[Third Reprint] **SENATE, No. 1790**

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED FEBRUARY 5, 2018

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Assemblymen Benson, Egan, Assemblywoman Timberlake, Assemblyman Verrelli, Assemblywoman Tucker, Assemblyman Danielsen, Assemblywomen Murphy, Downey, Reynolds-Jackson and McKnight

SYNOPSIS

Concerns law regarding failure to pay wages.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 10, 2019.

(Sponsorship Updated As Of: 6/28/2019)

AN ACT concerning enforcement, penalties, and procedures for law regarding failure to pay wages, revising various parts of the statutory law, and supplementing ² [article] articles 1 and ² 3 of chapter 11 of Title 34 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

- 9 ¹[1. Section 10 of P.L.1999, c.90 (C.2C:40A-2) is amended to read as follows:
 - 10. Violation of contract to pay employees.
 - a. An employer who has agreed with an employee or with a bargaining agent for employees to pay wages, compensation or benefits to or for the benefit of employees commits a disorderly persons offense if the employer:
 - (1) fails to pay wages when due and as required by law; or
 - (2) fails to pay compensation or benefits <u>as agreed and as</u> required by law, including all State wage, benefit and tax laws within 30 days after due.
 - b. If a corporate employer violates subsection a., any officer or employee of the corporation who is responsible for the violation commits a disorderly persons offense.
 - c. Upon the presentation of sufficient evidence of a violation of this section, the fact finder may infer that an employer who fails to present employee records, as required pursuant to State wage, benefit and tax laws, employed the complainant for the period of time, and owes the amount of wages, as alleged in the complaint, unless the employer demonstrates good cause for the failure to present employee records.
 - d. A complaint alleging a violation of this section shall be filed where the offense occurred, which for purposes of this section may be the place where the employee was hired or the place where the relevant work was performed by the employee.
 - e. Jurisdiction for prosecution under this section shall be the place where the offense occurred, which for purposes of this section may be the place where the employee was hired or the place where the relevant work was performed by the employee.
 - f. An employer found to owe wages to an employee because the employer committed a violation of this section shall pay the employee the wages owed plus liquidated damages equal to 200 percent of the wages owed, and reasonable costs of the action to the employee.
- g. In addition to damages provided in this or any other law, an employer found guilty of violating the provisions of this section

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted January 28, 2019.

²Senate floor amendments adopted March 14, 2019.

³Assembly floor amendments adopted June 10, 2019.

- shall be fined \$500 plus a penalty equal to 20 percent of any wages
- 2 owed for a first offense, and \$1,000 plus a penalty equal to 20
- 3 percent of any wages owed for subsequent offenses. Any sum
- 4 <u>collected as a fine or penalty pursuant to this subsection shall be</u>
- 5 applied toward enforcement and administration costs of the
- 6 Division of Wage and Hour Compliance in the Department of Labor
- 7 and Workforce Development.
- 8 <u>h. An employer who is found to have retaliated against an</u>
 9 <u>employee for filing a complaint under this section commits a</u>
 10 <u>disorderly persons offense and shall, upon conviction for the</u>
- violation, be fined not less than \$100 nor more than \$1,000, and
- shall be liable to the employee for all wages lost as a result of the
- 13 retaliation plus damages equal to 200 percent of the wages lost as a
- result of the retaliation, and reasonable costs of the action to the
- employee and, if the employee was discharged, be required to offer
- 16 <u>reinstatement, unless the reinstatement is prohibited by law.</u>
 - i. No payment of an amount of wages owed or related damages, including wages or damages related to retaliation, shall be
- 19 required under this section in addition to any amount of wages and
- 20 <u>damages paid for the same violation pursuant to any action taken</u>
- 21 <u>under State wage and hour laws.</u>

- j. For purposes of this section:
- 23 "Compensation or benefits" is remuneration received in return
- 24 for services rendered and includes, but is not limited to, health
- 25 benefits, pensions, medical treatment, disability compensation and
- 26 workers' compensation, including death benefits to dependents of
- workers who have died as a result of their employment.
- 28 "Employee" means any person suffered or permitted to work by
- 29 <u>an employer, except that independent contractors and</u>
- 30 subcontractors shall not be considered employees, except that, for
- 31 <u>the purposes of subsections c. through i. of this section, "employee"</u>
- 32 <u>shall not include any employee working in the construction industry</u>
- 33 <u>under the provisions of a collective bargaining agreement.</u>
- 34 "Employer" means any individual, partnership, association, joint
- 35 stock company, trust, corporation, the administrator or executor of
- 36 the estate of a deceased individual, or the receiver, trustee, or
- 37 successor of any of the same, employing any person in this State,
- 38 except that, for the purposes of subsections c. through i. of this
- 39 section, "employer" shall not include any employer in the
- 40 <u>construction industry with respect to employees of that employer</u>
- 41 working under the provisions of a collective bargaining agreement
- 42 <u>with the employer. For the purposes of this section the officers of a</u>
- 43 corporation and any agents having the management of that
- 44 <u>corporation shall be deemed to be the employers of the employees</u>
- 45 <u>of the corporation.</u>
- 46 "State wage and hour laws" means article 1 of chapter 11 of Title
- 47 34 of the Revised Statutes and all acts supplementing that article
- 48 (R.S.34:11-2 et al.), P.L.1966, c.113 and all acts supplementing that

- 1 act (C.34:11-56a et al.), P.L.2005, c.379 (C.34:11-56.58 et seq.),
- 2 and article 3 of chapter 11 of Title 34 of the Revised Statutes
- (R.S.34:11-57 et seq.), but "State wage and hour laws" do not 3
- include the "New Jersey Prevailing Wage Act," P.L.1963, c.150 4
- (C.34:11-56.25 et seq.), or "The Public Works Contractor 5
- Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.): 6
- 7 "State wage, benefit and tax laws" means State wage and hour 8 laws and all of the following:
 - (1) The workers' compensation law, R.S.34:15-1 et seq.;
- 10 (2) The "unemployment compensation law," R.S.43:21-1 et 11 seq.;
- (3) The "Temporary Disability Benefits Law," P.L.1948, c.110 12 13 (C.43:21-25 et al.);
- 14 (4) P.L.2008, c.17 (C.43:21-39.1 et al.); and
- 15 (5) The "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et 16 seq.
- "When due" is the time agreed upon by the employer and 17 18 employee but in any case not greater than 16 days of completion of
- 19 the work as provided for under section 2 of P.L.1965, c.173
- 20 (C.34:11-4.2) and in accordance with a bi-monthly payment
- 21 schedule.

