

NJ Earned Sick Leave Survey

April 2025



Employers Association of New Jersey

Executive Summary

The Employers Association of New Jersey (EANJ) conducted a statewide survey to assess employer awareness, understanding and administration of the New Jersey Earned Sick Leave (ESL) law.

This initiative was conducted as part of the **Cultivating Access, Rights, and Equity (CARE) Grant Program**, funded by the New Jersey Department of Labor and Workforce Development (NJDOL).

More than 160 employers across a range of industries and of various sizes participated, offering valuable insight into current practices, compliance confidence, and key administration challenges.

Survey was open for participation from mid-January through March 2025.



Key Findings

Strong Confidence in Compliance:

- 69% of employers report being very confident in their compliance with the law's requirements.
- Only 2% indicated they are not confident in their understanding.
- Larger employers (50+ employees) rated their understanding at 87/100; smaller employers (<50 employees) rated it at 78/100.

Enhanced Leave Practices:

- 41% of larger employers and 38% of smaller employers provide more than the 40 hours of leave required by law.
- 26% of employers either payout unused sick time upon separation of employment or pay it out under certain conditions, which is more generous than the law prescribes.
- In cases when leave is carried over, 50% of employers allow employees to use more than 40 hours of leave in a benefit year.
- 34% of employers don't require employees serve a waiting period before being able to use their time.

Administrative Practices Vary:

- Most employers allow carryover of unused leave. 13% opt to payout out unused time at the end of the benefit year.
- A minority still use a "use it or lose it" approach, which is inconsistent with the requirements of the law.
- Getting payroll and tracking systems to align with accrual and carryover requirements can be a challenge.

Support Needs:

- Employers are actively seeking policy reviews, access to model templates, and clearer guidance on complex scenarios.
- There is strong interest in training, especially among smaller employers lacking HR support.



Top Five Challenges Reported by Employers regarding NJ's Earned Sick Leave Law

1. Abuse or Misuse of Sick Leave

- Employees use sick days as vacation or personal days, often scheduling them around long weekends.
- Some employers report a lack of recourse when employees appear to abuse the law.
- Supervisors struggle to enforce appropriate usage without violating employee privacy.

2. Confusion Around Accrual and Usage Rules

- Difficulty interpreting how sick leave should apply to part-time, per diem, or seasonal staff.
- Challenges tracking accrual and carryover, particularly when caps apply but accrual continues.
- Employees often misunderstand what the leave can legally be used for (e.g., bereavement or vacation).

3. Administrative and Recordkeeping Burden

- Payroll and HR systems (e.g., Paychex, ADP, HRIS) initially struggled to handle accrual and frontloading requirements.
- Ensuring accurate tracking for part-time and temporary workers, as well as mid-year hires, creates ongoing workload.
- Finding knowledgeable staff to manage the policy and explain it to employees remains a hurdle.

4. Cost and Operational Impact on Small Businesses

- The flexibility of staffing in small or seasonal businesses is disrupted by rigid compliance requirements.
- Small employers feel financial strain when part-time staff earn leave comparable to full-time staff.
- Covering overtime and finding replacements for employees who call out sick increases both costs and administrative workload.

5. Lack of Flexibility for Unique Work Environments

- Employers with irregular schedules (e.g., therapy practices, schools, seasonal businesses) struggle to align ESL requirements with their operational models.
- Calls for exemptions or tailored policies for certain industries like education or gig-style employment, as well as for certain employee classifications, like per diem and on-call workers.



Top 5 Requested Support Resources:

1. Clear, Simple Guidance Materials

- One-page summaries, handouts, flyers, and easy-to-digest breakdowns
- FAQs, “how-to” guides, and formatted materials
- Clarity on specific areas like accrual, carryover, and definitions (e.g., “family member”)

2. Training Opportunities

- Webinars, short seminars, and tutorials (live or on-demand)
- Annual or periodic refresher courses
- Specific training for compliance with seasonal, part-time, and intern rules

3. Policy Support and Review

- Individual policy evaluations and recommendations
- Requests for assistance in handbook compliance, including a model policy

