

NEW JERSEY STATE AFL-CIO

106 West State Street
Trenton, New Jersey 08608
(609) 989-8730
FAX (609) 989-8734
www.njafclcio.org

CHARLES WOWKANECH
PRESIDENT

LAUREL BRENNAN
SECRETARY-TREASURER

CHARLES H. MARCIANTE
PRESIDENT EMERITUS



EXECUTIVE BOARD MEMBERS

JOYCE ALSTON	THOMAS GIBLIN	GERARD MEARA	TIMOTHY RUDOLPH
THOMAS ASHTON	SHERRYL GORDON	JOHNNIE MIRANTI	DAVID SCHNECK
MICHAEL BARNES	RAYMOND GREAVES	JUAN NEGRON	JOHN SHINN
JAMES R. CHEW, JR.	CHARLES HALL, JR.	JOHN T. NICCOLLAI, JR.	JOSEPH SORESI
NOEL CHRISTMAS	HERBERT HALL	DANIEL O'CONNELL	RICHARD SWEENEY
JOSEPH DEMARK, JR.	VINCENT LANE	GERALD OWENS	BUDDY THOMAN
WYATT EARP	MICHAEL MALONEY	STEPHEN F. PETTIT	DERRICK THOMAS
SHARON EASTWICK	DOMINICK MARINO	RAYMOND POCINO	RICHARD TOLSON
ROY FOSTER	MATTHEW McCARTY	JOHN POTTS	ANN TWOMEY
LYNNE P. FOX	C. ROBERT McDEVITT	HETTY ROSENSTEIN	HARVEY WHILLE

December 15, 2016

Dear Members of the Assembly Regulatory Oversight Committee:

Re: Recommendation for Reform of the State's Paid Family Leave Program

In February of 2008, New Jersey passed legislation creating the Paid Family Leave program and during its first five years, over 155,000 residents have seen a benefit from both a financial perspective and a health perspective. However, due to a long list of restrictions, there are millions of other pregnant mothers, new fathers and relatives of severely ill family members that can't benefit from the program. Although there are well over a dozen important issues with the current law that should be changed by policy makers, I would like to focus our comments on what we believe are the two most significant deterrents to workers using the program and that should be acted upon immediately – benefit levels and job protection.

Benefit Levels: For many residents, the very low level of benefits makes it impossible to utilize the program. This problem was articulated by several legislators during the campaign to enact Paid Family Leave, and in our opinion, continues to be the biggest problem today. In short, unless you are financially secure prior to getting pregnant or seeking to care for an ill family member, many residents simply cannot afford to take time off. This of course defeats the entire reason why the law was enacted. The current \$615 per week benefit is poverty level wage replacement and is completely unrealistic in helping make ends meet in a state where our cost of living is constantly in the top five in the nation. New Jersey should drastically increase its cap – at least double it to a level equal to our neighbors in New York, which is \$1,296.

Furthermore, the percentage of wage replacement should be eliminated for all low and moderate income enrollees so they can receive 100% of wages up to the new modified cap. Currently, the law caps this at 2/3's of your weekly salary. This makes it even more unlikely that low income residents will utilize the program.

Job Protection: The New Jersey State AFL-CIO feels that New Jersey's lack of job protection under the act is the second most significant flaw. Currently, our paid family leave law has a big warning sign displayed on it: It reads "you may enjoy a minor level of income security while caring for a sick family member, but you also may lose your job." In staunch contrast, the federal Family Leave Act provides job-protected leave for businesses over 50 and New York's law provides for job protection regardless of the size of your employer and strictly prohibits retaliation against any employee for seeking or receiving paid leave. New Jersey should immediately follow suit and enact the same standard as New York. The reason for this is obvious – the failure to ensure you will have a job to come back to after your leave is a strong deterrent to residents to utilize the program, because you are putting the financial future of your child at risk.

- over -

Although there are several other important modifications required, such as enhancements to the notification of eligibility and the removal of the one week waiting period, we feel the benefit levels and lack of job protections are the main reasons the current program is underutilized. We respectfully ask our policy makers to address these flaws as soon as possible via legislation.

Sincerely,



Charles Wowkanech
President



Laurel Brennan
Secretary-Treasurer

CW:LB:jd
OPEIU:153