

Potential New Jersey Equal Pay Law Has Plaintiff's Lawyers Licking Their Chops

March 29, 2018

Recently, both Houses of New Jersey's legislature overwhelmingly passed the "Diane P. Allen Equal Pay Act" which is now destined for the Governor's signature. This sweeping new equal pay legislation amends the New Jersey Law Against Discrimination ("NJLAD"), and makes it unlawful "[f]or an employer to pay any of its employees who is a member of a protected class at a rate of compensation, including benefits, which is less than the rate paid by the employer to employees who are not members of the protected class for substantially similar work, when viewed as a composite of skill, effort and responsibility." It applies to all of New Jersey's already protected classes. While there are exceptions for bona fide differences in education and experience, this law will substantially increase the burden on your businesses to make sure these disparities either don't exist, or if they do - that they are defensible. While the NJLAD already provided for compensatory and punitive damages for employees who are the victims of unlawful employment practices, this amendment allows for treble damages. While this bill is not yet law, we will be watching this legislation closely.