4) Ongoing Communication & Updates

- Regular email reminders and alerts about law changes
- Notifications on updates, deadlines, or new guidance
- Requests for continued outreach and responsiveness (many already turn to EAJ for clarification)

5) Clarity surrounding using existing PTO policies

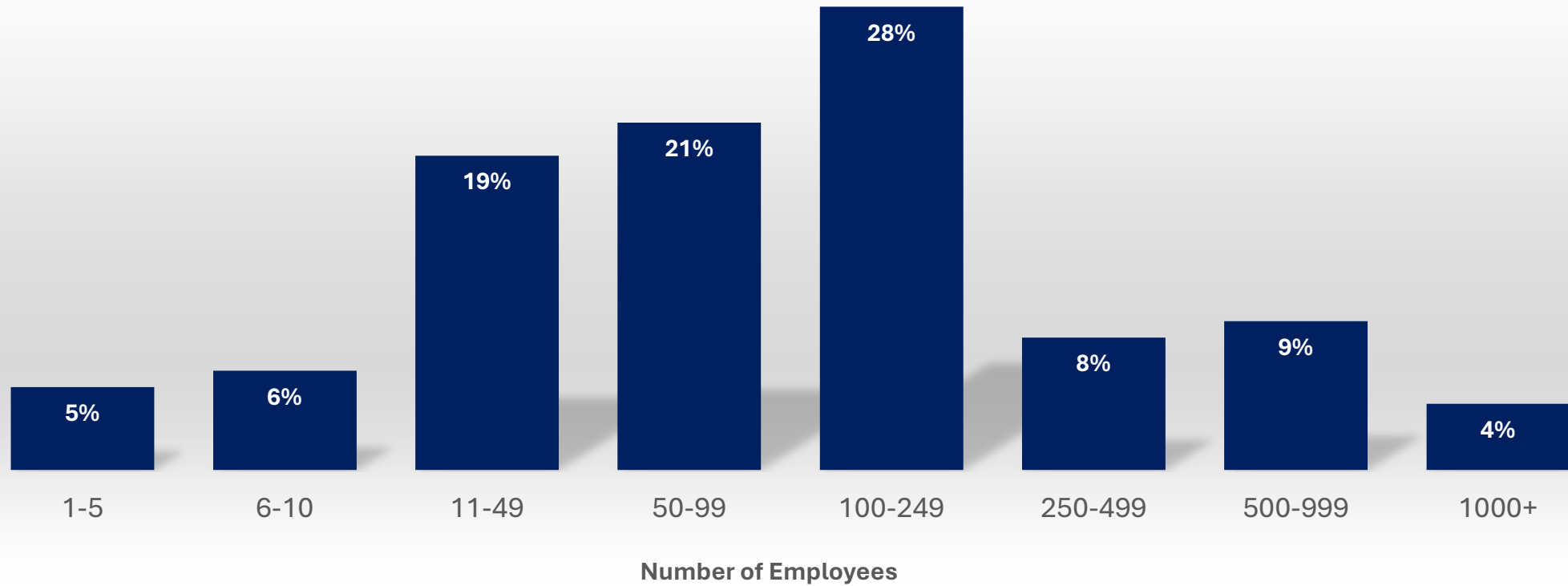
- Requests for more clarity on how PTO and ESL policies work together
- Specific scenario-based examples would be helpful.



Demographics



How many employees does your company employ in NJ?



163 respondents



Industry

Manufacturing	24%
Social services (non-profit, childcare, elder care, community development, etc.)	16%
Professional services (legal, accounting, consulting, marketing, IT, engineering, architecture, etc.)	14%
Education	9%
Health Care	9%
Retail	6%
Finance	5%
Wholesale	4%
Construction	3%
Restaurant/Food Service	3%
Physical and manual services (landscaping, plumbing/HVAC, cleaning/janitorial, electrical, pest control, etc.)	2%
Public Sector	2%
Warehousing	2%
Transportation	1%
Finance	1%

Which of the following best describes your role within your organization?

