

New Jersey's WARN Act: What Employers Need to Know When Conducting Mass Layoffs

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After a long hold, several substantial changes will soon come into effect for businesses conducting layoffs in New Jersey. On January 10, 2023, Governor Phil Murphy [signed](#) Assembly Bill No. 4768 into law, which amended the state's "mini-WARN" act, officially titled the Millville Dallas Airmotive Plant Job Loss Notification Act (NJ WARN). The amendments will result in some of the most expansive requirements in the nation for employers conducting mass layoffs of employees.

These amendments, which had originally passed in 2020, had been long delayed in coming into effect due to their effective date having been tied to the end of the ongoing State of Emergency arising from the COVID-19 pandemic. Without a clear end in sight to the State of Emergency, the newly signed legislation removed that tie and puts the amendments into immediate effect on April 10, 2023, ninety days after its signing.

The amendments bring significant changes to the state's WARN requirements, which will have a major impact on the process of conducting layoffs:

- **Lower Thresholds for Notice:** A termination of 50 or more employees within a 30-day period now triggers the WARN notice requirement for an employer, regardless of the employees' tenure with the employer, or hours of work.
- **Expanded Scope of Coverage:** In determining whether the thresholds for notice have been met, employers must now count all terminations made by the employer within the entire state, rather than looking at a single place or facility of employment.
- **Increased Notice Period:** The advance notice period prior to discharging an employee has been increased from 60 days under the prior law to 90 days.
- **Expansion of Covered Employers:** The requirements apply to employers with 100 or more employees. Again, the number of employees that an employer must count for these purposes includes all part-time employees, regardless of the length of the employees' employment, or hours worked by the employees in a week.
- **Mandatory Severance Pay:** Perhaps the most significant change for employers is that severance pay is now required to be paid for all terminated workers in a mass layoff at a rate

of one week of pay for each year worked for the company. This can increase to require four additional weeks of pay for each year of service in the event that the 90-day notice required is not provided. Under the pre-amendment WARN requirements, there was no automatic severance requirement and employers were only required to provide a severance payment in the event they failed to provide the required notice.

- **Waiver Prohibition:** The amendments also prohibit employees from waiving their rights to the above described severance, barring state or court approval.

New Jersey employers should take note that the new amendments will apply to any reductions in force that occur on or after the effective date of April 10, 2023. Employers should review the above changes prior to making any personnel decisions regarding layoffs. Employers should also review their termination policies with an [employment attorney](#) to ensure compliance with the above-described changes.