

## **NEW JERSEY EMPLOYERS PREPARE FOR 2016**

With 2015 coming to an end, New Jersey employers must ready their businesses for the coming year. With this in mind, we have compiled the following information for New Jersey employers to consider as we enter 2016.

- The New Jersey Department of Labor announced in September 2015 that the state minimum wage would remain the same. It currently stands at \$8.38 per hour.
- The U.S. Department of Labor issued the proposed rule to increase the salary threshold for exempt employees to \$970 per week, or \$50,440 annually. There are several other proposed changes to the regulations dealing with exemptions and it is anticipated that the final rule on these changes will be published by spring 2016. Employers should use the time before the final rule becomes effective to review their internal records to ensure their employees will be properly classified.
- Continuing with post-January 1 compliance issues, employers should keep in mind that the Affordable Care Act requires many group health insurance plan sponsors to report coverage information to the federal government in early 2016 for the 2015 calendar year. Small employers (i.e., those with fewer than 50 full-time employees) with fully insured plans will have their reporting handled by the insurance company, while large employers and all employers that sponsor self-insured group health plans will be required to submit reports to the federal government. As a result of recent legislative changes, the due dates for these reports have been extended. Employee information reports must now be distributed by March 31, 2016, while employer reports are required to be filed in either May or June 2016. In determining which filing requirements apply, employers should also review the controlled group rules to properly calculate the total number of full-time employees for all related entities.
- In March 2015, New Jersey became the sixth state to adopt a “ban-the-box” law. The New Jersey Opportunity to Compete Act restricts the ability of employers to conduct criminal background checks on potential new employees or current employees. On December 7, 2015, the New Jersey Department of Labor issued final regulations that clarify many aspects of the ban-the-box law, including the fact that the law applies to employers with 15 or more employees, regardless of whether the employees work in New Jersey. Employment applications should be reviewed to ensure compliance with the law and regulations.
- Paid sick leave ordinances continue to sprout up in municipalities around the state. In November 2015, Elizabeth became the 10<sup>th</sup> New Jersey municipality to require paid sick leave. (The others are Newark, Jersey City, East Orange, Paterson, Passaic, Trenton, Montclair, Irvington, and Bloomfield.) If you have employees working in any of these municipalities, review your sick leave policies to ensure they meet the requirements of the applicable ordinance.



- Each new year provides an opportunity to review the posting requirements of various laws. For example, posters addressing state wage and hour laws, unemployment benefits, workers compensation, the New Jersey Safe Act, and the Law Against Discrimination must be conspicuously displayed in the workplace. The Conscientious Employee Protection Act requires that notices be distributed to employees on an annual basis. Posting and notice requirements also are required under the New Jersey Family Leave Insurance Law. Employers may access posters through the New Jersey Department of Labor website.
- Employers continue to wait for the decision of the New Jersey Supreme Court in the case of *Rodriguez v. Raymours Furniture Company, Inc.* The issue in this case is whether an employer can shorten the time period within which a state law employment claim must be filed by including such a provision in an employment application. The appellate court in *Rodriguez* ruled that an employer could reduce the applicable statute of limitations from two years to six months by conspicuously displaying such a provision in the employment application, and thereby creating an enforceable contract. The Supreme Court heard oral argument on this case earlier this month, and a decision is anticipated sometime next year.
- The misclassification of employees as independent contractors continues to be a hot button issue at both the state and federal level. Employers who utilize contractors must ensure that their practices comply with the myriad laws that apply to this issue.
- Finally, if you have not looked at your employee handbook in the past year, make sure to do so soon. Earlier this year, the General Counsel for the National Labor Relations Board issued a comprehensive memorandum on what the Board considers to be lawful and unlawful handbook policies. Changes in your business practices, as well as changes in federal, state, or local laws, can impact your company's policies. These changes should be captured in your employee handbook.

Wishing everyone the best for a healthy and successful New Year!

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