- 22 (cf: P.L.1999, c.90, s.10)]1 23
- 24 ¹[2.] 1. Section 2 of P.L.2009, c.194 (C.34:1A-1.12) is amended to read as follows: 25
- If ²[the commissioner is notified pursuant to 2. $a.^{2}(1)^{2}$ 26
- 27 subsection g. of this section by the Attorney General, the Attorney
- 28 General's designee, or a court, of a conviction of an employer under
- subsection a. of section 10 of P.L.1999, c.90 (C.2C:40A-2), or if **]**² 29
- 30 the commissioner determines that an employer has failed, for one or
- more of its employees, to maintain and report every record 32 regarding wages, benefits and taxes which the employer is required
- 33 to maintain and report pursuant to State wage, benefit and tax laws,
- 34 as defined in section 1 of this act, and has, in connection with that
- 35 failure to maintain or report the records, failed to pay wages,
- 36 benefits, taxes or other contributions or assessments as required by 37
- those laws, the commissioner shall, as an alternative to, or in
- 38 addition to, any other actions taken in the enforcement of those 39 laws, notify the employer of the determination and have an audit of
- 40 the employer and any successor firm of the employer conducted not
- 41 more than 12 months after the determination.
- 42 ²(2) If the commissioner is notified pursuant to subsection g. of
- 43 this section of a conviction of an employer, the commissioner shall,
- 44 as an alternative to, or in addition to, any other actions taken in the
- 45 enforcement of the laws violated by the employer, have an audit of
- 46 the employer and any successor firm of the employer conducted not
- more than 12 months after receipt of the notification.² 47

- b. If, in an audit conducted pursuant to subsection a. of this section, the commissioner determines that the employer or any successor firm to the employer has continued in its failure to maintain or report records as required by those laws ²[and] or² continued in its failure to pay wages, benefits, taxes or other contributions or assessments as required by those laws, or if the commissioner is notified pursuant to subsection g. of this section of <u>a</u> ²[subsequent] ² conviction of the employer ²[under subsection a. of section 10 of P.L.1999, c.90 (C.2C:40A-2)] and the offense resulting in the conviction occurred subsequent to an audit conducted pursuant to subsection a. of this section², the commissioner:
 - (1) May, after affording the employer or successor firm notice and an opportunity for a hearing in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), issue a written determination directing any appropriate agency to suspend any one or more licenses that are held by the employer or successor firm, for a period of time determined by the commissioner. In determining the length of a suspension, the commissioner shall consider any of the following factors which are relevant:
 - (a) The number of employees for which the employer or successor firm failed to maintain or report required records and pay required wages, benefits, taxes or other contributions or assessments;
 - (b) The total amount of wages, benefits, taxes or other contributions or assessments not paid by the employer or successor firm;
 - (c) Any other harm resulting from the violation;
 - (d) Whether the employer or successor firm made good faith efforts to comply with any applicable requirements;
 - (e) The duration of the violation;

- (f) The role of the directors, officers or principals of the employer or successor firm in the violation;
- (g) Any prior misconduct by the employer or successor firm; and
 - (h) Any other factors the commissioner considers relevant; and
- (2) Shall conduct a subsequent audit or inspection of the employer or any successor firm of the employer not more than 12 months after the date of the commissioner's written determination.
- c. If, in the subsequent audit or inspection conducted pursuant to subsection b. of this section, the commissioner determines that the employer or successor firm has continued in its failure to maintain or report records as required pursuant to State wage, benefit and tax laws, as defined in section 1 of this act, and continued in its failure to pay wages, benefits, taxes or other contributions or assessments as required by those laws, or if the commissioner is notified pursuant to subsection g. of this section of

- 1 <u>a ²[subsequent]² conviction of the employer ²[under subsection a.</u>
- of section 10 of P.L.1999, c.90 (C.2C:40A-2) for an offense
- 3 occurring after the audit conducted pursuant to subsection b. of this
- 4 <u>section²</u>, the commissioner, after affording the employer or
- 5 successor firm notice and an opportunity for a hearing in
- 6 accordance with the provisions of the "Administrative Procedure
- 7 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall issue a written
- 8 determination directing any appropriate agency to permanently
- 9 revoke any one or more licenses that are held by the employer or
- 10 any successor firm to the employer and that are necessary to operate
- 11 the employer or successor firm.

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- d. Upon receipt of any written determination of the commissioner directing an agency to suspend or revoke a license pursuant to this section, and notwithstanding any other law, the agency shall immediately suspend or revoke the license.
- 16 e. In instances where an employee leasing company has 17 entered into an employee leasing agreement with a client company 18 pursuant to P.L.2001, c.260 (C.34:8-67 et seq.), any written 19 determination by the commissioner directing agencies to suspend an 20 employer license pursuant to subsection b. of this section, or revoke 21 an employer license pursuant to subsection c. of this section, for a 22 failure or continued failure to keep records regarding, and to pay, 23 wages, benefits and taxes pursuant to State wage, benefit and tax 24 laws, shall be for the suspension or revocation of the licenses of the 25 client company and not the licenses of the employee leasing 26 company if the commissioner determines that the failure or 27 continued failure was caused by incomplete, inaccurate, misleading, 28 or false information provided to the employee leasing company by 29 the client company. Nothing in this subsection shall be construed 30 as diminishing or limiting the authority or obligation of the 31 commissioner to rescind the registration of an employee leasing 32 company pursuant to the provisions of section 10 of P.L.2001, 33 c.260 (C.34:8-76).
 - f. If, in the course of an audit or inspection conducted pursuant to this section, the commissioner discovers that an employee of the employer or of any successor firm of the employer has failed to provide compensation to the employee as required under any of the State wage and hour laws as defined in ²[section 10 of P.L.1999, c.90 (C.2C:40A-2)] R.S.34:11-57², then the commissioner shall initiate a wage claim on behalf of the employee pursuant to R.S.34:11-58.
- g. Upon the conviction of an employer under subsection a. of section 10 of P.L.1999, c.90 (C.2C:40A-2) ² [the Attorney General, the Attorney General's designee,], section 13 of P.L., c. (C.) (pending before the Legislature as this bill), subsection a. of section 10 of P.L.1965, c.173 (C.34:11-4.10), subsection a. of section 25 of P.L.1966, c.113 (C.34:11-56a24), or N.J.S.2C:20-2 if the property stolen consists of compensation the employer failed to provide to an

