

New Jersey Employers: Prepare for New Pay Transparency Requirements

Related Professionals

Michael C. Griffaton

Matt F. Schmitz

CLIENT ALERT | 11.25.2024

The New Jersey legislature recently built on its 2019 efforts to increase pay-related protections for job applicants and current employees. Most employers will now be required to disclose pay ranges in their job postings and follow certain promotion-related requirements. The law was signed by the Governor on November 18, 2024 and will take effect on June 1, 2025.

Who must comply with the pay transparency and promotion requirements?

The new requirements apply to a broad range of actors, including persons, companies, corporations, firms, labor organizations, and associations with 10 or more employees who do business within the state. This potentially includes businesses not located in New Jersey.

There are specific exemptions for “temporary help service firms” and “consulting firms” that register with the Division of Consumer Affairs in the Department of Law and Public Safety.

What must covered employers do to comply?

Covered employers must disclose, in postings for new jobs and transfer opportunities, ranges for the hourly wage or salary as well as a general description of benefits and compensation programs for which an employee would be eligible. The employer may still increase the wages, benefits, and compensation at the time of offering employment or transfer.

When advertising promotion opportunities, covered employers must “make reasonable efforts” to announce them to all current employees in the affected departments before making a promotion decision. This requirement does not apply, however, to promotions made because of years of experience or performance. The law defines a “promotion” as both a change in job title and an increase in compensation.

What are the penalties for failure to comply?

Each separate posting or promotional opportunity for a particular job will not result in a separate violation. Instead, failure to comply is one violation even if the promotion or posting is listed in multiple forums. The Commissioner of Labor and Workforce Development may impose a fine of up to \$300 for a first violation and a fine of up to \$600 for the second and subsequent violations.

Takeaways for employers

States continue to enact pay transparency (job posting) requirements. For example, Massachusetts' pay transparency law takes effect in July 2025.

Employers who do business in New Jersey should review their current pay rates, hiring practices, promotion practices, and postings in anticipation of the 2025 effective date. Contact your Vorys lawyer with questions regarding New Jersey's pay transparency and promotions requirements or similar requirements in other jurisdictions.