What Employers Need to Know About New Jersey's Pay Transparency Law



12/5/2024

On November 18, 2024, Governor Phil Murphy signed Senate Bill 2310 – also known as the **Pay Transparency Act** – into law, creating new obligations for employers, human resources, recruiters, and third party job listing forums. The Act will require New Jersey employers to disclose pay and benefits upfront, similar to obligations imposed by recently passed legislation in places like New York, New York City, Connecticut, Maryland, Colorado, and California.

Beginning June 1, 2025, any organization with ten or more employees which "does business, employs persons, or takes applications for employment within" New Jersey, as well as temporary employment agencies and recruiting firms, must:

1. Include the hourly wage or salary (or range) in each job posting or advertisement, including internal transfer and promotional opportunities;
2. Include a general description of the benefits and compensation programs for which the applicant(s) would be eligible; and
3. Make reasonable efforts to make promotional opportunities known to all current employees in the affected department prior to making a promotional decision. This obligation excludes promotional opportunities based on an employee's years of experience or work performance, as well as emergent promotions made due to unforeseen events.

Notwithstanding an organization's initial disclosure, employers may increase wages, benefits, or compensation beyond those advertised when making an actual offer of employment.

The Pay Transparency Act will be enforced by the New Jersey Department of Labor, which may issue civil penalties of $300 to

$600 per violation. The Act, however, does not afford aggrieved applicants and employees a private right of action to sue.

Significant uncertainty exists about the Act's application to the recruitment of remote workers and its application to non-New Jersey businesses which accept applications from New Jersey residents. Covered employers also need to prepare for the impact on existing staff when they become aware of disparities between the advertised pay range and their own pay rate.

Takeaways

Long before June 1, 2025, employers hiring or doing business in New Jersey should audit jobs, job descriptions, and pay ranges across their workforce and establish compensation ranges for all positions. Employers should also develop strategies for addressing pay disparities among employees within the same job. An employer identifying disparities should also assess potential liability under New Jersey's pay equity law, which the Firm has previously written about.

For more information on your organizations' obligations under the New Jersey's Pay Transparency Act please contact:

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