



New Jersey Assembly Introduces Bill To Prohibit Asking About Applicants' Compensation Histories

Insights

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Recently, the New Jersey Assembly introduced a bill that would amend the New Jersey Law Against Discrimination to prohibit employers from seeking compensation information on employment candidates. Pursuant to the bill's statement, the purpose of the bill is "to strengthen protections against employment discrimination and thereby promote equal pay for women" So far the only actions taken to date on the bill have been its introduction and referral to the Assembly Labor Committee.

The bill in its current form would prohibit employers from asking about applicants' salary histories until after making an offer of employment. Also, the bill would prohibit employers from requiring employees to divulge information about their or other employees' compensation as a condition of employment. Applicants may voluntarily disclose their compensation history prior to receiving an offer; however, any voluntary disclosure must not be coerced by employers.

Additionally, the bill prohibits employers from setting minimum or maximum salary histories as a criteria for being interviewed or continued consideration for an offer of employment. Employers would only be allowed to confirm or have prospective employees confirm their salary history after an offer of employment has been made. Lastly, the bill would prohibit employers from taking retaliatory action against employees or applicants based upon prior compensation history or opposing requests for such information.

New Jersey employers should keep an eye on the status of the bill. While it is unknown whether the bill will be passed and what action the Governor would take should the bill reach his desk, the law if enacted could have a significant impact on employers' hiring processes in New Jersey. Additionally, New Jersey will have its next gubernatorial election in 2017 and the sitting Governor is term limited, meaning it is unclear who will have the veto authority should this bill be introduced and passed by the Legislature in the next Legislative Session.