ASSEMBLY, No. 4960

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED DECEMBER 12, 2022

Sponsored by:
Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)

SYNOPSIS

Prohibiting training repayment agreements.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning training repayment agreements and supplementing P.L.1965, c.173 (C.34:11-4.1 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. No employer shall require, as a condition of employment, any employee or prospective employee to enter into a training repayment agreement. Any agreement which is a training repayment agreement is void and no employee shall be obligated to make payments under that agreement.

b. A violation of the provisions of this section shall be regarded as a failure to comply with the provision of P.L.1965, c.173 (C.34:11-4.1 et seq.), and the remedies, penalties, and other measures provided for violations of that act shall be applicable, including, but not limited to, penalties provided by section 10 of that act (C.34:11-4.10) and civil actions by employees pursuant to that section. Any discharge or other discrimination by an employer against an employee or prospective employee because the employee or prospective employee refuses to enter into an agreement which violates the provisions of this section, makes a complaint regarding the violation, or otherwise exercises rights provided by this section or P.L.1965, c.173 (C.34:11-4.1 et seq.), shall be subject to remedies, penalties, and other measures provided for retaliatory actions by section 10 of P.L.1965, c.173 (C.34:11-4.10).

c. For the purposes of this section, "training repayment agreement" means any agreement requiring an employee to pay an employer, or a training provider or other third party, a sum of money if the employee voluntarily or involuntarily leaves employment with the employer, including any agreement requiring the employee to reimburse the employer or third party for training previously provided to the employee, except that a "training repayment agreement" shall not include a cash advance to an employee, a payment for equipment sold or leased to an employee, an educational sabbatical leave contract, or a training repayment agreement entered into as part of a collective bargaining agreement.

2. This act shall take effect immediately.

STATEMENT

This bill prohibits an employer from requiring, as a condition of employment, any employee or prospective employee to enter into training repayment agreement. The bill stipulates that any agreement which is a training repayment agreement is void and that no employee is obligated to make payments under that agreement. The bill defines a training repayment agreement as any agreement

requiring an employee to pay an employer, or a training provider or other third party, a sum of money if the employee leaves employment with the employer, including any agreement requiring the employee to reimburse the employer or third party for training previously provided to the employee, except that a training repayment agreement does not include a cash advance to an employee, a payment for equipment sold or leased to an employee, an educational sabbatical leave contract, or a training repayment agreement entered into as part of a collective bargaining agreement.