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1 employee under any State wage and hour law as defined in R.S.34:11-57, the prosecutor² or the court shall notify the 2 commissioner of the employer's conviction. 3 4 (cf: P.L.2009, c.194, s.2) 5 6 ¹[3.] <u>2.</u> Section 10 of P.L.1965, c.173 (C.34:11-4.10) is 7 amended to read as follows: 8 10. a. Any employer who knowingly ² [and willfully] fails to pay the full amount of wages to an employee agreed to or required 9 10 by, or in the manner required by, the provisions of article 1 of chapter 11 of Title 34 of the Revised Statutes and all acts 11 supplementing that article (R.S.34:11-2 et al.), or who knowingly² 12 violates any ²other ² provision of P.L.1965, c.173 (34:11-4.1 et 13 seq.), or who ²[discharges, or in any other manner discriminates] 14 takes a retaliatory action² against an employee ²by discharging or in 15 any other manner discriminating against the employee² because the 16 employee has made a complaint to that employee's employer, to the 17 18 commissioner, or to that employee's authorized representative, that 19 the employer has not paid the employee the full amount of wages 20 agreed upon or required by, and in the manner required by, the 21 provisions of article 1 of chapter 11 of Title 34 of the Revised 22 Statutes and all acts supplementing that article (R.S.34:11-2 et al.), 23 or because the employee has caused to be instituted or is about to 24 cause to be instituted any proceeding under or related to that article 25 or those acts, or because that employee has testified or is about to 26 testify in any proceeding under or relating to that article or those acts, or because the employee has informed any ²[person] 27 employee of the employer² about rights under State laws regarding 28 wages and hours worked, shall be guilty of a disorderly persons 29 offense and, upon conviction for a ¹first ¹ violation, shall be 30 punished by a fine of not less than [\$100] \$500 nor more than 31 \$1,000 ¹or by imprisonment for not less than 10 nor more than 90 32 days or by both the fine and imprisonment and, upon conviction for 33 a second ²or subsequent ² violation, be punished by a fine of not less 34 35 than \$1,000 nor more than \$2,000 or by imprisonment for not less 36 than 10 nor more than 100 days or by both the fine and imprisonment¹. ²[1Upon conviction for a third or subsequent 37 violation, an employer shall be guilty of a crime of the fourth 38 degree and be punished by a fine of not less than \$2,000 nor more 39 40 than \$10,000 or by imprisonment for up to 18 months or by both the fine and imprisonment. ¹]² Each ¹week, in any ¹ day ¹[during] of ¹ 41 which any violation of [this act] article 1 of chapter 11 of Title 34 42 of the Revised Statutes and all acts supplementing that article 43 (R.S.34:11-2 et al.) continues shall constitute a separate and distinct 44 45 offense. In the case of a discharge or other discriminatory action

against the employee which is in violation of this subsection, the

employer shall ²also² be required to offer reinstatement in

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employment to the discharged employee²[, unless the reinstatement] 1 2 is prohibited by law,]² and to correct the discriminatory action, and also to pay to the employee, in full, all wages lost as a result of that 3 discharge or discriminatory action, plus ²[any reasonable cost of 4 5 the action, and liquidated damages equal to 2not more than 200 percent of the wages due, under penalty of contempt proceedings. 6 7 Taking an adverse action against an employee within ninety days of 8 the employee filing a complaint with the commissioner ²or a claim or action being brought by or on behalf of the employee in a court 9 of competent jurisdiction² for a violation of article 1 of chapter 11 10 of Title 34 of the Revised Statutes and all acts supplementing that 11 article (R.S.34:11-2 et al.) shall ² [raise a presumption] be 12 considered presumptive evidence² that the ²employer's² action was 13 ²[a discriminatory action] knowingly² taken in retaliation²[, which 14 may be rebutted only by clear and convincing evidence that the 15 16 action was taken for other, permissible, reasons against the 17 employee². An employee complaint or other communication need 18 not make explicit reference to any section or provision of any State 19 law regarding wages and hours worked to trigger the protections of 20 this section.

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b. As an alternative to or in addition to any other sanctions provided by law for violations of P.L.1965, c.173 (C.34:11-4.1 et seq.), when the Commissioner of Labor and Workforce Development finds that an employer has violated that act, or taken any ²[discriminatory] retaliatory ² action against the employee in violation of subsection a. of this section, the commissioner is authorized to assess and collect administrative penalties, up to a maximum of \$250 for a first violation and up to a maximum of \$500 for each subsequent violation, specified in a schedule of penalties to be promulgated as a rule or regulation by the commissioner in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). When determining the amount of the penalty imposed because of a violation, the commissioner shall consider factors which include the history of previous violations by the employer, the seriousness of the violation, the good faith of the employer and the size of the employer's business. No administrative penalty shall be levied pursuant to this section unless the Commissioner of Labor and Workforce Development provides the alleged violator with notification of the violation and of the amount of the penalty by certified mail and an opportunity to request a hearing before the commissioner or his designee within 15 days following the receipt of the notice. If a hearing is requested, the commissioner shall issue a final order upon such hearing and a finding that a violation has occurred. If no hearing is requested, the notice shall become a final order upon expiration of the 15-day period. Payment of the penalty is due when a final order is issued or when the notice becomes a final order. Any penalty imposed pursuant to this

