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NJDOL Safeguards Rights of Retail Laundromat Workers with Forward-Looking Strategic Enforcement Efforts

FOR IMMEDIATE RELEASE

April 11, 2023

TRENTON – The New Jersey Department of Labor and Workforce Development’s (NJDOL) Wage and Hour Division completed its first strategic enforcement initiative involving the retail laundromat industry, including a comprehensive analysis of industry practices and areas identified for corrective action. Wage and Hour investigators visited 20 retail laundromat locations owned by 9 employers in New Jersey. Wage and Hour violations were found in each of these laundromat locations except one. As a result, investigators determined that more than \$56,000 in wages are owed to the primarily low-wage employees, and many workers are not receiving the earned sick leave they lawfully accrued.

[Strategic enforcement](#) focuses on industries with a history of non-compliance with existing laws and those whose employees are less likely to file complaints with the Department. This approach augments the Department’s existing complaint-driven enforcement actions.

After interviewing dozens of employees and employers and reviewing thousands of documents, the Wage and Hour Division cited laundromats for failing to pay employees the state minimum wage; failing to pay employees time and a half their regular rate of pay for hours worked over 40 hours in a week; illegally misclassifying employees as independent contractors; and failing to comply with the state’s earned sick leave law. In addition to back wages, \$143,000 in penalties and fees were assessed to employers based on the investigation findings.

"New Jersey's wage and hour laws are not a suggestion, and employers who violate the law will be required to pay workers the wages they are owed and will be assessed damages and penalties," said Labor Commissioner Robert Asaro-Angelo. "We are committed to ensuring New Jersey is a great state to live, work, and build businesses. The Department is making sure small and growing businesses have the information and guidance they need to comply with state laws, so the Garden State continues to empower workers and employers alike."

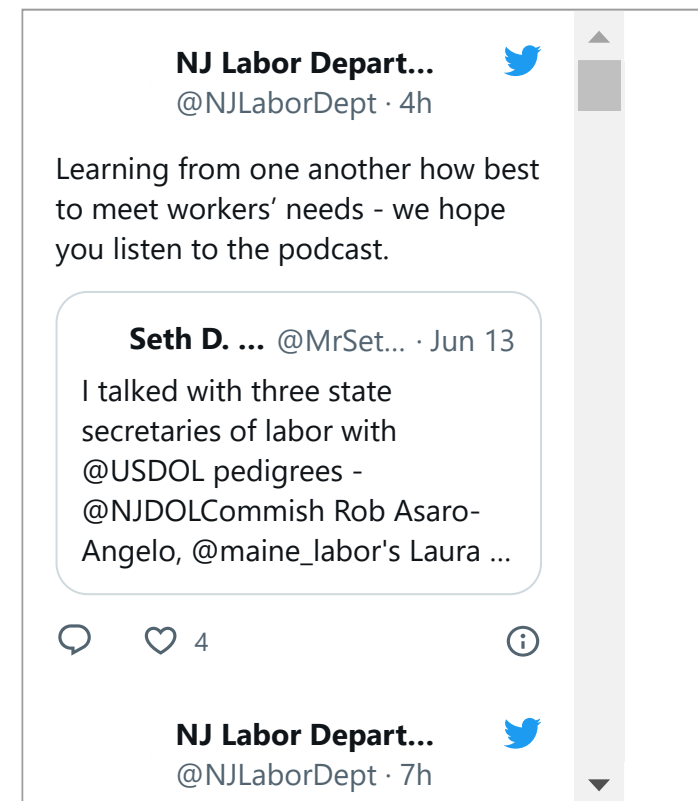
New Jersey's earned sick leave laws require employers of all sizes to provide full-time, part-time, and temporary employees with up to 40 hours of paid sick leave per year to care for themselves or a loved one. Employers can provide all 40 hours of the earned sick leave up front each year, or they can provide the leave as it is accrued, one hour of earned leave for every 30 hours worked. As with New Jersey's minimum wage laws, workers are covered under the Earned Sick Leave Law regardless of their immigration status and whether they are paid cash, piece rate, or salary.

In the first round of this initiative, the Wage and Hour Division found that 80% of the retail laundromats investigated were not in compliance with the Earned Sick Leave Law requirements. This impacted more than 130 employees and resulted in employers being assessed significant penalties and fees. Noncompliance creates a competitive disadvantage for businesses in the industry that comply with the law, undermines New Jersey's competitive advantage in attracting workers to the state, and denies workers and their families this important benefit.

An additional part of compliance with earned sick leave laws requires employers to keep and maintain records for 5 years documenting employee hours worked, and earned sick leave that has been accrued/advanced, used, paid out, and carried over. All employers must visibly display the required [earned sick leave poster](#) at their workplace and give each employee written notice of their right to earned sick leave. The notice must include accrual and use of sick leave, and the right to file a complaint and be free from retaliation.

Engaging the Employer Community

The Department engages with industry leaders and business organizations to raise awareness about New Jersey's wage, hour and earned sick leave laws and support employers to implement practices that bring them into compliance. Retail laundromats are frequently bought and sold as investments



and NJDOL is concerned that people purchasing laundromats may not fully understand their legal obligations, as an employer, under state wage and hour laws. NJDOL believes engaging with industry leaders and organizations will increase awareness and compliance by these business owners.

NJDOL's Office of Business Services helps employers comply with employment law by hosting Lunch and Learn webinars. The next one will be at noon on Thursday, April 13, 2023, for South Jersey employers. Register at <https://bit.ly/3ISZNKC>.

Working with Employee Advocates

To ensure NJDOL's enforcement efforts in the laundry industry lead to sustainable change, the Department also engages with organizations that advocate on behalf of workers. The Laundry Workers Center is an advocacy group that communicates directly with laundry workers in New Jersey and understands the most critical issues facing workers in this industry. When workers understand their labor rights, they are better equipped to resolve compliance issues directly with their employers.

"I've worked in laundromats for 16 years. Laundromats are prone to wage theft, and it comes in many forms," said Gaudencia Ramirez, a member of the Laundry Workers Center. "I'm excited and applaud the New Jersey Department of Labor for enforcing the law and investigating the laundromat industry and bad employers. This gives workers more security to file complaints and demand better conditions, which would make a difference in our lives."

Retail laundromats predominantly employ immigrant workers who might not be fully aware of their labor rights or are more fearful of retaliation. Workers can find information about their rights, including employer retaliation protections, and how to file a complaint with the Wage and Hour Division at myworkrights.nj.gov. Assistance is available in multiple languages.

Grants to Raise Awareness

In addition, the Department recently [released another \\$1.5 million](#) in Cultivating Access, Rights, and Equity (CARE) grant funds. This program seeks community-based partners that can help drive equitable access to Earned Sick Leave and related work rights, and includes funds to raise employer awareness of these programs and enhance their capacity to support employees taking leave.

Employers and employees can learn more about earned sick leave at mysickdays.nj.gov and wage and hour compliance by reviewing [the state's wage and hour laws](#).

Any business or organization that would like to engage with NJDOL to ensure they maintain a lawful work environment is encouraged to email wagehour@dol.nj.gov.

This strategic enforcement initiative focused on the retail laundromat industry is ongoing. NJDOL will continue targeting non-compliance in this industry to eliminate exploitative business practices and prevent repeated violations of New Jersey's wage and hour laws.

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