

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

GOVERNOR MURPHY SIGNS EXECUTIVE ORDER ESTABLISHING TASK FORCE ON EMPLOYEE MISCLASSIFICATION

Trenton - Governor Phil Murphy today signed an executive order establishing the Task Force on Employee Misclassification. Employee misclassification can allow employers to escape their legal responsibilities to their workers, such as ensuring adequate workplace protections and providing employment-related benefits like unemployment insurance and workers' compensation. Employers often misclassify their employees intentionally in order to reduce labor costs and avoid paying state and federal taxes.

"The exploitation of workers is not only unethical – it is illegal," **said Governor Phil Murphy**. "In New Jersey, we promote fairness, fight against discrimination, and work to end unfair labor practices. I am proud to take this step forward to end a practice that creates an unfair advantage over companies that play by the rules and hurts our working families."

"We must crack down on wage theft," **said Attorney General Gurbir Grewal**. "More and more employers are misclassifying their workers as 'independent contractors' because they think it's cheaper than doing things the right way. But this practice isn't just illegal. It actually makes New Jersey's communities poorer in the long run by denying workers the wages and benefits to which they are legally entitled, and that are essential to building a fair and prosperous economy. We are proud to join with other states in fighting this growing problem."

"Protecting workers' rights is an important function of government and that role cannot just be limited to private businesses, but to the State and who it hires," **said Senate President Steve Sweeney**. "When someone is in effect working as employee, but deliberately misclassified as an independent contractor, that worker is losing benefits, wages and other compensation. That just isn't acceptable. This Task Force should ensure that the State is compliant with best practices. I look forward to working with them on this important issue. Anyone working for the State of New Jersey should know that their job, compensation and responsibilities match their job classification. This is about fairness."

"Misclassification adversely affects workers, taxpayers and employers who play by the rules," **said Labor Commissioner Robert Asaro-Angelo**. "This illegal practice allows unscrupulous employers to ignore their responsibility for providing safe workplaces and keeps these workers from accessing employee assistance programs such as Family Leave Insurance."

"Employee misclassification isn't simply about semantics," **said Senator Troy Singleton**. "When workers are misclassified as independent contractors by their employers, it not only diminishes their access to labor protections, but it also has real consequences on the State's economy and tax revenues. The Task Force created by Governor Murphy in this Executive Order will play an important and necessary role in reviewing these issues."

"Misclassifying workers undercuts the tenants of a fair workplace and strips away at basic workers' rights," **said Assemblyman Wayne DeAngelo**. "The Executive Order takes a needed first step in shedding light on this problem that has left too many workers underpaid and without job protections like paid sick leave and unemployment benefits."

"Governor Murphy's Executive Order on Employee Misclassification is long overdue. The results of this committee will level the playing field for contractors in New Jersey," **said Assemblyman Thomas Giblin**. "Unfortunately, for too many years, some contractors have circumvented labor laws that provided protection for our valued employees. It has meant lower revenue for the State, and created unfair advantages in bidding on public projects. Educating our employers, workers and public citizens will help ensure a more fair and equitable process. Our Brothers and Sisters in the Labor Movement are most appreciative of Governor Murphy's commitment to fairness."

The Task Force will be charged with a number of responsibilities to combat employee misclassification, including:

1. Examining and evaluating existing misclassification enforcement by executive departments and agencies;
2. Developing best practices by departments and agencies to increase coordination of information and efficient enforcement;
3. Developing recommendations to foster compliance with the law, including by educating employers, workers, and the public about misclassification; and
4. Conducting a review of existing law and applicable procedures related to misclassification.

The Task Force is to consist of at least twelve members, including three representatives from the Department of Labor and Workforce Development, three representatives from the Department of the Treasury, and one representative each from the Department of Law and Public Safety, the Department of Agriculture, the Department of Banking and Insurance, the Department of Human Services, the Department of Transportation, and the Economic Development Authority.

Copy of the Executive Order 25 (<http://nj.gov/infobank/eo/056murphy/pdf/EO-25.pdf>)

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