Human resources	63%
Business Owner	12%
Other (please specify)	6%
CEO/President/Executive Director	4%
Administrative	3%
Manager/Supervisor	3%
Office manager	3%
Finance	3%
Payroll/Bookkeeper	3%

160 respondents



Languages spoken by employees



Is your business any of the following?	
Veteran owned	0
Immigrant owned	3%
Person of color/minority owned	4%
Woman owned	12%
None of the above	81%



Awareness & Understanding of NJ's Earned Sick Leave Law: Individual Question Responses



Are you aware NJ has an Earned Sick Leave Law which requires employers of all sizes to provide most NJ workers with up to 40 hours of paid sick time to care for themselves or a loved one?

	Employers with 50 or more employees	Employers with less than 50 employees
Yes	99%	95%
No	1%	5%

163 respondents



Do you currently provide earned sick leave to your employees as required by law?

	Employers with 50 or more employees	Employers with less than 50 employees
Yes	97%	82%
No	0	9%
We provide sick leave, but I'm unsure if it meets all the requirements of the law	3%	9%

161 respondents



On a scale of 1 to 100, how would you rate your understanding of the requirements of the NJ Earned Sick Leave law?

(100 = total understand; 1 = don't understand at all)

	Employers with 50 or more employees	Employers with less than 50 employees
Average # reported	87	78

154 respondents



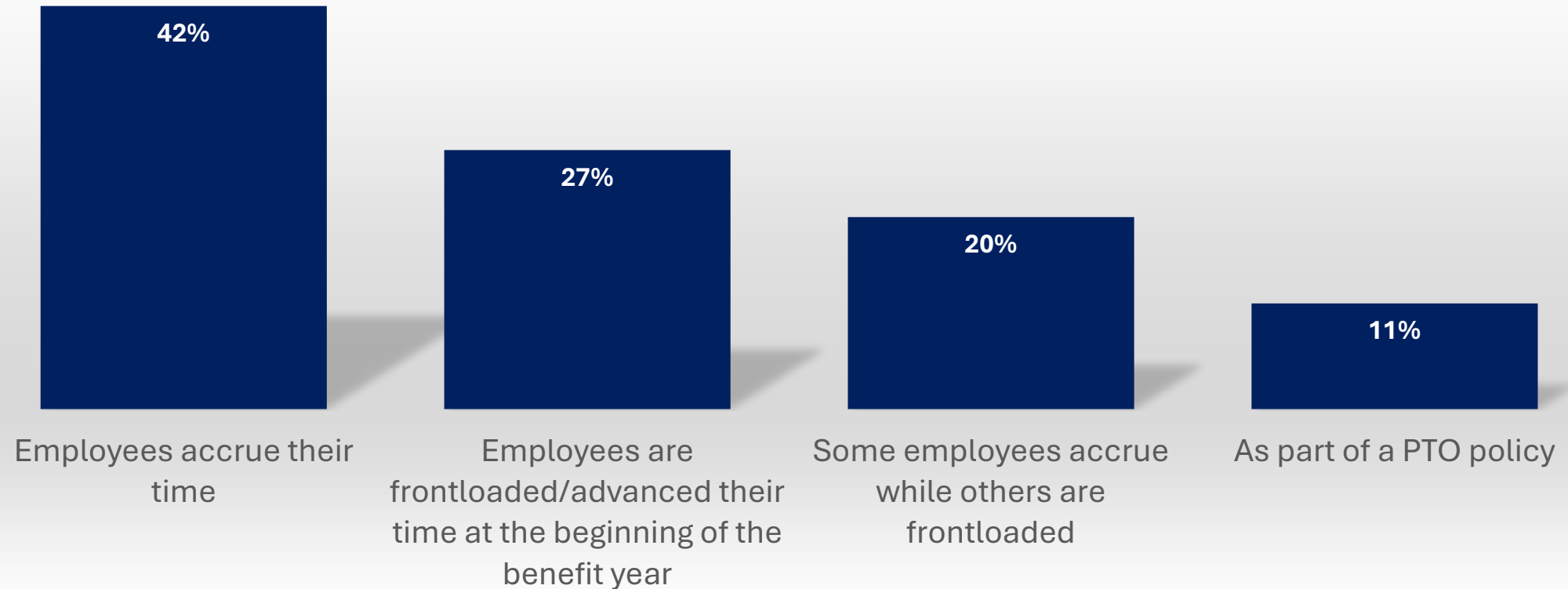
Does your organization provide sick leave through a:

