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# NJDOL Highlights Wins in Strengthening Worker Protections and Addressing Misclassification Under Murphy Administration

## FOR IMMEDIATE RELEASE

July 15, 2025

**TRENTON** – Marking the six-year anniversary of the release of the state Task Force on Employee Misclassification’s [report](#), the New Jersey Department of Labor and Workforce Development (NJDOL) is reflecting on the wins for workers and employees that followed, including the signing of two pivotal legislative packages aimed at combatting employee misclassification. These actions have demonstrated Governor Murphy’s commitment, with bipartisan support from the state legislature, to ensuring fair treatment for workers and employers in the Garden State.

“Hardworking New Jersey workers should not be kept from receiving the pay and benefits they deserve,” **said Governor Murphy**. “Protecting our workers has always been a top priority of our administration as we maintain a strong and fair economy. We’ll keep fighting against those who exploit and cheat them.”

Misclassifying workers who should be employees as independent contractors deprives workers of essential rights including minimum wage, overtime pay, workers’ compensation, unemployment benefits, earned sick leave, job-protected family leave, temporary disability, and equal pay. This practice also creates an unfair playing field for law-abiding businesses.

“Governor Murphy and our legislators enacted every one of the recommendations provided by the Task Force, giving this department new tools and resources to fight the exploitation and abuse of New Jersey workers,” **said Labor Commissioner Robert Asaro-Angelo**. “These laws were never about simply going after bad actors but propping up and supporting fair employers who play by the rules and standing up for legitimate freelance workers who value their autonomy.”

In the months following the report’s release, Governor Murphy [signed a package of six laws](#) in January 2020 and [another four in July 2021](#) to fortify the state’s ability to address rampant misclassification. The creation of the Office of Strategic Enforcement and Compliance within NJDOL and the establishment of a [database to track payroll projects](#) were critical steps in this ongoing battle, as well as a first-of-its-kind misclassification penalty that has assessed nearly \$11 million to be paid directly to approximately 13,000 misclassified workers since implementation in September 2021.

Additionally, the legislation simplified the process of identifying misclassified workers and empowered authorities to implement stop-work orders at worksites where misclassification is detected.

These efforts to mitigate misclassification have contributed to safeguarding the integrity of the Unemployment Insurance (UI) Trust Fund as well as the [recent reduction of the UI tax rate paid by businesses](#). The stability of the UI Trust Fund is supported by the hundreds of thousands of New Jersey employers who diligently comply with state laws, properly classify their employees, and make the appropriate contributions to the fund.

In 2018, Department of Labor audits revealed over 12,300 cases of misclassified workers, resulting in over \$460 million in underreported gross wages and \$14 million in lost state unemployment and temporary disability contributions. These audits only covered 1 percent of businesses, indicating the true cost of misclassification is substantially higher.

Since then, NJDOL has collected approximately \$84 million in wage assessments and penalties since 2018, much of which went back into the hands of workers. In 2024, that number was \$19 million. This year, NJDOL has assessed \$37 million in back wages for nearly 8,500 workers.

A large part of this success is due to expanded Stop-Work Order authority, with about 200 issued since 2019, helping to prevent employers from continuing to operate while violating their employees’ rights. In addition, 90 notices of intent to issue a stop-work order have been delivered to employers, resulting in an immediate resolution and payment to workers.

On the Strategic Enforcement front, 280 businesses have been listed on the department’s [Workplace Accountability in Labor List \(WALL\)](#). These businesses collectively owe more than \$26 million either directly to their workers or for unpaid taxes, contributions, fines, or penalties. Until they pay, they will remain publicly named on NJDOL’s website and barred from doing business with any public entity in the state.

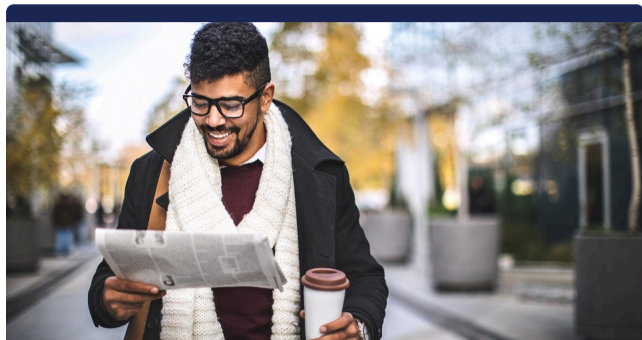
NJDOL continues to prioritize educating employers and providing the tools needed to comply with state labor laws. For more information on misclassification, visit: [https://www.nj.gov/labor/myworkrights/worker-protections/independent\\_contractors/](https://www.nj.gov/labor/myworkrights/worker-protections/independent_contractors/).

To learn more about workers’ rights in New Jersey, visit [MyWorkRights.nj.gov](https://www.nj.gov/labor/myworkrights/).

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