1 section may be recovered with costs in a summary proceeding 2 commenced by the commissioner pursuant to ["the penalty law" (N.J.S.2A:58-1 et seq.) the "Penalty 3 enforcement 4 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). 5 Any sum collected as a fine or penalty pursuant to this section shall 6 be applied toward enforcement and administration costs of the 7 Division of Workplace Standards in the Department of Labor and 8 Workforce Development. 9 c. If any employer fails to pay the full amount of wages to an 10 employee agreed to or required by, or in the manner required by, the provisions of article 1 of chapter 11 of Title 34 of the Revised 11 12 Statutes and all acts supplementing that article (R.S.34:11-2 et al.), the employee may recover in a civil action the full amount of any 13 14 wages due, or any wages ²[due] lost² because of any ²[discriminatory] retaliatory² action ²taken² in violation of 15 subsection a. of this section, plus an amount of liquidated damages 16 equal to ³not more than ³ 200 percent of the wages ²lost or of the 17 wages² due, together with costs and reasonable attorney's fees as 18 19 are allowed by the court, except that if there is an agreement of the 20 employee to accept payment of the unpaid wages supervised by the 21 commissioner pursuant to section 9 of P.L.1965, c.173 (C.34:11-22 4.9) or R.S.34:11-58, the liquidated damages shall be equal to ³not more than³ 200 percent of wages that were due prior to the 23 supervised payment. ³The payment of liquidated damages shall not 24 be required for a first violation by an employer if the employer 25 shows to the satisfaction of the court that the act or omission 26 27 constituting the violation was an inadvertent error made in good 28 faith and that the employer had reasonable grounds for believing 29 that the act or omission was not a violation, and the employer acknowledges that the employer violated the law and pays the 30 31 amount owed within 30 days of notice of the violation.³ In a case of retaliation against an employee in violation of the provisions of 32 33 subsection a. of this section, the employer shall also be required to 34 offer reinstatement in employment to the discharged employee and 35 take other actions as needed to correct the retaliatory action. For purposes of this subsection, an employer taking an adverse action 36 against an employee within ninety days of the employee filing a 37 complaint with the commissioner, or a claim or action being 38 39 brought by or on behalf of the employee in a court of competent 40 jurisdiction, for a violation of provisions of article 1 of chapter 11 41 of Title 34 of the Revised Statutes and all acts supplementing that 42 article (R.S.34:11-2 et al.) shall raise a presumption that the 43 employer's action was taken in retaliation against the employee, 44 which presumption may be rebutted only by clear and convincing evidence that the action was taken for other, permissible, reasons.² 45 46 Any agreement by the employee to work for, or accept, wages paid 47 which are less than the amount agreed to or required by law, or paid 48 in a manner other than that required by article 1 of chapter 11 of

Title 34 of the Revised Statutes and all acts supplementing that

1 article (R.S.34:11-2 et al.), shall be no defense to the action. The 2 employee shall be entitled to maintain the action for and on behalf 3 of other similarly situated employees, or designate an agent or 4 representative to maintain the action for and on behalf of all 5 similarly situated employees. The employee may bring the action 6 ²[to recover] for all appropriate relief, including reinstatement, the payment of damages and the recovery of lost wages or 2 unpaid 7 wages pursuant to this section in the Superior Court³[, and may 8 bring the action in the Division of Small Claims of the Superior 9 10 Court, Law Division, Special Civil Part if the sum of the unpaid wages and the liquidated damages does not exceed the jurisdictional 11 limits of the Division of Small Claims]³. Upon the request of any 12 employee not paid the full wages agreed upon or required by law 13 14 and in the manner required by the provisions of article 1 of chapter 15 11 of Title 34 of the Revised Statutes and all acts supplementing that article (R.S.34:11-2 et al.), the commissioner may take an 16 17 assignment of the wage claim in trust for the assigning employee 18 and may bring any legal action necessary to collect the claim, and 19 the employer shall be required to pay to the employee the unpaid wages and liquidated damages equal to ³not more than ³ 200 percent 20 of the amount of the unpaid wages and pay to the commissioner the 21 22 costs and reasonable attorney's fees as determined by the court. 23 ³The payment of liquidated damages shall not be required for a first violation by an employer if the employer shows to the satisfaction 24 25 of the court that the act or omission constituting the violation was 26 an inadvertent error made in good faith and that the employer had 27 reasonable grounds for believing that the act or omission was not a 28 violation, and the employer acknowledges that the employer 29 violated the law and pays the amount owed within 30 days of notice of the violation.³ 30 31

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(cf: P.L.1991, c.205, s.3)

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¹[4.] 3. Section 25 of P.L.1966, c.113 (C.34:11-56a24) is amended to read as follows:

25. a. Any employer who ²[discharges or in any other manner discriminates 1 takes a retaliatory action 2 against any employee 2 by discharging or in any other manner discriminating against the employee² because the employee has made any complaint to his employer, to the commissioner, the director or to their authorized representatives, or to a representative of the employee, that he has not been paid wages in accordance with the provisions of this act, or because such employee has caused to be instituted or is about to cause to be instituted any proceeding under or related to this act, or because such employee has testified or is about to testify in any such proceeding, or because such employee has served or is about to serve on a wage board, or because the employee has informed any ²[person] employee of the employer ² about rights under State laws regarding wages and hours of work, shall be guilty of a disorderly persons offense and shall, upon conviction ²[therefor]