	Employers with 50 or more employees	Employers with less than 50 employees
Stand-alone sick leave policy	53%	42%
Paid Time Off (PTO) policy	37%	53%
Stand-alone policy for some employees and PTO for others	10%	5%

160 respondents



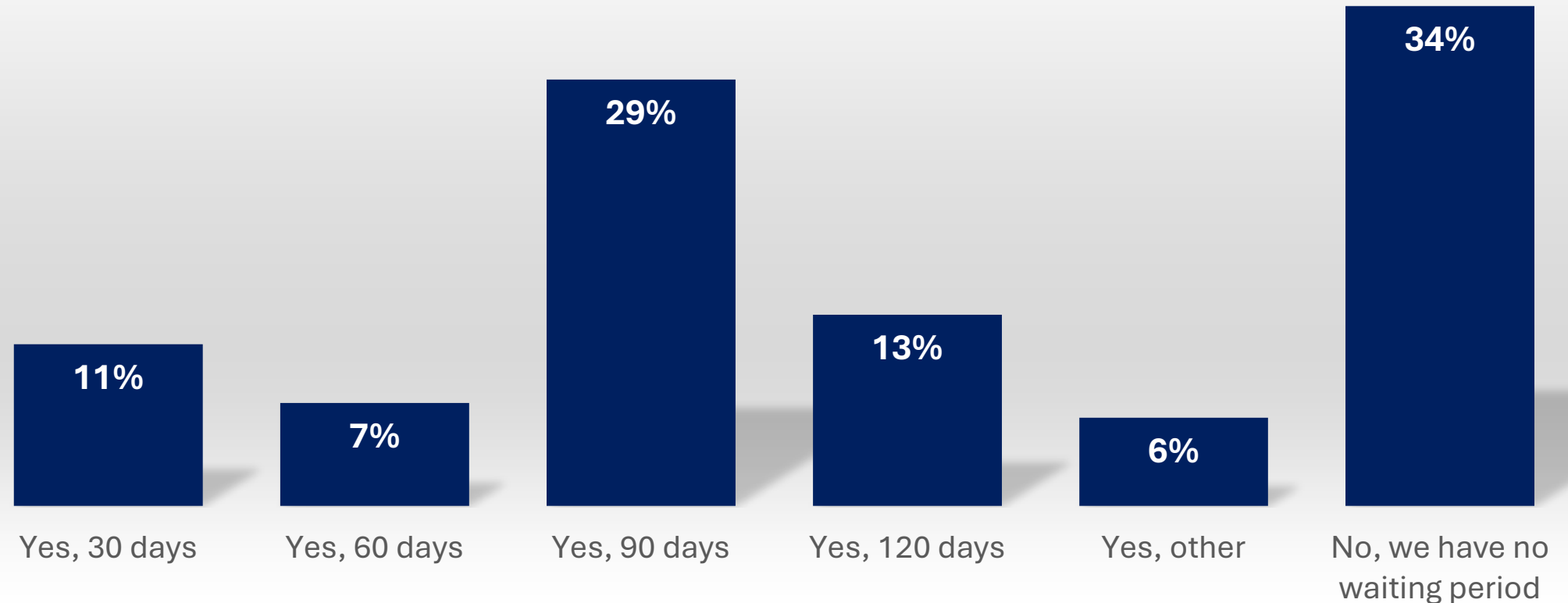
What method do you use to provide earned sick leave to employees?



152 respondents



Do you require new hires to wait for a period before they can use their earned sick leave benefit?



150 respondents



How has your company defined the 12-month benefit year?

Calendar year	75%
Employee's anniversary date	11%
Fiscal year	7%
School year	2%
Other	5%

Other responses included a variety of dates throughout the year (e.g. 10/1 through 9/30; 10/29 through 10/28; mid-November through mid-November, etc.)

151 respondents



What is the smallest increment of earned sick leave an employee may use under your policy?

