

## LEGISLATIVE UPDATE

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### **PENDING NJ LEGISLATION – EXTENDING MASS LAYOFF WARNINGS**

A pending NJ bill (S-472) would create a law requiring companies to give workers 90 days notice – 30 more than required by federal law – when 50 or more workers are to be laid off. **Companies that fail to comply with this proposed law would have to give laid-off employees a week’s worth of severance pay for every year they were employed, on top of any other severance the employer provides.** In some ways, the bill is similar to the federal WARN statute. However, it provides more protections to employees, and creates heightened burdens on employers.

The bill requires pre-notification for certain anticipated plant closings and mass layoffs. A “mass layoff” is defined by the bill to mean a “reduction in force which is not the result of a transfer or termination of operations and which results in the termination of employment at an establishment during any 30-day period for 500 or more full-time employees or for 50 or more of the full-time employees representing one third or more of the full-time employees at the establishment.” In addition, in determining whether a “mass layoff” has occurred, terminations of employment for two or more groups at a single establishment occurring within any 90 day period would be aggregated.

Mandatory severance payments to affected employees are a major part of the bill, and serve as a penalty for employers who fail to comply with its provisions. The bill provides that if a covered employer fails to provide the requisite notice, the employer will need to provide each affected employee severance pay equal to one week of pay for each full year of employment. The rate of severance would be the greater of the employee’s current salary versus the average salary of the employee during that last three years of his/her employment.

The bill also allows affected employees to initiate litigation in New Jersey State Court, either individually or on behalf of employees or former employees affected by a violation of the provisions of the act. The damages potentially recoverable for violations of the proposed law would include attorneys’ fees, in addition to lost wages and benefits.

This bill is not yet law. Please make your voice heard as part of the HR community. Write to your local legislator and oppose this bill. If the bill becomes a law, make sure your Company, if covered, is aware of the additional issues it raises. Add these issues to your Company’s normal WARN/layoff checklist(s).