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for a first violation², be fined not less than ¹[\$100] \$500¹ nor more 1 2 than \$1,000 ¹or by imprisonment for not less than 10 nor more than 3 90 days or by both the fine and imprisonment and, upon conviction for a second ²or subsequent ² violation, be punished by a fine of not 4 less than \$1,000 nor more than \$2,000 or by imprisonment for not 5 6 less than 10 nor more than 100 days or by both the fine and imprisonment¹. ²[1Upon conviction for a third or subsequent 7 violation, an employer shall be guilty of a crime of the fourth 8 9 degree and be punished by a fine of not less than \$2,000 nor more than \$10,000 or by imprisonment for up to 18 months or by both the 10 <u>fine and imprisonment.</u> Such <u>The</u> employer shall <u>also</u> be 11 required, as a condition of such judgment of conviction, to offer 12 reinstatement in employment to ²[any such] the ² discharged 13 employee²[, unless the reinstatement is prohibited by law,]² and to 14 15 correct any such discriminatory action, and also to pay to any such 16 employee in full, all wages lost as a result of such discharge or 17 discriminatory action and an additional amount of liquidated damages equal to ²not more than² 200 percent of the wages ²[due] 18 lost², under penalty of contempt proceedings for failure to comply 19 20 with such requirement. Taking an adverse action against an employee within ninety days of the employee filing a complaint 21 with the commissioner², or a claim or action being brought by or on 22 behalf of the employee in a court of competent jurisdiction, ² for a 23 violation of P.L.1966, c.113 (C.34:11-56a et seq.) shall ²[raise a 24 presumption] be considered presumptive evidence² that the 25 ²employer's ² action was ²[a discriminatory action] knowingly ² 26 taken in retaliation²[, which may be rebutted only by clear and 27 convincing evidence that the action was taken for other, 28 permissible, reasons against the employee An employee 29 complaint or other communication need not make explicit reference 30 31 to any section or provision of State law regarding wages or hours 32 worked to trigger the protections of this section. 33

b. As an alternative to or in addition to any other sanctions provided by law for violations of P.L.1966, c.113 (C.34:11-56a et seq.), when the Commissioner of Labor and Workforce Development finds that an employer has violated that act, or taken any ² [discriminatory] retaliatory ² action against the employee in violation of subsection a. of this section, the commissioner is authorized to assess and collect administrative penalties, up to a maximum of \$250 for a first violation and up to a maximum of \$500 for each subsequent violation, specified in a schedule of penalties to be promulgated as a rule or regulation by the commissioner in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). When determining the amount of the penalty imposed because of a violation, the commissioner shall consider factors which include the history of previous violations by the employer, the seriousness of the violation, the good faith of the employer and the size of the

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1 employer's business. No administrative penalty shall be levied 2 pursuant to this section unless the Commissioner of Labor and 3 Workforce Development provides the alleged violator with 4 notification of the violation and of the amount of the penalty by 5 certified mail and an opportunity to request a hearing before the 6 commissioner or his designee within 15 days following the receipt 7 of the notice. If a hearing is requested, the commissioner shall 8 issue a final order upon such hearing and a finding that a violation 9 has occurred. If no hearing is requested, the notice shall become a 10 final order upon expiration of the 15-day period. Payment of the 11 penalty is due when a final order is issued or when the notice 12 becomes a final order. Any penalty imposed pursuant to this 13 section may be recovered with costs in a summary proceeding 14 commenced by the commissioner pursuant to ["the penalty the "Penalty 15 law" (N.J.S.2A:58-1 et seq.) enforcement Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). 16 17 Any sum collected as a fine or penalty pursuant to this section shall 18 be applied toward enforcement and administration costs of the 19 Division of Workplace Standards in the Department of Labor and 20 Workforce Development. 21 (cf: P.L.1991, c.205, s.22)

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¹[5.] <u>4.</u>¹ Section 26 of P.L.1966, c.113 (C.34:11-56a25) is amended to read as follows:

26. If any employee is paid by an employer less than the 25 26 minimum fair wage to which [such] the employee is entitled under 27 the provisions of [this act] P.L.1966, c.113 (C.34:11-56a et seq.) or by virtue of a minimum fair wage order [such]², or suffers a loss of 28 29 wages or other damages because of a retaliatory action by the 30 employer in violation of the provisions of section 24 of P.L.1966, c.113 (C.34:11-56a24)², the employee may recover in a civil action 31 the full amount of [such] that minimum wage less any amount 32 actually paid to him or her by the employer [together with]², or any 33 wages lost due to the retaliatory action,² and an additional amount 34 equal to ³not more than ³ 200 percent of the amount of the unpaid 35 minimum wages ²or wages lost due to retaliatory action² as 36 liquidated damages, plus costs and [such] reasonable attorney's 37 fees as [may be allowed] determined by the court, [and any] 38 39 except that if there is an agreement of the employee to accept 40 payment of the unpaid wages or compensation supervised by the 41 commissioner pursuant to section 24 of P.L.1966, c.113 (C.34:11-56a23) or R.S.34:11-58, the liquidated damages shall be equal to 42 43 ³not more than ³ 200 percent of wages that were due prior to the supervised payment. ³The payment of liquidated damages shall not 44 45 be required for a first violation by an employer if the employer 46 shows to the satisfaction of the court that the act or omission 47 constituting the violation was an inadvertent error made in good

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1 faith and that the employer had reasonable grounds for believing 2 that the act or omission was not a violation, and the employer 3 acknowledges that the employer violated the law and pays the amount owed within 30 days of notice of the violation.³ In a case 4 of retaliation against an employee in violation of the provisions of 5 section 24 of P.L.1966, c.113 (C.34:11-56a24), the employer shall 6 7 also be required to offer reinstatement in employment to the 8 discharged employee, and take other actions as needed to correct 9 the retaliatory action. For purposes of this section, an employer 10 taking an adverse action against an employee within 90 days of the employee filing a complaint with the commissioner or a claim or 11 12 action being brought by or on behalf of the employee in a court of 13 competent jurisdiction for a violation of P.L.1966, c.113 (C.34:11-14 56a et seq.) shall raise a presumption that the employer's action was 15 taken in retaliation against the employee, which presumption may be rebutted only by clear and convincing evidence that the action 16 was taken for other, permissible, reasons.² Any agreement between 17 [such] the employee and the employer to work for less than [such] 18 19 the minimum fair wage shall be no defense to the action. An 20 employee shall be entitled to maintain [such] the action for and on behalf of himself or other employees similarly situated, and [such] 21 22 the employee and employees may designate an agent or 23 representative to maintain [such] the action for and on behalf of all 24 employees similarly situated. The employee may bring the action to recover unpaid minimum wages², or wages lost due to retaliatory 25 action, or other appropriate relief, including reinstatement and 26 payment of damages² pursuant to this section², in the Superior 27 Court³[, and may bring the action in the Division of Small Claims 28 29 of the Superior Court, Law Division, Special Civil Part if the sum of the amount of unpaid minimum wages 2 or lost wages 2 and the 30 amount of liquidated damages does not exceed the jurisdictional 31 limits of the Division of Small Claims 3. 32 33 At the request of any employee paid less than the minimum wage 34 to which [such] the employee was entitled under the provisions of [this act] P.L.1966, c.113 (C.34:11-56a et seq.) or under an order, 35 36 the commissioner may take an assignment of the wage claim in trust 37 for the assigning employee and may bring any legal action 38 necessary to collect the claim, and the employer shall be required to 39 pay to the employee the unpaid wages and liquidated damages equal to ²not more then ² 200 percent the amount of the unpaid wages and 40 pay to the commissioner the costs and [such] reasonable attorney's 41 fees as [may be allowed] determined by the court. ³The payment 42 43 of liquidated damages shall not be required for a first violation by 44 an employer if the employer shows to the satisfaction of the court 45 that the act or omission constituting the violation was an inadvertent 46 error made in good faith and that the employer had reasonable