Full day	7%
Half day	26%
One hour	36%
Half hour	16%
15 minutes	6%
Other	9%

Other responses included 5 and 10 minutes; full-time employees can use 4 hours & part-time employees can use 1 hour; 2 hours; and as necessary.

149 respondents



Does your company provide more time off than the 40 hours required by law?

	Employers with 50 or more employees	Employers with less than 50 employees
No, we only provide up to 40 hours	34%	39%
Yes, we provide more than 40 hours	41%	38%
We have different policies for different groups of employees	25%	23%

148 respondents



When a worker needs to use a sick day, who do they ask?

Direct manager or supervisor	70%
Call or log into an automated system (e.g. HRIS system)	19%
Human resources	6%
Owner	5%

149 respondents



At the end of the benefit year, does your organization:

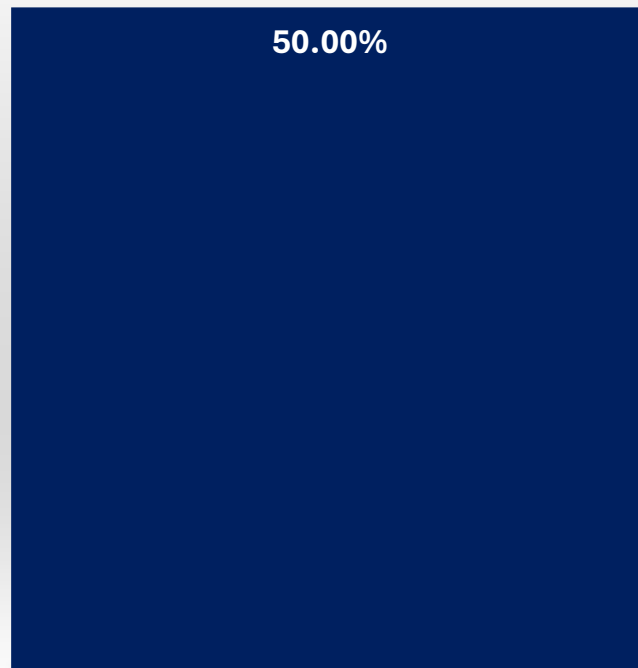
	Frontload Employers	Accrual Employers
Payout unused sick time	13%	13%
Carry over unused sick time	75%	78%
Other	12%	9%

For both frontload and accrual employers, 100% of those who indicated “other” responded their policies are “use it or lose it.”

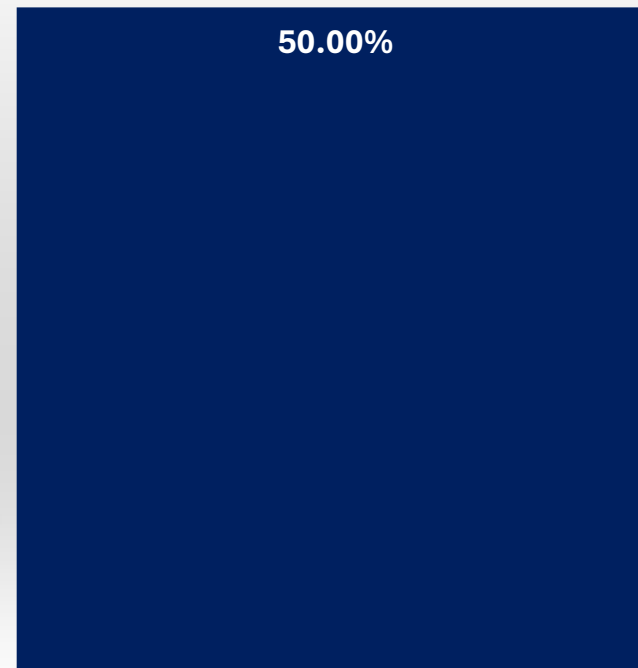
120 respondents



If you carry over unused sick time, do you allow employees to use more than 40 hours in the subsequent benefit year?



