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New Jersey Enacts Major Expansion of the New Jersey Family Leave Act Effective July 17, 2026

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New Jersey has enacted sweeping amendments to the New Jersey Family Leave Act (NJFLA) that dramatically expand the law's coverage, reduce employee eligibility requirements, and introduce new job-protected leave rights that will significantly affect employer compliance. Outgoing Governor Phil Murphy signed Assembly Bill A3451/S2950 on January 17, 2026, with the new provisions set to take effect on July 17, 2026.

These amendments are expected to extend NJFLA protections to more than 400,000 additional New Jersey workers, including employees of small businesses previously outside the NJFLA's scope.

Key Changes

Employer Coverage Threshold Dramatically Reduced

The amended NJFLA significantly expands which employers are covered:

- Current law: Employers with 30 or more employees
- Effective July 17, 2026: Employers with 15 or more employees employed during each of 20 or more calendar workweeks in the current or preceding calendar year

Because employers must count all employees, including those employed outside of New Jersey, this change means many small and out-of-state employers – if they employ 15 or more employees total and have even one employee working in New Jersey – must comply with the NJFLA.

Employee Eligibility Requirements Reduced

The New Jersey Legislature has sharply lowered the tenure and hours-worked thresholds for eligibility:

- Current law: 12 months of employment and 1,000 hours worked
- Effective July 17, 2026: 3 months of employment and 250 hours worked in the preceding 12 months

Consequently, employees will qualify for job-protected leave far earlier than before.

New Job-Protected Medical Leave Rights for Employees

Under current law, eligible employees may take up to 12 weeks of unpaid, job-protected leave in a 24-month period for:

- Bonding with a newborn, adopted, or foster child
- Caring for a family member with a serious health condition
- Providing care for a child whose school or place of care is closed due to a public health emergency
- Caring for a family member isolated or quarantined during a declared emergency

The amendments continue the NJFLA's broad definition of "family member," which includes individuals equivalent to family.

One of the most significant and potentially complex changes brought by the amendments is the creation of new job-protection rights for employees who take leave for their *own* medical condition while receiving Temporary Disability Insurance (TDI) or Family Leave Insurance (FLI) benefits. In other words, the amendments add job-protection rights for employees who take leave and receive TDI or FLI benefits.

This is a significant departure from current law, as the NJFLA historically did not provide job protection for an employee's *own* medical leave. Employers will now likely be required to reinstate employees returning from TDI- and FLI-related absences to the same or an equivalent position. For example, an employee may receive up to 26 weeks of TDI; therefore, the employee could have job protection for that entire period. The statutory language, however, raises questions about whether the amendments create *new* leave rights or simply extend job protection to TDI and FLI benefit use. Employers, therefore, should expect further guidance.

Coordination With Paid Leave and Other State Programs

Employees now have expanded rights to determine which state benefits to use – and the order in which to use them – particularly when they qualify simultaneously for paid sick leave, TDI, or FLI benefits. This increased employee choice complicates employer leave administration.

Operational and Compliance Implications for Employers

Given the July 17, 2026, effective date, employers should begin preparing now to:

1. Revise leave policies and employee communications;
2. Ensure payroll and benefits systems can track eligibility and coordinate state-mandated and employer-provided leaves and benefits;
3. Train HR and management staff on expanded employee rights; and
4. Consider operational impacts and staffing issues that may arise, especially for small employers newly subject to the NJFLA amendments.

The amendments are the most consequential expansion of family leave rights in New Jersey's history. Virtually all employers with employees working in New Jersey will face new compliance obligations beginning July 17, 2026. Employers should act now to prepare for these changes.

If you would like to dive deeper into how to maintain compliance ahead of implementation, please reach out to [Donna M. Glover](#), [Sheila A. Woolson](#), or your Baker Donelson Attorney.