grounds for believing that the act or omission was not a violation,

1 and the employer acknowledges that the employer violated the law 2 and pays the amount owed within 30 days of notice of the violation.³ 3 (cf: P.L.1966, c.113, s.26) 4 5 ¹[6.] <u>5.</u> Section 1 of P.L.1967, c.216 (C.34:11-56a25.1) is 6 7 amended to read as follows: 8 1. No claim for unpaid minimum wages, unpaid overtime compensation, ²unlawful discharge or other discriminatory acts 9 taken in retaliation against the employee,² or other damages under 10 11 this act shall be valid with respect to any such claim which has 12 arisen more than [2] six years prior to the commencement of an action for the recovery thereof. In determining when an action is 13 14 commenced, the action shall be considered to be commenced on the 15 date when a complaint is filed with the Commissioner of the 16 Department of Labor and [Industry] Workforce Development or the Director of [the] Wage and Hour [Bureau] Compliance, and 17 18 notice of such complaint is served upon the employer; or, where an 19 audit by the Department of Labor and [Industry] Workforce 20 Development discloses a probable cause of action for unpaid 21 minimum wages, unpaid overtime compensation, or other damages, 22 and notice of such probable cause of action is served upon the 23 employer by the Director of [the] Wage and Hour [Bureau] 24 Compliance; or where a cause of action is commenced in a court of 25 appropriate jurisdiction. 26 (cf: P.L.1967, c.216, s.1) 27 28 R.S.34:11-57 is amended to read as follows: 29 34:11-57. As used in this article: "Commissioner" means the Commissioner of Labor and 30 31 [Industry] Workforce Development or any person or persons in the 32 department designated in writing by him for the purposes of this 33 article. 34 "Community-based organization" means a public, or nonprofit 35 private, organization funded with public or private funds, or both, that provides services to day laborers, migrant laborers, temporary 36 37 laborers, low wage workers, or any other type of employee. 38 "Department" means the Department of Labor and Workforce 39 Development. 40 "Employee" means any natural person who works for another for 41 hire. 42 "Employer" means any person, partnership, firm or corporation 43 employing another for hire. 44 "Legal services organization" means a public, or nonprofit 45 private, organization funded with public or private funds, or both, 46 that provides counseling or advice related to wage protection laws, preparation of legal documents, or representation of any person
 before a court or administrative agency.

"State wage and hour laws" means article 1 of chapter 11 of Title 34 of the Revised Statutes and all acts supplementing that article (R.S.34:11-2 et al.), P.L.1966, c.113 and all acts supplementing that act (C.34:11-56a et al.), P.L.2005, c.379 (C.34:11-56.58 et seq.), and article 3 of chapter 11 of Title 34 of the Revised Statutes (R.S.34:11-57 et seq.), but "State wage and hour laws" do not include the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.), or "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.).

"Wages" means any moneys due an employee from the employer whether payable by the hour, day, week, semimonthly, monthly or yearly and shall include commissions, bonus, piecework compensation and any other benefits arising out of an employment contract.

17 (cf: P.L.1964, c.92, s.1)

 1 [8.] $\frac{7.}{1}$ R.S.34:11-58 is amended to read as follows:

34:11-58. a. An employee may file a claim for wages against an employer under this section or any of the other State wage and hours laws for wages owed related to work performed², including but not limited to wages owed related to unpaid minimum wages, unpaid overtime compensation, wages lost because of unlawful discharge or other discriminatory acts taken in retaliation against the employee,² up to six years prior to the date the claim for wages is filed.

- b. An employer found to owe an employee wages shall pay the employee the wages owed plus liquidated damages equal to not more than 200% of the wages owed, exclusive of any costs or fees.
- <u>c.</u> The commissioner is authorized and empowered to investigate any claim for wages due an employee and in such investigation may summon the defendant, subpoena witnesses, administer oaths, take testimony and shall upon such proceeding make a decision or award [when the sum in controversy, exclusive of costs, does not exceed \$30,000.00] ¹when the sum in controversy, exclusive of costs, does not exceed \$50,000¹.

Such decision or award shall be a judgment when a certified copy thereof is filed with the Superior Court.

Such judgment shall be entered in the same manner and have the same effect and be subject to the same proceedings as are judgments rendered in suits duly heard and determined by courts of competent jurisdiction.

d. Upon an investigation of a wage claim initiated pursuant to this section or any of the other State wage and hours laws, if an employer fails to provide sufficient employee records, as required to be kept under any State wage and hour laws, there shall be a rebuttable presumption that the employee worked for the employer

- for the period of time and for the amount of wages as alleged in the wage claim.