Yes

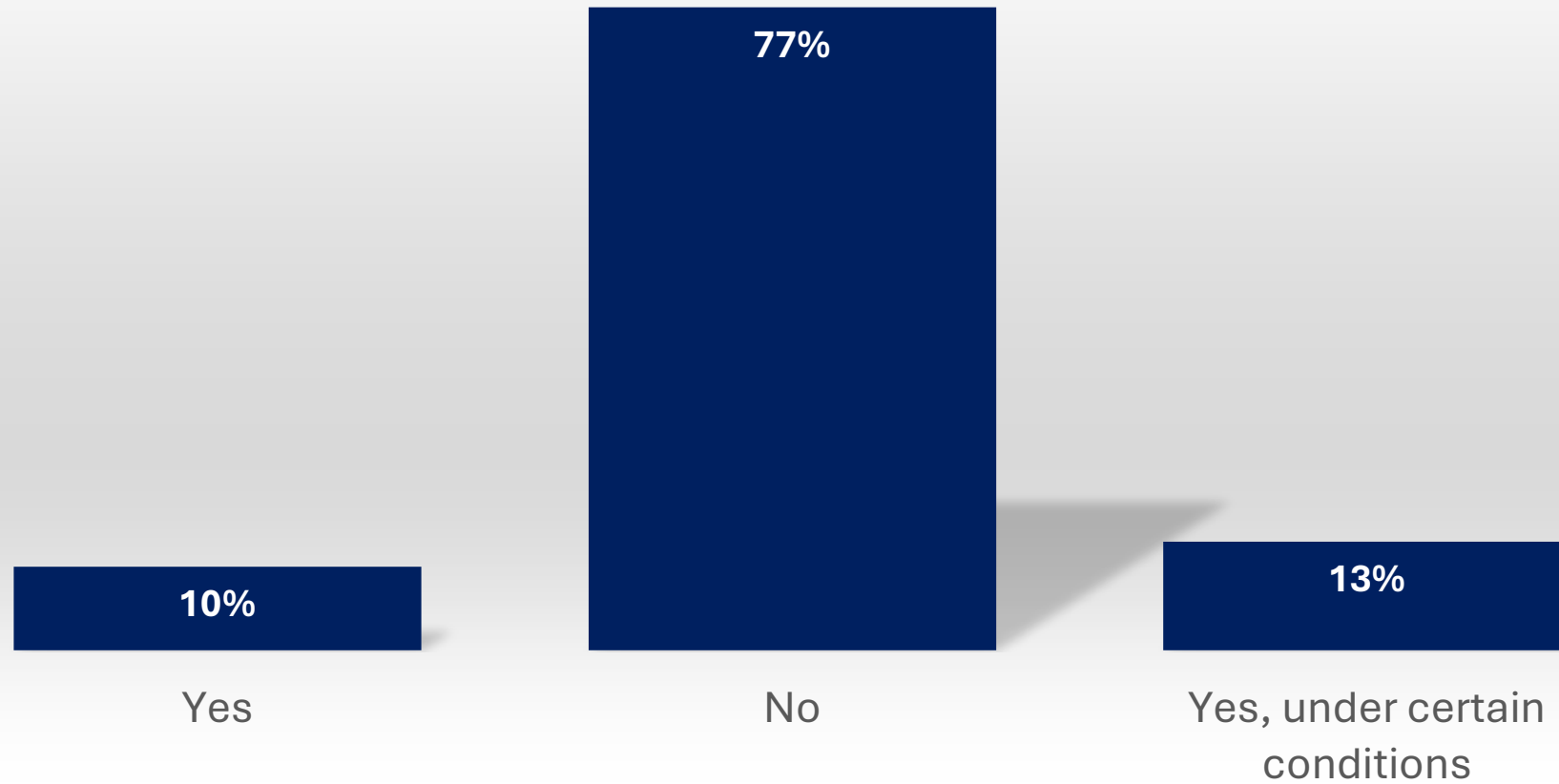


No

115 respondents



Do you pay out unused earned sick leave upon separation from employment?



153 respondents



How do you communicate your earned sick leave policy to employees?

