

New Jersey Pay and Benefit Transparency Act

Should you do business in New Jersey and hire employees, or intend to do so in the future, you need to be aware of this *new* New Jersey law. This memorandum provides guidance to employers on how to comply with the New Jersey Pay and Benefit Transparency Act (the “Act”), which takes effect on **June 1, 2025**. The Act imposes new obligations on employers to ensure transparency in employee pay and benefits. Employers **should take immediate action** as there is no grace period to correct non-compliance.

Other states have enacted similar wage transparency laws, including Colorado, Hawaii, Nevada, Washington, Minnesota, Illinois, New York, Maryland, Connecticut, Rhode Island, California, Vermont, and the District of Columbia. Massachusetts’ law will take effect October 29, 2025.

Applicability of Act

The Act applies to all employers with 10 or more employees over a period of 20 calendar weeks that conduct business, employ workers, or accept applications in New Jersey. This includes public employers such as the State of New Jersey, counties, municipalities, school districts, and other political subdivisions. The Act requires employers to provide detailed information about pay and benefits to employees at the time of hiring and whenever changes occur. Employers must keep specific records for compliance and enforcement purposes.

Key Requirements

1. **Job Posting Disclosures:** Employers must include the following in all internal and external job postings for new positions or transfer opportunities:
 - The hourly wage or salary, or an hourly wage or salary range.
 - The text of the Act does not state how wide or narrow this range should be, but employers should make this range reasonable.
 - A pay range should have a starting point and ending point (e.g., Employers cannot list pay range of \$70,000 and up).
 - A general description of benefits and other compensation programs for which an employee in the position would be eligible.

Employers can offer wages, benefits, or other compensation higher than what was disclosed in the range posted, but **CANNOT** offer **lower** than the disclosed range.

2. **Promotion Notifications:** Employers must make reasonable efforts to announce, post, or otherwise make known to all current employees in the affected department any opportunities for promotion before making a promotion decision. This requirement does not apply to promotions based on years of experience or performance, nor does it

preclude promotions made on an emergent basis due to unforeseen circumstances (such as illness or departure of another employee).

3. **Temporary Employment Exemptions:** Temporary help service firms and consulting firms are not required to disclose pay and benefits for speculative future openings. Once any applicant is interviewed or hired, they must be provided with this information.

Enforcement and Penalties

The New Jersey Department of Labor and Workforce Development has the authority to enforce the Act; while this agency has published basic descriptions of the Act's requirement, they have yet to post their official regulations. Employers found in violation of the Act will be subject to civil penalties:

- Up to \$300 for the first violation.
- Up to \$600 for each subsequent violation.

Each failure to comply with the disclosure requirements for a particular job opening or transfer opportunity constitutes one violation, regardless of the number of postings or forums used. Currently there is no private right of action under the Act, though this may change over time.

Action Steps for Employers

To ensure compliance with the Pay Transparency Act, employers should:

- Immediately review and update active internal and external job postings to include required pay and benefit information.
- Review or implement procedures to notify current employees of promotion opportunities.
- Conduct audits to assess compensation ranges and address any disparities.
- Provide training on the new disclosure requirements to human resources personnel and employees who are responsible for preparing these postings.



By Frank C. Botta, Esq.

Chair of Transportation and Employment Practice Groups



The Lynch Law Group, LLC

724-776-8000

375 Southpointe Blvd., Suite 100

Canonsburg, PA 15317