



# New Jersey's Pay Transparency Law Takes Effect June 1: Who's Covered, What's Required, and 6 Steps for Employers to Comply

Insights

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New Jersey's far-reaching pay transparency law is about to take effect – is your business ready to comply? Starting June 1, covered employers, including certain businesses outside of the state, must disclose compensation and benefits information in job listings and for promotional opportunities. Here's what you need to know about this new law, plus your six-step compliance plan.

## Snapshot of New Jersey's New Pay Transparency Rules

The New Jersey Pay and Benefit Transparency Act (NJPBTA) takes effect on **June 1**. Here are the key points you should know:

- **Covered Employers.** The NJPBTA is far-reaching and will apply to employers with 10 or more employees over 20 calendar weeks that do business, employ workers, or take applications for employment within New Jersey. ***This means that some businesses may be required to comply even if they are not physically located in New Jersey or do not have any employees located in the state.*** For more on covered employers and specific examples, check out [this guidance](#) from the state's Department of Labor & Workforce Development (NJDOL).
- **Posting Requirements.** The new law requires pay transparency for both promotional opportunities and employment listings. Starting June 1, covered 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 NJPBTA also includes penalties for non-compliance: **\$300** for the first violation and **\$600** for each subsequent violation.
- **Limited Requirements for Temp Agencies.** Temporary help service firms and consulting firms are only 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.

**Reminder on New Jersey's Existing Pay Equity Rules.** New Jersey's [Diane B. Allen Equal Pay Act](#) made history as the broadest pay equity law in the country when it was first enacted in 2018, as it expanded the state's Law Against Discrimination to make discrimination in wages on the basis of **any protected class** an unlawful employment practice (read more [here](#)). Additionally, employers [cannot ask job applicants about their salary history](#), thanks to a New Jersey law that took effect in 2020.

## Your 6-Step Plan for Compliance with New Jersey's Pay Transparency Requirements

- **Prepare for Impending Effective Date.** If you haven't already, make sure to start identifying pay ranges for certain positions so you are ready to meet the NJPBTA's disclosure requirements starting June 1. You should also read through the [NJDOL's guidance](#) on the new rules, which includes a "Frequently Asked Questions" section.
- **Consider a Pay Equity Audit.** You should consider conducting a [pay equity audit](#) to ensure your pay practices are compliant with all federal, state, and local 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 and Transparency Map](#). If you're a multistate employer, make sure you know what's going on in all the states and localities where you have operations. For example, new pay equity and/or transparency laws are set to take effect soon in [Massachusetts](#), [Vermont](#), and the [City of Cleveland](#), and new laws were rolled out earlier this year in [Illinois](#) and [Minnesota](#) and last year in [Maryland](#) and the [District of Columbia](#).

## Conclusion

We will continue to monitor developments in New Jersey and throughout the country on pay equity and 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 or pay transparency obligations, please contact your Fisher Phillips attorney, the authors of this Insight, or any member of our [Pay Equity and Transparency Practice Group](#).

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