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November 2023

TO: State Biweekly Certifying Officers

FROM: New Jersey Division of Pensions & Benefits (NJDPB)

SUBJECT: **Leaves of Absence and Health Benefits Coverage**

This letter serves to clarify State Health Benefits Program (SHBP) policy regarding the health benefit coverage status of State employees on a Leave of Absence (LOA) without pay due to personal illness as well as State Family Leave and the federal Family and Medical Leave Act (FMLA). This policy should be applied consistently across all State agencies.

State law provides up to three months of active employee status coverage while on an LOA without pay due to personal illness. Active employee status coverage allows the employee to continue to pay their share of the cost of their coverage as if they were still actively working. At the conclusion of the three month time period, the employee is responsible for the full cost of their coverage premiums, even if the leave is extended. However, if the employee were to be approved for a new LOA that is independent of the preceding LOA, their coverage status for health benefits would be considered active, thus entitling the employee to another three months of coverage at the expense of the employer.

Employers should be aware of the difference between a new LOA and the extension of an existing LOA as pertaining to the health benefits coverage status of the employee. An employee on a LOA who has exhausted the three months of active coverage status must return to work for a required period of time before being approved for a new LOA, thus resuming active employee coverage status. Any period of time that does not meet the following criteria will be considered an extension of an existing LOA, which will not qualify the employee for continued active coverage status.

To maintain active employee status coverage after the three-month time period lapses, an employee must return to work for 10 consecutive days before taking another LOA, which would then be considered a new LOA and eligible for active employee status coverage. The 10 days can be in one pay period or two, as long as they are consecutive (e.g., five days in one pay period, and five days in the next). Leave time cannot be used by an employee to satisfy the 10 consecutive day return to work requirement.

An LOA resuming before the employee has satisfied this time requirement will be considered an extension of the first leave. If the employee has exhausted all three months of active employee status coverage, the employee will be required to prepay the full cost of the premiums in order to continue coverage.