

# 7 THINGS YOU NEED TO KNOW ABOUT THE NJ PAY EQUITY LAW

## 1. IT APPLIES TO ALL NJ COMPANIES

The Act applies to all New Jersey public and private employers regardless of size, except for federal employers.

## 2. IT'S NOT JUST ABOUT GENDER

The law is a change to the New Jersey Law Against Discrimination (LAD), which not only protects gender, but all protected classes including include race, creed, color, national origin, nationality, ancestry, age, sex, pregnancy, familial status, marital status, domestic partnership or civil union status, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for military service, and mental or physical disability, perceived disability, and AIDS and HIV status.

## 3. COMPENSATION EQUALITY

Employers cannot pay employees in a protected class, either in compensation or benefits, less than those in a non-protected class for "substantially similar work."

## 4. WHAT CAN EMPLOYERS DO?

Employers can take into account such things as experience, seniority, training, education and a merit system when determining pay. However, employers should examine the fairness of their pay systems to ensure compliance with the law and reduce their risk of wage discrimination claims.

## 5. YOU CANNOT REDUCE THE RATE OF COMPENSATION

Employers are prohibited from reducing the rate of compensation of any employee in order to achieve compliance with the new law.

## 6. STATUTE OF LIMITATION PERIOD EXTENDS

The Act extends the LAD's statute of limitations period for compensation-related claims from 2 years to 6 years, so an employee who has evidence of wage discrimination could get up to 6 years of back wages, as well as triple damages under the Act.

## 7. EMPLOYEES HAVE A RIGHT TO TALK

The Act prohibits employers from taking adverse action against an employee who requests, discusses or discloses to any other employee or former employee any information regarding job title, occupational category, and rate of compensation (including benefits).

Have questions regarding the NJ Pay Equity Law or other HR related topics? Our Compliance and HR team are here to help.