 The rebuttable presumption shall not apply to an employer that can demonstrate it does not have sufficient employee records as a result of record destruction due to a natural disaster.
- The commissioner is authorized to supervise the payment of amounts, including liquidated damages, due to employees under an award made pursuant to this section, and the employer may be required to make these payments to the commissioner to be held in a special account in trust for the employees, and paid on order of the commissioner directly to the employee or employees affected. The employer shall also pay the commissioner an administrative fee equal to not less than 10% or more than 25% of any payment made to the commissioner pursuant to this section. The amount of the administrative fee shall be specified in a schedule of fees to be promulgated by rule or regulation of the commissioner in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The fee shall be applied to enforcement and administration costs of the Division of Workplace Standards in the Department of Labor and Workforce Development.
 - f. Upon issuing a decision, under this section or any of the other State wage and hours laws, finding wages due to an employee in an amount equal to or greater than \$5,000, the commissioner shall:
 - (1) inform the employer ²[of] that² the ²[commissioner's intention to] commissioner may² conduct an audit of the employer or any successor firm of the employer pursuant to section 2 of P.L.2009, c.194 (C.34:1A-1.12); and
 - (2) notify the Division of Taxation in the Department of the Treasury of the decision and ²may² recommend that the division conduct an audit of the employer to ensure the proper withholding and payment of payroll and other taxes by the employer.
 - g. No payment of an amount of wages owed or related damages, including wages or damages related to retaliation, shall be required under the provision of this section, or under the provisions of any of the other State wage and hour laws, which results in a violator paying wages owed or damages more than one time for the same violation.

(cf: P.L.2006, c.25, s.1)

- ¹[9.] <u>8.</u>¹ (New section) a. If an employer fails to comply with a final determination of the commissioner or a judgment of a court, including a small claims court, made under the provisions of State wage and hour laws or of section 10 of P.L.1999, c.90 (C.2C:40-2), to pay an employee any wages owed or damages awarded within ten days of the time that the determination or judgement requires the payment, the commissioner may do either or both of the following:
- 47 (1) issue, in the manner provided in subsection b. of section 2 of 48 P.L.2009, c.194 (C.34:1A-1.12), a written determination directing

any appropriate agency to suspend one or more licenses held by the employer or any successor firm of the employer until the employer complies with the determination or judgement; or

- (2) issue a stop work order against the violators requiring the cessation of all business operations of the violator. The stop work order may only be issued against the individual or entity found to be in violation, and only as to the specific place of business or employment for which the violation exists. The stop work order shall be effective when served upon the violator or at a place of business or employment by posting a copy of the stop work order in a conspicuous location at the place of business or employment. The stop work order shall remain in effect until the commissioner issues an order releasing the stop work order upon a finding that the violation has been corrected. As a condition of release of a stopwork order under this section, the commissioner may require the employer against whom the stop-work order had been issued to file with the department periodic reports for a probationary period of two years.
 - b. Stop work orders and any penalties imposed under a stop work order against a corporation, partnership, or sole proprietorship shall be effective against any successor entity that has one or more of the same principals or officers as the corporation, partnership, or sole proprietorship against which the stop work order was issued and that is engaged in the same or equivalent trade or activity.
 - c. Any employee affected by a stop work order issued pursuant to this section shall be paid by the employer for the first ten days of work lost because of the stop work order.
 - d. A rebuttable presumption that an employer has established a successor entity shall arise if the two share at least ¹[three] two ¹ of the following capacities or characteristics:
 - (1) perform similar work ¹within the same geographical area ¹;
- 32 (2) occupy the same premises;
- 33 (3) have the same telephone or fax number;
 - (4) have the same email address or Internet website;
 - (5) ¹ [perform work in the same geographical area;
- 36 (6) 1 employ substantially the same work force 1, administrative employees, or both 1;
- 38 ³[(7)] (6)³ utilize the same tools ¹[and], facilities, or ¹ and 39 equipment;
 - ${}^{3}[(8)]$ $\underline{(7)}^{3}$ employ or engage the services of any person or persons involved in the direction or control of the other; or
- ${}^{3}[(9)] (8)^{3}$ list substantially the same work experience.

¹[10.] 9.¹ (New section) a. A client employer and a labor contractor providing workers to the client employer shall be subject to joint and several liability and shall share civil legal responsibility for any violations of the provisions of State wage and hour laws or violations of the provisions of section 10 of P.L.1999, c.90

- 1 (C.2C:40A-2) regarding compliance with State wage and hour laws,
- 2 including provisions regarding retaliatory actions against employees
- 3 for exercising their rights under any of those laws, and both may be
- 4 subject to any remedy provided for violations of those laws. A
- 5 client employer shall not shift to the labor contractor any legal
- 6 duties or liabilities under the provisions of the "Worker Health and
- 7 Safety Act," P.L.1965, c.154 (C.34:6A-1 et seq.) or "The Worker
- 8 and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1
- 9 et seq.) with respect to workers supplied by the labor contractor. A
- 10 waiver of the provisions of this section is contrary to public policy,
- and is void and unenforceable.

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- b. This section shall not be interpreted as:
- (1) imposing individual liability on a homeowner for labor or services received at the home or the owner of a home-based business for labor or services received at the home; or
- (2) restricting or limiting the rights of a client employer to recover from a labor contractor any expense to the client employer, or the rights of a labor contractor to recover from a client employer any expense to the labor contractor, resulting from any violation by the labor contractor or client employer of the provisions of State wage and hour laws or of section 10 of P.L.1999, c.90 (C.2C:40A-2), or restricting or limiting the provisions in contracts between client employers and labor contractors regarding the recovery of expenses pursuant to this paragraph.
 - c. As used in this section:

"Client employer" means a business entity, regardless of its form, that obtains or is provided workers, directly from a labor contractor or indirectly from a subcontractor, to perform labor or services within its usual course of business.

"Labor contractor" means any individual or entity that supplies, either with or without a contract, directly or indirectly, a client employer with workers to perform labor or services within the client employer's usual course of business, except that "labor contractor" does not include a bona fide labor organization or apprenticeship program, or a hiring hall operated pursuant to a collective bargaining agreement.

"Usual course of business" means the regular and customary work of a business, performed within or upon the premises or worksite of the client employer, or any other place of business of the client employer for which services or labor are performed.

