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New Jersey WARN Severance Pay Challenge Rejected

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On April 6, 2023, a New Jersey federal court denied a request to invalidate the severance pay requirements of the amended New Jersey mini-WARN law, known officially as the Millville Dallas Airmotive Plant Job Loss Notification Act (NJWARN). Accordingly, the law's new severance pay requirements will take effect on April 10, 2023, along with all other provisions of the amended NJWARN law. Please see our three-part frequently asked questions (FAQs) series for a detailed discussion of the amended NJWARN law.

Of note, the court did not reach the merits of the argument that the severance pay requirements were invalid and preempted by the Employee Retirement Income Security Act (ERISA), but rather held that the industry group that brought the legal challenge lacked standing to raise the argument. As such, the issue remains unresolved and subject to another legal challenge in the future.

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