New Jersey Legislative Update
MARCH 2019

Issues Update:
Increase in Paid Family Leave - what it will cost your employees?
Many New Jersey workers will see a big jump in their payroll deductions for family leave and temporary disability insurance to help finance a major expansion of both programs signed into law by Gov. Phil Murphy earlier this year. The programs were overhauled after supporters said the payouts were too low for workers in NJ who need to replace wages they lose while out of work on a disability or to care for a newborn or sick relative.
The state labor department estimated the maximum payroll deduction for temporary disability insurance will rise from $58.48 this year to $235.80 next year, while the maximum deduction for family leave insurance will increase from $27.52 this year to $117.90 next year.
Right now, new parents and caregivers can receive up to six weeks of benefits equal to two-thirds of their pay, but capped at $650 a week. Beginning July 1, 2020, they will be eligible to receive benefits for up to 12 weeks, and those benefits will rise to 85 percent of their weekly wage, up to $860 a week.
The maximum reimbursement for people out on disability will also rise to 85 percent of weekly wages, up to $860 a week next year. The Nonpartisan State Office of Legislative Services estimates insurance claims paid out will increase by $277 million to $363 million a year once the expansion is fully implemented next summer.

Legalization of Recreational Marijuana Is Stalled
In late March, the state Senate failed to have enough votes to support passage of the proposed recreational marijuana legislation. One sticking point for the bill’s failure was the expungement of anyone convicted in the past who was in possession of between 1 ounce to five pounds of marijuana.
Legislative leaders are set to meet with the Governor to discuss next steps and all say they are willing to push another bill if they can line up the votes. However, the Governor’s proposal to just expanded Medial Marijuana has already raised issues, as medicine in NJ is not taxed, and thus would cause issues generating the predicted revenue in this year’s budget.
The other option is for the legislature to vote to place the issue on the November ballot. It’s still far too early to consider that as a likelihood, but if successful it would allow the residents of NJ to amend the constitution and approve recreational marijuana. To get a question in front of voters this year, a 60 percent supermajority in the Legislature would have to approve it. If it passes with only a simple majority, the question couldn’t make the ballot until 2020, assuming it was approved again next year.
The concern for marijuana advocates is that if legalization is done by ballot question in New Jersey, it likely undoes much of the work done on the bill in 2018 and 2019. If legalization is approved by New Jersey voters, legislators are required to make it law, with or without many of the provisions debated so far relating to taxes, expungement and a host of other issues.
Again, a ballot question is not the most likely scenario, but the farther we go in 2019 without action from the Legislature, the more traction a ballot question could get as the November election nears.

Questions?
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