



Pay Transparency Coming to New Jersey in 2025: 6 Steps for Employers to Prepare

Insights

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New Jersey will soon be the next state with a pay transparency law – which means employers should have an action plan ready for compliance. New Jersey already has one of the most robust pay equity laws in the country, and a bill signed into effect by Governor Murphy on Monday will only add to employers' obligations. Starting June 1, 2025, the new law will require you to disclose certain compensation and benefits information in job listings and for promotional opportunities. What do you need to know about this new law and what are the six things New Jersey employers should do to prepare?

Background on New Jersey's Existing Pay Equity Law

- **Pay Protections.** New Jersey's Diane B. Allen Equal Pay Act made history as the most expansive pay equity law in the country when it was first enacted in 2018. Under this law, which added to the Law Against Discrimination (LAD), employers are prohibited from paying wages to a member of a protected class at a rate of compensation (including benefits) that is less than the rate paid to employees who are not members of the protected class for substantially similar work. The protected classes include all categories recognized under the LAD, such as race, creed, color, national origin, ancestry, age, affectional or sexual orientation, pregnancy, sex, gender identity or expression, and disability.
- **Exceptions.** The exceptions for a pay disparity are limited to decisions based on a seniority system, a merit system, or legitimate bona fide factors that are job-related with respect to the position in question, based on a legitimate business necessity and account for the entire wage differential.
- **Employer Obligations.** New Jersey employers are prohibited from discriminating against or discharging an employee for exercising their rights under the law, including requesting, discussing, or disclosing pay-related information. Additionally, New Jersey employers cannot ask job applicants about their salary history.

New Pay Transparency Legislation

- **Covered Employers.** Senate Bill 2310 – which was introduced in January, passed by lawmakers in September, and signed into effect by Governor Murphy earlier this week – will require pay transparency for both promotional opportunities and employment listings. The requirements will

apply to New Jersey employers with 10 or more employees over 20 calendar weeks that do business, employ workers, or take applications for employment in the state.

- **Posting Requirements.** Starting June 1, 2025, New Jersey employers will need to disclose the hourly wage or salary (or range) and a general description of benefits and other compensation programs for which the employee would be eligible. You will need to include this information in each posting for a new job, as well as transfer opportunities that are advertised externally or internally. Notably, you will still have some flexibility to increase the wages, benefits, and compensation when making an offer of employment.
- **Internal Announcements.** With respect to promotional opportunities, you will be required to make reasonable efforts to announce or post the opportunities to all current employees in the affected departments prior to making a promotion decision, unless the decision is based on years of experience or performance.
- **Penalties.** The new law also includes penalties for non-compliance: \$300 for the first violation and \$600 for each subsequent violation.
- **Temporary help service firms and consulting firms** are also required to provide pay and benefit information to an applicant for temporary employment during the interview or when they are hired for a specific job opening. However, they are not required to provide this information in a job posting that is meant to identify qualified applicants for potential future job openings.

What Should Employers Do Now? Your 6-Step Plan

- **Prepare for Effective Date.** Now is an ideal time to start identifying pay ranges for certain positions so you are ready to meet your future disclosure requirements. June 1, 2025, will be here before you know it.
- **Consider a Pay Equity Audit.** It may also be a good time to consider a pay equity audit to ensure your pay practices are compliant with all federal and state equal pay laws.
- **Consult with Experienced Legal Counsel.** Work with your counsel to learn more about the benefits of a pay equity audit and other best practices to ensure your organization remains compliant with pay transparency laws around the country. Working with counsel will also mean that the process will be covered by the attorney-client privilege.
- **Update Job Posting Templates and Procedures.** You should review and possibly revise your job posting procedures to ensure compliance with the new requirements (including internal promotion opportunities). Update posting procedures to include third-party recruiting. You should also revise job posting templates to include sections for pay range, benefits, and other compensation. Ensure these templates are used consistently for all positions covered by the law.
- **Train HR and Recruitment Staff.** Provide training for HR and recruitment teams on the new requirements and the importance of compliance. This training should cover how to determine and document pay ranges, as well as how to communicate this information effectively to applicants and promotion candidates.

- **Follow Bigger Trend.** New Jersey is following the trend we're seeing in other states, which you can [track in our FP Pay Equity Map](#). If you're a multistate employer, make sure you know what's going on in all the states where you have operations, taking into account recent activity in [Illinois](#), [Massachusetts](#), [Vermont](#), [Minnesota](#), [Maryland](#), and the [District of Columbia](#).

Conclusion

We will continue to monitor developments in New Jersey and throughout the country on pay transparency. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have any questions about pay equity obligations, please contact your Fisher Phillips attorney, the authors of this Insight, or any member of our [Pay Equity Practice Group](#).

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