

THE MARKETS

DOW	88.66	Close: 12,969.54
S&P 500	6.41	Close: 1,407.49
NAI	1	2.7

ASK A LAWYER

State's WARN Act stricter than federal law on downsizings

Q. What are the provisions of the recently enacted New Jersey WARN Act?

On Dec. 20, New Jersey joined numerous other states in enacting its own WARN Act, similar to the federal Worker Adjustment Retraining Notification Act.

This measure provides guidelines for employers to follow when conducting certain reductions in force or downsizing. Termed the Millville Dallas Airmotive Plant Job Loss Notification Act, New Jersey WARN applies to employers who have been in operation for more than three years and have 100 or more full-time employees.

New Jersey WARN, like the federal act, requires 60 days' advance written notice prior to a "mass layoff," "transfers of operations" or "termination of operations." New Jersey WARN is generally more restrictive than its federal counterpart and contains far fewer exceptions to its requirements.

In addition, New Jersey WARN's notification requirements are far more stringent than those contained in WARN, requiring more information to be contained in each notice and the notices to be sent to greater groups of recipients.

Finally, the penalties imposed by New Jersey WARN are far more severe than those contained in WARN. A violation of New Jersey WARN will require an employer to pay every affected employee one week of back pay for each full year of service, as compared with WARN, which imposes lost wages only for up to 60 days.

Considering this new and potentially confusing law and the lack of regulations or case law in this area, as well as the many other laws implicated in downsizings, employers who are undergoing any kind of reduction in force are advised to consult counsel who is well-versed in this area.

Randi Kochman is a member of the employment law department at Cole Schotz Meisel Forman & Leonard PA, the largest law firm in Bergen County. She can be reached at rkochman@coleschotz.com, or 201-525-6309. This is not intended to be legal advice, which can be given only after the attorney understands the facts of a particular matter and the goals of a client. Do you have a business question for a lawyer? Send it to businessnews@northjersey.com.