

# One Minute Memo<sup>®</sup>



## New Jersey Employers Be Aware: New Law Will Require Employers to Repeatedly Provide Notice to Employees about Their Right to File Pay Discrimination Claims

On September 21, 2012, New Jersey Governor Chris Christie signed into law a bill that will require New Jersey employers with 50+ employees to post *and* distribute a notice detailing the rights of employees “to be free of gender inequity or bias in pay, compensation, benefits or other terms or conditions of employment” under state and federal law. The specific language required to be in the notice is yet to be drafted by the New Jersey Department of Labor (NJDOLE).

Employers will be required to post the notice conspicuously, and it must be made available in English, Spanish and any other language the employer reasonably believes is the first language of a significant number of workers, and in which the state has made a poster available. In addition, a written copy of the notice must be issued to each employee:

- Within 30 days after issuance by the NJDOLE;
- At the time of an employee’s hiring, if it occurs after issuance of the notice;
- Annually on or before December 31 of each year; *and*
- At any time upon the first request of an employee.

Employers must then elicit a signed acknowledgement from employees within 30 days of receipt of the notice that they have read and understood.

The new law (A2647) will become effective on November 21, 2012, but, given the lengthy regulatory process involved in drafting the notice, the actual poster may not be available to employers until several months after the law’s effective date.

## Governor Christie Vetoes Compensation Reporting Requirements for State Contractors

During the same session, Governor Christie vetoed bill A2649, which would have required nearly every employer with a service contract with the State of New Jersey, regardless of size, to report information regarding the gender, race, job title, occupational category, and total compensation of every employee connected with the contract to the NJDOLE, not just annually, but every time there is a change in employment status.

In rejecting the bill as unnecessary and duplicative of existing law, Governor Christie noted that the Prevailing Wage Act already requires employers, including state contractors, to report information to the NJDOLE regarding employees’ job title and rate of compensation and that the proposed bill would require reporting by contractors not subject to the Prevailing Wage Act. Governor Christie further stated that the bill would not “tangibly improve pay disparity” and in fact “would

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burden countless employers with onerous reporting requirements, thereby driving up the cost of public contracts, which are ultimately shouldered by the taxpayer.”

### What This Means for Employers

Covered New Jersey employers will have 30 days to post the notice and distribute copies to all employees once the NJDOL publishes the final version of the notice. As noted above, the law is effective as of November 21, 2012, but the NJDOL may not have completed the drafting process by this time. In any event, employers should be prepared to post and disseminate the notice by November 21, 2012. New Jersey employers would be wise to audit their pay practices now as such notices may prompt a wave of pay discrimination lawsuits. We will keep you posted on further developments.

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