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# New Jersey Employment Law Desk Reference

*At a glance*

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# Establishing & Terminating Employment

## Employment at Will

In the absence of a contract for employment for a specified term or labor agreement, the standard rule in New Jersey is that employment is terminable at will, by either the employer or employee, for any reason not prohibited by law.

However, employment handbooks, manuals and policies can create an express or implied contract between an employer and an employee. Accordingly, it is good practice for employers to incorporate an unambiguous written disclaimer clearly stating that nothing in the handbook, manual or policy alters the at-will employment relationship.

## Drug Testing

New Jersey does not have any statutory regulation as to drug testing in the workplace, and employers should look to case law and the state constitution for guidance. However, because drug use by employees creates safety hazards in the workplace, employers are permitted to engage in pre-employment, reasonable suspicion, and random drug testing of employees holding safety sensitive positions. Moreover, because such testing involves the balancing of the employer's interest in safety against the employee's privacy expectations, as a practical matter, employers should use the least intrusive drug testing technique available.

## Background Checks



An employer may obtain consumer reports concerning background checks or credit checks on its employees and applicants for employment from a consumer reporting agency. Under the New Jersey Fair Credit Reporting Act (NJFCRA) an employer is required to make certain disclosures to its employees or applicants, such as the nature and scope of the investigation. The employer is also required to notify the employee or applicant, in writing, that he or she is authorized to obtain a copy of the report. N.J.S.A. §56:11- 28 et seq; 15 U.S.C.S. §1687.

## New Hire Reporting

Under the New Jersey Child Support Act (NJCSA), all New Jersey employers are required to report basic information about employees who are newly hired, rehired or who return to work after a break from employment to the New Jersey Department of Human Services. The employer is required to report the following information: the employer's federal employer identification number (FEIN), the employer's business name and address, the employee's social security number, name and address, and the employee's date of hire. The report must be submitted within 20 days of the employee's first day on the job or return to the job, or within 15 days if the employer is using electronic media to report. N.J.S.A §2A:17-56.61.

## Notice of Pay Rate

All New Jersey employers are required to notify employees at the time of hiring, of the rate of pay and the regular payday designated by the employer. Additionally, employers must notify employees of any changes to pay rates or pay days prior to the implementation of such changes as well as provide employees with a statement of deductions for each pay period deductions are made. N.J.S.A. §34:11-4.6.

## Notices Regarding Gender Equity & CEPA

In New Jersey, employers with 50 or more employees are required to post and distribute a New Jersey Department of Labor and Workforce Development (NJDOL) notice to all employee. This notice informs employees of their "right to be free of gender inequity or bias in pay, compensation, benefits, or other terms or conditions of employment" under state and federal laws. The notice can