

## Garden State Employers Have New Pay Transparency Obligations Effective June 1, 2025

November 25, 2024

New Jersey has become the latest state to enact a [new pay transparency law](#) for employers, following Gov. Phil Murphy's signature enacting [SB 2310](#). As detailed below, the bill requires pay range disclosures in job postings for new jobs and transfer opportunities.

### Covered employers

The law applies to any employer with 10 or more employees over 20 calendar weeks that also conducts business, employs persons or takes applications for employment within the state. Employment agencies, such as job placement and referral agencies, are included as employers if they meet these requirements.

### Job posting requirements

Covered employers must disclose in each job posting for new jobs and transfer opportunities:

1. The hourly wage or salary, or range of hourly wage or salary.
2. A general description of benefits and other "compensation programs" for which the employee would be eligible.

In addition, an employer is free to increase the wages, benefits or compensation when making an offer of employment to an applicant.

Temporary help service firms and consulting firms registered with the New Jersey Division of Consumer Affairs in the Department of Law and Public Safety are not required to provide the salary range and benefit information in postings that are "posted for the purpose of identifying qualified applicants for potential future job openings" – though they are required to provide that information to an applicant for temporary employment at the time of interview or hire for a specific job opening.

### Promotional opportunities notification

Covered employers also must make "reasonable efforts" to announce, post or otherwise make known opportunities for promotion that are advertised internally within the employer or externally. This notification must be made to "all current employees in the affected department or departments of the employer's business" and must be made before making a promotion decision. The law broadly defines a "promotion" as a "change in job title and an increase in compensation," but excludes promotions for employees based on years of experience or performance. In addition, the law does not prohibit employers from making promotions "based on an emergency basis due to an unforeseen event," though it does not define what constitutes such an "emergency basis," nor does it define what "reasonable efforts" may satisfy compliance under the law.

## Violations

Employers violating the law will be subject to a civil penalty of up to \$300 for the first violation and \$600 for each subsequent violation. However, an employer's failure to comply with the law for one promotion, job opening or transfer opportunity will be considered a single violation of the law, regardless of the number of postings or listings made for the opportunity.

## Next steps

The Garden State has joined several states that have recently enacted pay transparency laws. In addition to New Jersey, states with laws going into effect in 2025 alone include [Illinois](#) (effective January 1, 2025), Minnesota (effective January 1, 2025), [Massachusetts](#) (effective February 1, 2025) and Vermont (effective July 1, 2025).

New Jersey employers should be mindful of local pay transparency requirements that may pose more onerous pay transparency obligations – such as [Jersey City's pay transparency law](#), enacted in 2022. Under the law, employers with five or more employees **or independent contractors** in Jersey City must disclose the minimum and maximum base salary or hourly wage for all jobs, promotions and transfer opportunities for a Jersey City position, whether the employment, promotion or transfer is **temporary or permanent**. Employers also must include a description of benefits. The penalty for noncompliance is a fine of up to \$2,000.

Employers can get ahead of the statewide June 2025 compliance date by determining the pay ranges and benefits for affected positions. In addition, employers should identify what "reasonable efforts" they can utilize to meet the law's compliance requirements on making known opportunities for promotions. Employers also should train human resources and recruiting teams on the law's requirements, particularly with respect to handling promotional opportunities. If not already done, employers also may wish to conduct a pay equity audit in conjunction with legal counsel to take advantage of legal safe harbors afforded to employers that run such audits. Legal counsel can assist with making applicable adjustments and communicating those adjustments to employees and external stakeholders.

If you have any questions about the New Jersey law or pay transparency issues more generally, please contact the Cooley employment team or one of the lawyers listed below.

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