

Warning: The Changes to NJ WARN Law Take Effect April 2023

02/10/23

The changes to New Jersey Business Closing/Mass Layoff Notification Law Millville Dallas Airmotive Plant Job Loss Notification Act, referred to as [NJ WARN Act](#), which regulates employers implementing mass layoffs and business closures, will take effect on April 10, 2023. What are the changes?

Who is affected?

NJ WARN will apply to mass layoffs, plant closings, and transfers that result in 50 or more employees losing their jobs at an establishment. The amendments define an establishment as a place of employment operated by an employer for over three years. It may be a single location or a group of locations.

For example, suppose 50 or more employees (whether full-time or part-time, the distinction between full-time and part-time employees is gone) are affected by a mass layoff, termination of operations, or transfer of operations. In that case, the employer must meet the notice and severance obligations. The 50 employees could include employees who report to New Jersey, such as; field employees or remote employees. Therefore, a company with five separate locations, having a loss of at least 10 employees at each location, may be subject to the notice and severance pay requirements.

Notice is increased and Severance is mandated

Under the amended WARN Act, mass layoffs or plant closures require that affected employees be notified, in writing, at least 90 days in advance of the reduction. Employers must pay each affected employee one week of severance for each full year of employment, even if the full 90 days' notice is provided. If an employer fails to provide the full 90 days' notice, the employer must pay each employee an additional four weeks of severance pay. The severance cannot be paid as wage continuation and, therefore, must be paid in a lump sum on the first regularly scheduled payday following the employees' final date of employment.

The definition of *Employer*

The definition of an *employer* has been expanded to include any individual, partnership, association, corporation acting directly or indirectly in the interest of an employer in relation to an employee. It includes any person who owns or operates the nominal employer, or owns a corporate subsidiary that owns and operates the nominal employer, or makes the decision responsible for the employment action that gives rise to the mass layoff subject to notification. This definition implies that an individual with no ownership interest but who is directed to reduce headcount, re-organize operations, or develop and implement cost saving measures that result in a covered action may be held liable.

Takeaway: A reduction subject to the NJ WARN Act will require advanced planning by the employer, logistically and financially. Employers with questions about the amended NJ WARN Act and proper notices can contact [Tracy Armstrong](#) or another member of the Wilentz [Employment Law](#) Team.

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