



Collaborative Measures | Conflict Resolution

Alternative Dispute Resolution | Employment Compliance, Audits & Training | Workplace Investigations

Equal Pay Audits and Training

With equal pay laws, such as the Diane B. Allen Equal Pay Act (NJ EPA), New Jersey employers must be vigilant in ensuring that employees performing *substantially similar work* are paid the same wages, benefits, or other compensation, unless certain limited exceptions apply.

Self-evaluation audits are important tools to limit exposure and damages, but also to ensure pay equity among employees. Such audits are especially key given the March 2020 Guidance issued by the New Jersey Division on Civil Rights (DCR). Under this Guidance, the DCR specifies that employers should be undertaking self-evaluations to address pay disparities.

The NJ EPA covers *all classes* protected under the New Jersey Law Against Discrimination (NJ LAD). If employers fail to comply, the cost can be significant. In addition to the broad array of damages already afforded under the NJ LAD, an aggrieved employee under the NJ EPA can claim back pay for up to *6 years* and treble damages (*3 times* the amount of the actual damages). Employers found to have violated the NJ Equal Pay Act also face significant fines and penalties.

KSBRanigan Law P.C. performs Equal Pay Audits. The process is typically broken down in the three-phase approach described below.

- Phase 1: Data is obtained and organized as to demographics, compensation, roles, duties and EEO data.
- Phase 2: Data is assessed to identify compensation disparities and the reasons underlying any disparities.
- Phase 3: Data on disparities is analyzed and conclusions drawn as to whether any disparities may qualify as *legitimate bona fide factors* such as training, education or experience, or the quantity or quality of production.



KSBRanigan Law P.C. also conducts training to ensure compliance with equal pay laws for legal, compliance, human resources, and business leaders involved in the hiring process and decisions regarding compensation and benefits. Audits and training sessions on conducting audits are now also being offered in a *virtual format*.

105 Grove Street | Suite 9 | Montclair, NJ 07042 | Phone 973-542-8096 | Fax 973-542-8097

KSBRaniganLaw.com