

Governor Phil Murphy

NJ Labor Department Urges Businesses to Keep Employees on the Payroll through COVID-19

03/31/2020

99.8% of Employers Qualify for 100% Reimbursement

TRENTON – The New Jersey Department of Labor and Workforce Development (NJDOL) is urging employers to keep employees on the payroll throughout the COVID-19 pandemic and to take advantage of a 100 percent, dollar for dollar, payroll tax credit provided under the Families First Coronavirus Response Act (FFCRA).

The federal law, which goes into effect on April 1, provides unprecedented support to employers to provide federal Emergency Paid Sick Leave and Emergency Paid Family and Medical Leave to workers affected by COVID-19.

The payroll tax credit immediately and fully reimburses employers with fewer than 500 employees (99.8 percent of all NJ employers) by allowing them to reduce their federal payroll taxes by the amount they spent on emergency leave. This tax credit enables businesses to keep workers on their payrolls and ensures that parents and caregivers do not have to make the impossible choice of earning a paycheck or staying at home to care for themselves or a family member.

“Gov. Murphy and his Administration is working around the clock to make sure that working families affected by the COVID-19 pandemic are supported, but we cannot do this job alone,” **said Labor Commissioner Robert Asaro-Angelo**. “That is why we are calling on the business community to join us in supporting working families as one New Jersey family.”

All but the state’s largest private-sector employers are eligible for the 100 percent federal payroll tax credit for all qualifying wages. Qualifying wages are those paid to an employee who takes leave under the act for a qualifying reason (<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>).

Under the act’s federal paid sick leave program, an employee is entitled to 80 hours (up to two weeks) of paid leave. Under the act’s expanded Family and Medical Leave program, an employee is entitled to 12 weeks of job-protected leave, the first two weeks of which are unpaid, and the remaining 10 weeks of which are paid.

- For general questions, please visit the US Department of Labor’s FAQs (<https://www.dol.gov/agencies/vets/resources/generalfaq>).
- For more information on which employers are covered under the law, please visit the US Department of Labor Employer Resource Guide (<https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>).
- To understand how to access FFCRA Business Tax Credits, please visit the Internal Revenue Service resources page (<https://www.irs.gov/newsroom/treasury-irs-and-labor-announce-plan-to->

implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus).

- For information on how these provisions apply New Jersey, please visit the NJ Labor Department (<https://www.nj.gov/labor/>).
- Business owners with questions about accessing the reimbursement from the federal government, please visit the New Jersey Business Action Center (<https://faq.business.nj.gov/en/collections/2198378-information-for-nj-businesses-on-the-coronavirus-outbreak>).
- Business owners with questions about grants and loans should visit the NJ Economic Development Authority (<https://www.njeda.com/about/Public-Information/Coronavirus-Information>).

New Jersey workers with questions about eligibility for benefits should view these NJ-focused charts (<https://www.nj.gov/labor/worker-protections/earnedsick/covid.shtml>) in English and Spanish or visit the US Department of Labor Employee Resource Guide (<https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>).

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