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46 47 ¹[11.] <u>10.</u>¹ (New section) Each employer shall provide each current employee and each newly hired employee of the employer, a written copy of the statement produced by the department pursuant to ²[subsection c. of]² section ²[12] <u>11</u>² of P.L. , c. (C.) (pending before the Legislature as this bill) of the employee's rights under the provisions of State wage and hour laws and the provisions

of section 10 of P.L.1999, c.90 (C.2C:40A-2), with an explanation of how to file a claim or take an action pursuant to those laws.

- ¹[12.] 11.¹ (New section) The department, for the purpose of supporting the enforcement of the provisions of State wage and hour laws and the provisions of section 10 of P.L.1999, c.90 (C.2C:40A-2), ²[shall:
- a. I may² contract with community-based organizations and legal services organizations to disseminate information to day laborers, migrant laborers, temporary laborers, or any other type of employee concerning the protections afforded by State wage and hour laws and section 10 of P.L.1999, c.90 (C.2C:40A-2), and the process by which an individual may take actions under those laws²[;
- b. contract with community-based organizations and legal services organizations to investigate, prepare, and if necessary, represent employees in actions under State wage and hour laws or section 10 of P.L.1999, c.90 (C.2C:40A-2), including actions under those laws concerning retaliation against employees; and
- c.] and shall² produce, and make available to the public on the website of the department ²in printable form², a statement of employee rights under the provisions of State wage and hour laws and the provisions of section 10 of P.L.1999, c.90 (C.2C:40A-2), with an explanation of how to file a claim or take an action pursuant to those laws.

The contracts entered into between the department and community-based organizations and legal services organizations pursuant to this section shall require that the organizations make all services accessible to persons with limited English proficiency ² [and shall provide that, in any case in which the community-based or legal services organization assists or represents employees pursuant to subsection b. of this section, 50 percent of any fees or penalties collected by the department shall be paid to the organization for services provided pursuant to contracts entered into pursuant to this section, and that [align: Any and a payment and a payment and a payment a contract and a possible to provide a provided pursuant and a payment and administrative cost of the Division of Workplace Standards of the department.

The department, and any community-based organization or legal services organization contracting with the department pursuant to this section, shall provide any individual seeking assistance to file a complaint or take an action regarding unpaid wages with a description of all of the applicable remedies available to the individual under State wage and hour laws and section 10 of P.L.1999, c.90 (C.2C:40A-2), including the individual's right to obtain liquidated damages, and that that right to damages is waived if the individual agrees to accept payment of the unpaid wages supervised by the commissioner.

- ¹[13.] 12.¹ (New section) a. The commissioner, in consultation with the Administrative Director of the Courts and the Attorney General, shall compile and prominently place on a website, maintained by the department and available to the public, an annual report evaluating the effectiveness and efficiency of the enforcement and administration of wage claims and wage collections. The report shall include, but not be limited to:
 - (1) the number of complaints, investigations, prosecutions, dispositions, and business license suspensions and revocations, the number and amount of penalties, the amount of wages recovered, and the number of workers effected;
 - (2) an enumeration and description of all community-based and legal services organizations contracted by the department to support the enforcement; and
 - (3) recommendations for strengthening the implementation and enforcement of P.L. , c. (C.) (pending before the Legislature as this bill).
 - b. The commissioner, in consultation with the Administrative Director of the Courts and the Attorney General, shall compile and prominently place on a website, maintained by the department and available to the public, the following information regarding each wage claim in which an employer was found to have been in violation of one or more State wage and hour laws in a final determination by the commissioner or a judgement of a court made during the preceding period of not less than 12 months:
 - (1) the name and address of the employer;
 - (2) the nature of the claim, including whether it is a claim for one or more of the following: unpaid wages; failure to pay the minimum wage; failure to pay required overtime; or retaliation against an employee in connection with State wage and hour laws;
 - (3) the number of affected employees, and the amount of wages found owed; and
 - (4) any findings, penalties, and business license suspensions or revocations that resulted from the wage claim.

The information on a claim shall be placed on the website not more than 30 days after the final determination or judgement is made.

²13. (New section) a. A person commits the crime of pattern of wage nonpayment if the person knowingly commits an act that violates the provisions of N.J.S.2C:40A-2, N.J.S.2C:20-2 if the property stolen consists of compensation the employer failed to provide to an employee as required under the provisions of any State wage and hour law as defined in R.S.34:11-57, subsection a. of section 10 of P.L.1965, c.173 (C.34:11-4.10), or subsection a. of section 25 of P.L.1966, c.113 (C.34:11-56a24), if the person has, on two or more prior occasions, been convicted of a violation of the provisions of any of those laws. It shall not be a defense that the

1 violations were not part of a common plan or scheme, or did not 2 have similar methods of commission. 3 b. Pattern of wage non-payment is a crime of the third degree, 4 except that the presumption of nonimprisonment set forth in 5 subsection e. of N.J.S.2C:44-1 for persons who have not previously been convicted of an offense shall not apply. Notwithstanding the 6 7 provisions of N.J.S.2C:1-8 or any other law, a conviction of pattern 8 of wage non-payment shall not merge with a conviction of violation 9 of N.J.S.2C:40A-2, N.J.S.2C:20-2, subsection a. of section 10 of P.L.1965, c.173 (C.34:11-4.10), subsection a. of section 25 of 10 P.L.1966, c.113 (C.34:11-56a24), or any other criminal offense, nor 11 shall such other conviction merge with a conviction under this 12 13 section. 14 c. An employer found to be in violation of this section shall be 15 deemed to have caused loss to the employees in the amount by 16 which the employees were paid less than the full wages agreed upon or required by law and shall be subject to the provisions of 17 18 N.J.S.2C:43-3 regarding fines and restitution to victims and be 19 subject to other pertinent provisions of Title 2C of the New Jersey 20 Statutes, including, but not limited to, N.J.S.2C:43-4, 2C:43-6 and 2C:44-1.² 21 ¹[14.] ²[13.¹] 14.² This act shall take effect immediately², 23 24 25

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except that section 13 shall take effect on the first day of the third month following enactment².