

December 9, 2024

**NEW JERSEY KEEPS PACE WITH NEW YORK AND CALIFORNIA WITH PAY
TRANSPARENCY LAW**

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Not to be outdone by New York and California, and several other states, New Jersey enacted the Pay Transparency Act (“Act”) late last month, which requires certain employers to disclose wage or salary ranges and general benefits information in job postings and advertisements, and to inform current employees about promotion opportunities. The law, which takes effect on June 1, 2025, covers “any person, company, corporation, firm, labor organization, or association” with 10 or more employees over a period of 20 calendar weeks. It applies broadly to employers with employees in the state as well as to employers that do business or take applications for employment within New Jersey.

Once the law is effective, employers must publish the hourly wage or salary, or a range of the hourly wage or salary, in every advertisement or posting about a new job or transfer opportunity, regardless of whether the listing is internal or external. Each posting must also include a general description of the benefits and other compensation programs for which the employee would be eligible. However, at the time a job offer is extended, employers are permitted to offer an applicant a higher wage or more generous benefits package than is listed in the posting.

Also, when employers advertise opportunities for promotion internally or externally, they must make “reasonable efforts” to announce, post or otherwise make known the opportunity to all current employees in the affected department(s) prior to making a hiring decision. A promotion is defined as a “change in job title and an increase in compensation.” This requirement, however, does not apply if a current employee is promoted based on the employee’s years of experience or performance. There is also an exemption from this requirement when there is a need to make a promotion on an “emergent basis due to an unforeseen event.”

Employers that violate the law can be fined up to \$300 for the first violation and \$600 for each subsequent violation. There is no private right of action specified in the Act. Employers can contact Schenck, Price, Smith & King, LLP’s Labor and Employment Practice Group with

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questions about the Act or if they require assistance complying with the Act in advance of the effective date.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.