

N.J. Public Works Contractors and Subcontractors Must Submit Certified Payroll Online Starting August 15

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Public works contractors and subcontractors in New Jersey are required to submit certified payroll records on an ongoing basis – but starting August 15, those records must be submitted electronically to the New Jersey Department of Labor and Workforce Development through the newly created New Jersey Wage Hub. What do employers need to know about this impending change and how to comply?

Background on the Prevailing Wage Act

The New Jersey Prevailing Wage Act (NJPWA) requires that workers on public work projects receive a specified minimum or prevailing wage based upon the job they are performing and location of the project. These "public works" include construction, reconstruction, demolition, alteration, custom fabrication, repair, or maintenance work that is paid in whole or in part by a public body and construction, reconstruction, demolition, alteration, custom fabrication, or repair work performed on property owned or leased by a public body, regardless of the source of funding. The NJPWA applies to all contractors and subcontractors with public works contracts. The currently applicable prevailing wage rates can be found <u>here</u> and are updated regularly.

Under the NJWPA, all contractors and subcontractors with workers performing public works must submit certified payroll records to the public body that holds the contract or owns or leases the property on upon which the work is performed within 10 days of issuing payroll.

Certified payroll records set forth the wages paid to each covered worker, as well as the dollar value of any benefits provided to the worker that are being credited toward the prevailing wage rate, such as health and life insurance premiums and paid time off. Historically, certified payroll records are submitted by hard copy or email, depending on the public body's requirements.

Upcoming Changes

The NJPWA was amended last year to require all public works contractors and subcontractors to submit certified payroll records online. This change goes into effect on August 15, which means that all payroll for any pay period ending on or after this date must be submitted electronically.

The electronic submissions must be made through the <u>New Jersey Wage Hub</u>. In fact, the Wage Hub is already open, and contractors and subcontractors have the option to submit certified payroll records prior to August 15 – so long as the applicable public body is registered. All public bodies are required to register by that date.

Importantly, submitting certified payroll records online through the Hub does **not** relieve contractors and subcontractors of your duty to submit such records to the public body. You must still provide unredacted original certified payroll records to the public body within 10 days of payment.

Conclusion

We will continue to monitor for developments and provide updates as warranted, so make sure you are subscribed to <u>Fisher Phillips' Insight system</u> to get the most up-to-date information directly to your inbox. If you have questions about this new law or how it may affect your business, please contact your Fisher Phillips attorney, the author of the Insight, or any of the attorneys in <u>our New Jersey Office</u>.

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