

# New Jersey Finalizes Independent Contractor Rules Under the ABC Test

*New Jersey employment lawyer weighs in on regulations that could make contractor classification more difficult for businesses.*

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Employment law firm Lipsky Lowe LLP warns that New Jersey's newly finalized independent contractor regulations could make it significantly harder for businesses to classify workers as contractors under state law.



These regulations, enacted by the New Jersey Department of Labor on May 5, 2026, formally incorporate the ABC test into enforcement of the New Jersey Unemployment Compensation Act, the New Jersey State Wage and Hour Law, and the New Jersey Wage Payment Law. The rules are expected to take effect on October 1, 2026.



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*Douglas Lipsky, Founding Partner of Lipsky Lowe LLP*

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Under the test, businesses must satisfy all three prongs to classify a worker as an independent contractor. Employers must demonstrate that the worker is free from company control, performs work outside the company's usual

business or locations, and operates an independently established business or trade. Failure to satisfy any single prong results in employee classification.

While the ABC test has existed in New Jersey for years, the new regulations provide additional guidance on how courts and agencies may evaluate disputes over [worker classification](#). The rules are expected to draw continued attention from industries that rely heavily on freelance, contract

or gig-based labor.

For workers, classification status can directly affect eligibility for overtime pay, minimum wage protections, unemployment benefits and other workplace rights.

Workers who believe they may have been improperly classified as independent contractors may wish to speak with an employment attorney about their legal rights and potential remedies under New Jersey law.

#### About Lipsky Lowe LLP

Lipsky Lowe LLP is an employment law firm that represents employees in complex workplace disputes, including wage and hour violations, discrimination, retaliation and whistleblower claims throughout New York and New Jersey. It has been at the forefront of this issue, especially how it relates to golf caddies being misclassified as independent contractors. For more information, visit [lipskylowe.com](https://lipskylowe.com).

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