

Wage & Hour Compliance

Greenbaum provides proactive legal guidance to help employers navigate the complexities of state and federal wage and hour laws to mitigate risk, maintain compliance, and protect against the significant legal and financial consequences of a wage and hour dispute. We assist employers in auditing their practices and updating their policies to ensure the proper classification of all workers, which requires an understanding of the legal distinctions between employees and independent contractors, and between exempt and non-exempt employee status.

New Jersey's core framework for employee classification falls under the New Jersey Wage and Hour Law (NJWHL) and the New Jersey Wage Theft Act (WTA), which was enacted in 2019 to amend the NJWHL by strengthening employee protections and increasing employer liability for wage and hour violations. Our team guides employers in applying the three-pronged "ABC Test" used to determine if a worker is an employee or an independent contractor. Under this standard, the employer is required to prove that (A) the worker is free from the employer's control or direction in connection with the performance of the service; (B) the service is performed outside the usual course of the business of the employer or is performed outside of all the places of business of the employer; and (C) the worker is customarily engaged in an independently established trade, occupation, profession, or business.

On the federal level, the Fair Labor Standards Act (FLSA) also applies to worker classification. However, New Jersey employers are required to comply with whichever law is more favorable to the employee regarding minimum wage, overtime pay requirements, or other beneficial provisions, and this is generally the NJWHL.

Beyond worker classification, we provide counsel on compliance with minimum wage and overtime laws, ensuring proper calculation of regular and overtime rates for all hours worked over 40 in a week. Our team also assists with policy development, ensuring that all employee handbooks and compensation policies are up-to-date and fully compliant with state and federal wage and hour laws.

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