

New Jersey Joins the Pay Transparency Movement: What Employers Need to Know

Alison Frimmel

November 12, 2024

New Jersey has become the latest state to embrace pay transparency. On September 26, 2024, Senate Bill 2310 (SB2310) was approved by the state legislature, and after a 45-day waiting period, it officially became law this week. With a compliance deadline set for June 2025, employers have several months to prepare for the new requirements.

Are you ready to meet the new standards?

Who Will be Affected by New Jersey's Pay Transparency Law?

If you're an employer in New Jersey with 10 or more employees working at least 20 weeks in the state, this law applies to you. This includes businesses that:

- Operate in New Jersey;
- Employ people within New Jersey; or
- Take job applications from New Jersey residents.

Take note: Job placement agencies and multi-state employers with employees in New Jersey will also be covered.

Key Requirements: What Needs to Be Included in Job Postings?

Covered employers will be required to include specific pay and benefits information in their internal and external job postings.

Here's what needs to be included:

- **Salary or Hourly Rate** – Employers must disclose the pay range or the specific salary/hourly wage for the job being advertised.
- **Benefits & Compensation** – Employers must also provide a general description of benefits and other compensation packages available for the position.

But that's not all. The law not only covers new jobs, but promotions, which are defined as a change in job title and an increase in compensation. If your job posting includes a potential promotion, you must also make "reasonable efforts" to inform all current employees within the affected department about the promotion opportunity before making a decision.

SB2310 Compliance: Penalties and Fines

Failure to comply with SB2310 can result in fines. Here's the breakdown:

- First violation: \$300
- Subsequent violations: \$600 per violation

While there's no private right of action (i.e., employees can't sue you directly), these penalties could add up quickly.

Key Takeaway for Employers: Start Planning Now

If you're new to pay transparency laws, don't panic— you still have time. But now is the time to start thinking ahead.

As you prepare for SB2310's compliance deadline, consider the following:

- **Your pay practices** - Are your current salary ranges competitive? Are they clearly defined for each position?
- **Your job postings** - Is it time for an update? Ensure that all positions include salary ranges and benefits information as required by law.
- **Your managers** - Is it time for some extra training? Managers should be fully informed about the law and how to handle promotional opportunities.
- **Potential pay gaps** - Now is a good time to conduct an audit to ensure there are no state or federal compliance concerns. This is especially important in light of New Jersey's broad equal pay protections under the Diane B. Allen Equal Pay Act.

With careful preparation, you'll be ahead of the curve when the compliance deadline rolls around.

If you have any questions about SB2310, pay transparency, or how to comply with the new law, don't hesitate to reach out to a member of the Kelley Drye [Labor and Employment team](#).