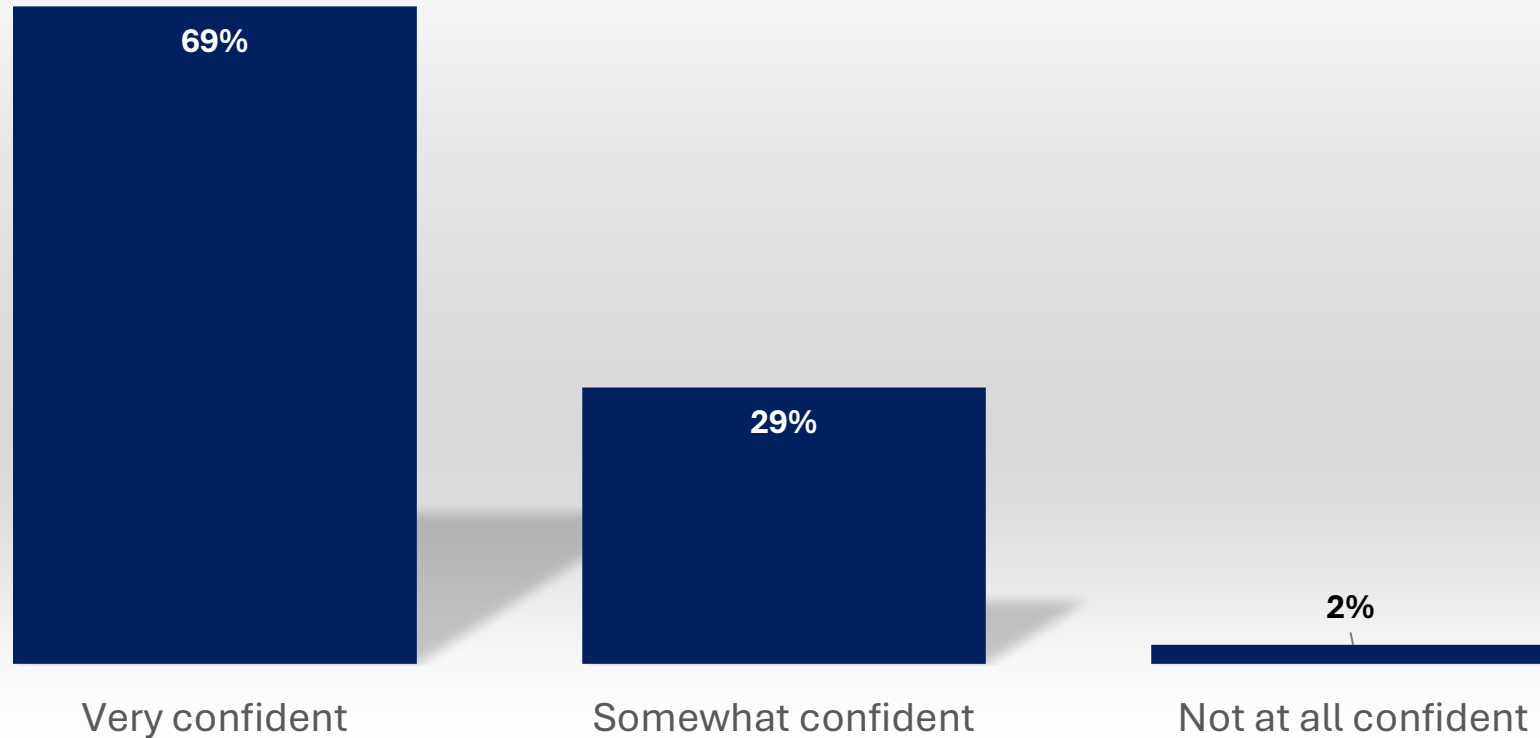
(note: totals will not equal 100 as employers communicate in multiple ways)

Employee handbook/policy	88%
NJDOL Mandatory Poster	52%
Verbal communication	39%
Written notice	25%
Information on their pay stub	21%
Company website (or intranet)	19%
Other	8%

151 respondents



How confident are you that your business is fully compliant with the Earned Sick Leave law in NJ?



149 respondents



Have you experienced any challenges in implementing the Earned Sick Leave Law?



*Note: summary of challenges reported can be found on slide #4

149 respondents





For questions, please contact Amy Vazquez
Employers Association of New Jersey
amy@eanj.org

