

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2046

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 21, 2026

SUMMARY

- Synopsis:

Establishes protected leave under "Family Leave Act" and family temporary disability leave benefits for bereavement for death of child, miscarriage, stillbirth, and certain other circumstances.
- Type of Impact:

Increase in annual State expenditures and revenues.
- Agencies Affected:

Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate increase in annual State expenditures by permitting individuals to newly qualify for family temporary disability leave benefits due to the death of a child and similar events. The OLS estimates that about 20,000 to 25,000 such events could occur in a given year, which would result in a maximum hypothetical State expenditure increase in the tens of millions of dollars. However, the actual impact is likely to be considerably less, as discussed below.
- The Family Leave Insurance program is funded entirely through an assessment on workers’ wages, the rate of which is set by the Department of Labor and Workforce Development annually to cover anticipated program expenditures and a reserve requirement. By broadening the scope of who can qualify for benefits under the program, the bill will lead to an indeterminate increase in annual State revenues from higher assessed rates on workers’ wages, all else being equal.

BILL DESCRIPTION

This bill allows an employee to take family temporary disability leave benefits granted by the Temporary Disability Benefits Law for bereavement following the loss of a child due to the death



of the child or to a miscarriage, stillbirth, or termination of a pregnancy for medical reasons, if the employee, or the spouse, domestic partner, or civil union partner of the employee, is a parent of the child, including a parent of the child pursuant to a valid gestational carrier agreement.

The bill provides that any benefits paid under the bill are payable through the family temporary disability leave program and provides that nothing in the bill increases the maximum benefits available under the program.

The bill limits leave and benefits for bereavement purposes, depending on the circumstances, to not more than 21 days immediately following the date of the event that is the reason for the bereavement.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will result in an indeterminate increase in annual State expenditures by permitting individuals to newly qualify for family temporary disability leave benefits due to the death of a child and similar events. The OLS estimates that about 20,000 to 25,000 such events could occur in a given year, which would result in a maximum hypothetical State expenditure increase of between \$68 million and \$86 million annually. This would represent an increase of about 10 to 13 percent compared to forecasted benefit payments for 2026. However, the actual impact is likely to be considerably less because some employees who would otherwise be eligible for benefits under this bill may be entitled to other employer-provided disability and family leave benefits, and some would take a leave shorter than the three-week maximum duration. Additionally, any employer-provided leave would provide full salary for that leave, removing the impact of lost income during the bereavement leave. These factors would reduce the need for the benefits provided under this bill and lessen the State's associated costs.

The Family Leave Insurance program is funded entirely through an assessment on workers' wages, the rate of which is set by the Department of Labor and Workforce Development annually to cover anticipated program expenditures and a reserve requirement. By broadening the scope of who can qualify for benefits under the program, the bill will also lead to an indeterminate increase in annual State revenues from higher assessed rates on workers' wages, all else being equal.

Section: Commerce, Labor and Industry
Analyst: John Gaudio
Associate Fiscal Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).