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Governor Approves Amendments to New Jersey Employee Leasing Statute

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On August 19, 2011, Governor Chris Christie signed into law a bill (S2164), which amends New Jersey law relating to employee leasing companies, or professional employer organizations (PEOs). The amendments alter the New Jersey employee leasing statute by:

- Establishing a limited registration process for foreign PEOs with 50 or fewer employees in New Jersey;
- Modifying the financial test for registration of employee leasing companies;
- Directing the Department of Labor to authorize electronic filing of documents;
- Clarifying various responsibilities, rights and liabilities of employee leasing companies, client companies, and covered employees under an employee leasing agreement;
- Excuses employee leasing company from needing to obtain professional licenses or state permits required of client companies; and
- Provides that a client company, not an employee leasing company, is responsible for: (1) the quality, adequacy or safety of the goods or services produced or sold in the client company's business; (2) directing, supervising, training and controlling the work of the covered employees with respect to the business activities of the client company; and (3) the acts, errors, or omissions of covered employees with regard to those activities.

Note: This article was published in the [Summer 2011 issue](#) of the *New Jersey eAuthority*.