

Employers Should Exercise Caution in Using a Single PTO Policy to Comply with the New Jersey Earned Sick Leave Act

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While the New Jersey Earned Sick Leave Act (“Act”) allows employers to use a single PTO policy, the policy must in its entirety comply with the Act’s provisions. Therefore, the employer’s PTO policy must: (1) permit an employee to use all of the PTO for reasons covered by the Act; (2) provide accrual or advancement in accordance with the Act’s requirements; (3) allow employees to use all paid time off in accordance with the Act (this affects the employer’s ability to require more than 7 days’ notice or foreseeable notice for any time the employee takes as sick time); and (4) provide for payout or carryover in compliance with the Act. These requirements would apply to all time in the PTO policy, not just the Act’s required forty (40) hours.

Given the current times, PTO policies are very important. As such, employers should review their PTO policies to ensure they are compliant and may want to consider whether having separate sick leave and vacation/personal leave policies better serves their purposes.

If you are an employer with questions about this legal alert, please contact [Tracy Armstrong](#) or another member of the Wilentz [Employment Law Team](#).

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