



New Jersey's New 'ABC Test' Rules Leave Room for Further Clarification, Litigators Say

In the News

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Scott Sears was recently quoted in a Law.com article discussing New Jersey's newly adopted regulations governing employee versus independent contractor classification under the state's "ABC Test."

The regulations, issued by the New Jersey Department of Labor and Workforce Development and effective October 1, are intended to provide businesses with greater guidance when determining whether workers qualify as independent contractors. The rules apply broadly to employment-related claims under New Jersey wage, hour, and unemployment laws.

In the article, Scott noted that while the updated regulations offer additional direction, significant ambiguity remains regarding what level of business independence is necessary for a worker to qualify as an independent contractor.

"It's still not perfectly clear, even with the further explanations, how much of their own business someone truly must have to be classified as an independent contractor," Scott said.

Scott explained that New Jersey continues to maintain one of the strictest standards in the country for independent contractor classifications. Under the ABC Test, businesses must demonstrate that a worker is free from employer control, performs work outside the company's usual business operations, and operates an independently established business.

According to Scott, unresolved gray areas, including how many clients a worker must serve and the degree of operational independence required, will likely continue to generate litigation and judicial interpretation unless lawmakers provide additional legislative clarification.

He further observed that courts may ultimately be left to resolve lingering uncertainties surrounding the application of the ABC Test across industries.

Click [here](#) to read the complete article.

Related People



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