



New Jersey 2020 Salary History Bans Reached New Jersey!

New Jersey employers will no longer be able to ask applicants for salary history or use an applicant's prior wages, salary, or benefits to make compensation decisions unless the information is voluntarily disclosed by the applicant. The law will go into effect on January 1, 2020.

On July 25, 2019, New Jersey's Acting Governor Sheila Oliver signed into law Assembly Bill 1094, prohibiting employers from requiring job applicants to disclose their salary history, including prior wages, salaries or benefits. This is another step Governor Murphy's administration has taken in strengthening equal pay protections for New Jersey workers, including 2018's Diane B. Allen Pay Equity Act.



Salary History Ban

The bill prohibits employers in the Garden State from: (1) screening job applicants based on the applicant's salary history; or (2) requiring an applicant's salary history satisfy any minimum or maximum criteria. Employers may consider salary history in determining salary, benefits, and other compensation, and may verify an applicant's salary history, if the applicant voluntarily, without employer prompting or coercion, provides the employer his or her salary history. Employers may also, after an offer of employment which includes an explanation of the overall compensation package has been made to the applicant, request the applicant provide the employer a written authorization to confirm salary history. However, employers may not consider an applicant's refusal to volunteer information in any employment decisions.

The prohibition does not apply to applications for internal transfer or promotion or an employer's use of previous knowledge obtained as a consequence of prior employment with that employer. The prohibition also does not apply to any actions taken by an employer pursuant to any federal law or regulation that expressly requires disclosure or verification of salary history for employment purposes, or requires knowledge of salary history to determine an employee's compensation.

Also excluded from the prohibition are any actions by an employer to obtain, or verify an applicant's disclosure of, non-salary information when conducting a background check on the applicant, provided that the employer specifies salary information is not to be disclosed and if nevertheless disclosed, the employer does not retain or consider the information when determining salary, benefits, or other compensation.