

New Jersey Labor Department Says Temporary Worker Bill of Rights Applies Outside the State

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The New Jersey Department of Labor and Workforce Development (NJDOL) recently clarified that temporary service firms in New Jersey must comply with the requirements of the state's new [Temporary Workers Bill of Rights](#) (TWBR) law even when assigning temporary workers to a third-party client outside the state.

Quick Hits

In new guidance, the NJDOL says that the state's new temporary worker protections law applies to temporary service firms even if they place workers outside the state.

The NJDOL's new guidance did not answer the questions of whether the law applies to third-party clients located outside the state.

The guidance comes in a new set of [frequently asked questions](#) (FAQs) that the NJDOL issued on the implications of the TWBR—which Governor Phil Murphy signed in February 2022. The TWBR places a series of requirements on temporary service firms in the state, including requirements for notice, disclosure, and pay transparency, in addition to restricting fees for placement.

Of particular significance is an FAQ that states that temporary help service firms located in New Jersey must comply with the requirements of the TWBR when assigning a temporary worker to a third-party client located outside of New Jersey. The NJDOL explained that when a temporary help service firm is “located, operates, or transacts business within New Jersey,” it is subject to compliance with the TWBR regarding its assignments of temporary workers—regardless of whether the temporary worker is placed in New Jersey or elsewhere.

The FAQ does not address whether a third-party client located outside of New Jersey must comply with the provisions of the TWBR. Given the NJDOL's rationale, however, it is possible that the NJDOL will conclude that a third-party client located outside of New Jersey is “transacting business within New Jersey” when it engages in business with a New Jersey temporary help service firm and that, under those circumstances, the third-party client is subject to the TWBR.

Next Steps

Certain provisions of the TWBR took effect on May 7, 2023, with the rest of the law set to go into effect on August 5, 2023. Temporary service firms and third-party clients may want to review their staffing agreements to ensure compliance with the TWBR,

particularly in light of [the new disclosures](#) that need to be made to each temporary worker at the beginning of each new assignment and the requirement that temporary workers be paid the same as similarly situated direct employees of the third-party client.

New Jersey has represented that proposed regulations will be published on or about August 5, 2023. Once published, the regulations will be open for a sixty-day public notice-and-comment period.

Ogletree Deakins will continue to monitor developments and will provide updates on the [New Jersey](#) blog.

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