge, demotion, suspension, a loss or reduction of pay, or any other adverse action.
- b. There shall be a rebuttable presumption of an unlawful retaliatory personnel action under this section whenever an employer takes adverse action against an employee within 90 days of when that employee: files a complaint with the department or a court alleging a violation of any provision of this section; informs any person about an employer's alleged violation of this section; cooperates with the department or other persons in the investigation or prosecution of any alleged violation of this section; opposes any policy, practice, or act that is unlawful under this section; or informs any person of his or her rights under this section.
- c. Protections of this section shall apply to any person who mistakenly but in good faith alleges violations of this act.
- d. Any violator of the provisions of this section shall be subject to relevant penalties and remedies provided by the "New Jersey State Wage and Hour Law," P.L.1966, c.113 (C.34:11-56a et seq.), including the penalties and remedies provided by section 25 of that act (C.34:11-56a24) for discharge or other discrimination.

5. Any failure of an employer to make available or pay earned sick leave as required by this act, or any other violation of this act,

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shall be regarded as a failure to meet the wage payment requirements of the "New Jersey State Wage and Hour Law," P.L.1966, c.113 (C.34:11-56a et seq.), or other violation of that act, as the case may be, and all remedies, penalties or other measures provided by that act for failure to pay wages or other violations of that act shall be applicable, including, but not limited to, penalties provided pursuant to sections 23 and 25 of that act (C.34:11-56a22 and 34:11-56a24), and civil actions by employees pursuant to section 26 of that act (C.34:11-56a25), except that an award to an employee in a civil act shall include, in addition to the amount provided pursuant to section 26 of that act (C.34:11-56a25), any actual damages suffered by the employee as the result of the violation plus an equal amount of liquidated damages.

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6. Employers shall retain records documenting hours worked by employees and earned sick leave taken by employees, for a period of five years, and shall, upon demand, allow the department access to those records to monitor compliance with the requirements of this act. If an employee makes a claim that the employer has failed to provide earned sick leave required by this act and the employer has not maintained or retained adequate records documenting hours worked by the employee and earned sick leave taken by the employee or does not allow the department access to the records, it shall be presumed that the employer has failed to provide the earned sick leave, absent clear and convincing evidence otherwise. In addition, the penalties provided by the "New Jersey State Wage and Hour Law," P.L.1966, c.113 (C.34:11-56a et seq.) for violations of the requirements of that act regarding the maintaining and disclosure of records shall apply to violations of the requirements of this section.

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7. a. Employers shall provide notification, in a form issued by the commissioner, to employees of their rights under this act, including the amount of earned sick leave to which they are entitled and the terms of its use, and remedies provided by this act to employees if an employer fails to provide the required benefits or retaliates against employees exercising their rights under this act. Each covered employer shall conspicuously post the notification in a place or places accessible to all employees in each of the employer's workplaces. The employer shall also provide each employee employed by the employer with a written copy of the notification: not later than 30 days after the form of the notification is issued; at the time of the employee's hiring, if the employee is hired after the issuance; and at any time, when first requested by the employee. The commissioner shall make the notifications available in English, in Spanish, and any other language that the commissioner determines is the first language of a significant number of workers in the State and the employer shall use the

notification in English, Spanish or any other language for which the commissioner has provided notifications and which is the first language of a majority of the employer's workforce.

b. The commissioner shall advise any employee who files a complaint pursuant to this section and is covered by a collective bargaining agreement, that if the agreement provides for earned sick leave, the employee may have a right to pursue a grievance under the terms of the agreement.

- 8. a. This act provides minimum requirements pertaining to earned sick leave and shall not be construed to preempt, limit, or otherwise affect the applicability of any other federal, State or local law, ordinance, regulation, requirement, policy, or standard that provides rights or benefits to employees which are more favorable to employees than those required by this act or which provide rights or benefits to employees not covered by this act.
- b. No provision of this act, or any regulations promulgated to implement or enforce this act, shall be construed as:
- (1) Requiring an employer to reduce, or justifying an employer in reducing, rights or benefits provided by the employer pursuant to an employer policy or collective bargaining agreement which are more favorable to employees than those required by this act or which provide rights or benefits to employees not covered by this act;
- (2) Preventing or prohibiting the employer from agreeing, through a collective bargaining agreement or employer policy, to provide rights or benefits which are more favorable to employees than those required by this act or to provide rights or benefits to employees not covered by this act; <sup>2</sup>[or]<sup>2</sup>
- (3) Prohibiting an employer from establishing a policy whereby an employee may donate unused accrued earned sick leave to another employee or other employees<sup>2</sup>; or
- (4) Superseding any law providing collective bargaining rights for employees, or in any way reducing, diminishing, or adversely affecting those collective bargaining rights, or in any way reducing, diminishing, or affecting the obligations of employers under those laws<sup>2</sup>.
- <sup>1</sup>c. With respect to employees covered by a collective bargaining agreement in effect at the time of the effective date of this act, no provision of this act shall apply until the expiration of the collective bargaining agreement.<sup>1</sup>

- 9. The commissioner shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C. 52:14B-1 et seq.) to effectuate the purposes of this act.
- 46 10. This act shall take effect on the 120th day following 47 enactment.