

Alert | Labor & Employment



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2025 New Jersey Employment Law Updates

The start of a new year is a great time for New Jersey employers to review their employee handbooks and policies and consider revisions based on changes in the law or best practices. This GT Alert summarizes some recent legal updates and changes on the horizon to help focus employers as they evaluate the compliance of their policies.

Pay Transparency

As set forth in a November 2024 GT Alert, New Jersey, like a number of other states, will soon enforce pay transparency requirements and mandate certain job posting disclosures. Effective June 1, 2025, New Jersey employers with 10 or more employees over 20 calendar weeks doing business or taking applications for employment within the state must disclose the hourly wage or annual salary range and general benefit information in all job postings for new positions and transfer opportunities. Covered employers must also post promotion opportunities to the entire affected department, with certain exceptions.

Remote Workers

The New Jersey Attorney General and New Jersey Division on Civil Rights (DCR) issued guidance on existing legal requirements applicable to workers employed with New Jersey companies who reside and work outside the state. The DCR published this update in the wake of recent case law holding that "a court would not apply New Jersey law to a multi-state dispute." The DCR took the position that "[b]y its terms, the [New Jersey Law Against Discrimination (LAD)] does not protect only New Jersey residents. For

instance, the LAD provides that 'all persons shall have the opportunity to obtain employment . . . without discrimination." Thus, according to the DCR, the LAD protects all employees who work for a New Jersey employer "regardless of their residency or where they physically work, including those who work remotely full-time or part-time on a hybrid schedule."

The DCR stated that it was providing guidance "to clarify and explain DCR's understanding of existing legal requirements in order to facilitate compliance with the LAD." However, it acknowledged that "[t]his guidance document does not impose any new or additional requirements that are not included in the LAD, does not establish any rights or obligations for any person, and will not be enforced by DCR as a substitute for enforcement of the LAD." Although not law, employers should be aware of the DCR's position to the extent it may impact decisions on charges of discrimination filed with the agency and potentially be viewed as persuasive by the courts.

Dress Codes (Employees and Patrons)

The New Jersey Attorney General and the DCR issued a consent decree stemming from a charge of discrimination against a New Jersey restaurant involving a gender-binary dress code for employees and patrons. The DCR's press release stated that a non-binary individual was denied service because they purportedly failed to adhere to rules for men's attire. The DCR took the position that the restaurant's dress code policy violated the law because "New Jersey's civil rights laws make it unlawful to discriminate based on gender identity. Those protections mean that places open to the public, including restaurants, can't maintain gender-binary dress codes that exclude LGBTQ+ people." Employers with dress code requirements for employees and/or the public should review their policies to ensure compliance.

The New Jersey Data Protection Act

Effective Jan. 15, 2025, the New Jersey Data Protection Act (NJDPA) imposes new protections for New Jersey consumers regarding personal data released to businesses. Personal data is defined as "information that is linked or reasonably linkable to an identified or identifiable person." New Jersey residents now have the right to limit whether and how their personal data may be collected and used, the right to correct inaccuracies in their personal data, and the right to delete their personal data. The NJDPA also imposes new compliance obligations on businesses, including, but not limited to, responding to consumer requests not later than 45 days after receipt and providing certain information free of charge.

The NJDPA's compliance obligations apply to New Jersey companies that operate as either "controllers" or "processors." "Controllers" are individuals or legal entities that determine the purpose and means of processing personal data; processors are individuals or entities that collect, modify, and otherwise process personal data on behalf of a controller. The NJDPA applies to controllers conducting business in New Jersey or producing products or services targeted to the state's consumers and that, during a calendar year, either (1) control or process personal data of at least 100,000 consumers, with certain exceptions; or (2) control or process the personal data of at least 25,000 consumers while deriving revenue, or receiving a discount on the price of any goods or services, from selling personal data.

The NJDPA also directs the Director of the Division of Consumer Affairs to promulgate regulations necessary to effectuate the purpose of this new law.

Retirement Plan Requirements

RetireReady NJ requires all New Jersey employers with 25 or more employees that do not offer a qualifying retirement plan for their employees to provide certain retirement benefits. Covered employers

were required to register with the state by Sept. 15, 2024 (if 40 or more employees) or Nov. 15, 2024 (if between 25-39 employees), but the RetireReady NJ webpage appears to still be accepting registrations. Additionally, exempt employers that already provide retirement benefits must certify their exemption on the webpage. Employers who fail to comply with RetireReady NJ may be subject to penalties, ranging from a warning to monetary fines.

Employment Law Regulations Impacting New Jersey Residents

Private households in New Jersey employing domestic workers may now be considered employers and have important obligations under the Domestic Workers' Bill of Rights (DWBR). The DWBR gives certain workers providing in-home services to private households—i.e., childcare, house cleaning, care for disabled or elderly individuals, and/or cooking—with the right to a contract, the right to minimum wage, as well as overtime compensation, break time, and privacy, safety, and discrimination protections. The law took effect July 1, 2024, and applies regardless of the immigration status of the worker.

Immigration Status Protections

Pursuant to S2869, signed into law in August 2024, employers may not coerce or attempt to coerce an employee based on the employee's immigration status for the purpose of concealing purported violations of state wage, benefit, or tax laws. "Any employer that coerces or attempts to coerce an employee based on the employee's immigration status, and in furtherance of violating the State's labor laws, will be subject to penalties in addition to any penalties to which the employer may be subject due to employment violations."

Wage and Hour

As previously announced by the New Jersey Department of Labor, effective Jan. 1, 2025, the minimum wage applicable to most employees increased to \$15.49 per hour.

Employers should also consider reviewing other pay practices (such as timing of payment, calculation of premium pay, and commission plans), as well as employee exemption classifications.

Potential Developments for 2025

Employers should also be aware of the following pending legislation:

- <u>A.B. 3854</u> would regulate the use of automated employment decision tools (AEDTs) in hiring to "minimize employment discrimination that may result from the use of the tools." Under this proposed legislation, employers using AEDTs would be subject to a number of requirements. This bill was referred to the Assembly Labor Committee in May 2024.
- <u>A.B. 3911</u> would require employers that use artificial intelligence to analyze applicant-submitted videos to abide by specific procedural requirements to safeguard the interview process. This bill was referred to the Assembly Science, Innovation and Technology Committee.
- <u>A.B. 3816</u> would provide bereavement leave for reproductive loss, such as miscarriage or stillbirth. This bill was referred to the Assembly Labor Committee in April 2024.
- <u>A.B. 3505</u> would allow employees to use paid family leave and/or paid sick leave for bereavement following the death of a family member. This bill was referred to the Senate Budget and Appropriations Committee.

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