

# New Jersey Governor Murphy Creates Task Force on Employee Classification

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Article By

[Paulina Grabczak](#)

[Maxine Neuhauser](#)

[Epstein Becker & Green, P.C.](#)

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On May 3, New Jersey Governor Phil Murphy signed an executive order (“Order”) establishing a [Task Force on Employee Misclassification](#) (“Task Force”) to address concerns surrounding the misclassification of employees as independent contractors. The Order estimates that misclassification may deprive New Jersey of over \$500 million yearly in tax revenue and deprive workers of employment-related benefits and protections to which they are entitled.

The Task Force’s mandate is to provide advice and recommendations to the Governor’s Office and Executive Branch Departments and agencies on both strategies and actions to fight 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 will be comprised of at least 12 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.

The Order calls for the Task Force to organize and meet as soon as possible to begin its work and is a likely harbinger of increased governmental audits and enforcement actions. Accordingly, the time is ripe for employers to review their policies and practices with respect to consultants and other independent contractors to ensure they meet New Jersey's stringent ABC Test for classification of independent contractors, which we have previously discussed.

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