

EXECUTIVE ORDER NO. 25

WHEREAS, all workers in New Jersey should receive fair compensation and workplace protections based on the nature of the work they perform; and

WHEREAS, there are well-established legal standards that clearly differentiate between an "employee" and an "independent contractor," a distinction that carries significant legal and practical ramifications; and

WHEREAS, the misclassification of employees as independent contractors deprives New Jersey workers of important legal rights and protections as well as certain employment-related benefits, including unemployment insurance, workers' compensation, and disability benefits; and

WHEREAS, an employer who misclassifies an employee as an independent contractor potentially violates a number of State and federal laws, including labor, employment, tax, insurance and occupational safety laws; and

WHEREAS, misclassification further harms law-abiding businesses who follow the rules by enabling non-compliant employers to gain an unfair competitive advantage; and

WHEREAS, this practice harms the State's economy in many ways, including the loss of State and federal payroll taxes, with some audits suggesting that misclassification deprives New Jersey of over \$500 million in tax revenue every year; and

WHEREAS, another effect of misclassification is that independent contractors are not covered under the National Labor Relations Act, making it more difficult for them to organize and collectively bargain; and

WHEREAS, while New Jersey's laws are intended to safeguard against employee misclassification, the effectiveness of these laws will be enhanced through the facilitation of coordinated and

efficient enforcement efforts by State agencies and departments to ensure compliance;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby established the Task Force on Employee Misclassification ("Task Force"), which shall be responsible for providing advice and recommendations to the Governor's Office and Executive Branch departments and agencies on strategies and actions to combat employee misclassification, including but not limited to the following:

a. Examining and evaluating existing misclassification enforcement by executive departments and agencies;

b. Developing best practices by departments and agencies to increase coordination of information and efficient enforcement;

c. Developing recommendations to foster compliance with the law, including by educating employers, workers, and the public about misclassification; and

d. Conducting a review of existing law and applicable procedures related to misclassification.

2. The Task Force shall consist of not less than twelve (12) members, as follows: 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. The Commissioner or head of each department shall select the department's representative or representatives. All members shall serve at the pleasure of the appointing department and without compensation.

3. The Governor may, as determined to be appropriate, appoint additional members to the Task Force, who shall serve at the pleasure of the Governor.

4. The Task Force shall be authorized to call upon any department, office, division, or agency of this State to supply it with information or other assistance as the Task Force determines to be necessary to discharge its duties under this Order. Each Executive Branch department and agency is hereby required, to the extent not inconsistent with law, to cooperate fully with the Task Force within the limits of its statutory authority and to furnish the Task Force with such assistance on as timely a basis as is necessary to accomplish the purposes of this Order. The Task Force may consult with experts or other knowledgeable individuals in the public or private sector with respect to any aspect of its mission.

5. The Task Force shall organize and meet as soon as practicable to begin performing the charges set forth in this Order.

6. Nothing in this Order shall be construed to supersede any federal, State, or local law.

7. For purposes of this Order, "Executive Branch departments and agencies" shall mean any of the principal departments in the Executive Branch of State government and any agency, authority, board, bureau, commission, division, institution, office, or other instrumentality within or created by any such department, and any independent State authority, commission, instrumentality, or agency over which the Governor

exercises executive authority, as determined by the Attorney General.

8. This Order shall take effect immediately.

GIVEN, under my hand and seal this
3rd day of May,
Two Thousand and Eighteen,
and of the Independence of
the United States, the Two
Hundred and Forty-Second.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor