

NJ On the Verge of Requiring Severance Benefits for Employees During Mass Layoffs

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Governor Murphy is expected to sign a bill which will require large employers (100 or more employees) to offer severance during mass layoffs. Mass layoffs mean the termination of 50 or more employees, including both part-time and full-time employees. For those employers with more than 100 employees, some of the significant changes proposed by this law include:

- Increasing the amount of notice to employees of a mass layoff to 90 days (up from 60);
- Adding a four week severance payment penalty for an employer's failure to meet the 90 day requirement; and
- Requiring payment of severance to employees equal to one week of pay for each year of service.

The law also appears to broaden the definition of an "employer" so that it would include those responsible for the layoff, including those that own the employing entity.

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