

## E-ALERT: New Jersey Bans Salary History Inquiries



### Background

New Jersey Lieutenant Governor Sheila Oliver signed Bill A1094 into law on July 25, 2019. The new legislation, which takes effect on January 1, 2020, prohibits New Jersey employers from screening job applicants based on the applicant's prior salary history, including wages, salary, or benefits. In addition, employers may not require that an applicant's salary history satisfy any minimum or maximum threshold to be considered for a job.

### Summary

The New Jersey Law does provide employers with some exceptions to the salary history ban:

- If an organization has a multistate employment application, it may still collect salary information as long as it states that a New Jersey applicant should not answer the question.
- If an applicant voluntarily discloses this information without any form of prompting or coercion, the employer may then both verify that the information is correct and use that information to determine compensation.
- After an offer of employment is extended, an employer may (with written authorization from the applicant) confirm salary history.

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- If the applicant is a current employee transferring to a different internal position, the law does not apply.
- Employers can discuss the terms and conditions of an employee's incentive and compensation plans at a previous employer if they don't ask about the specific dollar amounts and if the job the applicant is applying for includes an incentive or commission component.
- Employers who use an outside background check vendor must notify those vendors not to disclose a candidate's salary history. If the information is shared inadvertently, the employer will have to destroy the information and not act on it.
- If an applicant shares their salary history data with their employment agency, the agency can, in turn, share it with a potential employer if the applicant has authorized this in writing.

## Employer Next Steps

- If you operate within New Jersey or any other states with salary history bans in place, you should be reevaluating your job applications, interview guidelines, and instructions given to recruiters and background check firms.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, reviewing your applications or assistance with background checks, please [email us](#).

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