# ACCNJ LEGAL & INSURANCE UPDATE

OCTOBER 2026

## LIUNA FILES FIRST LAWSUIT BY A UNION UNDER NEW JERSEY'S "UP-THE-CHAIN" WAGE THEFT STATUTE

LIUNA Local 3 and the Laborers' Eastern Region Organizing Fund have filed the first lawsuit by a labor union under New Jersey's "up-the-chain" wage theft liability law (N.J.S.A. 34:11-67.1), marking a significant development in the enforcement of the State's wage protection laws. The lawsuit, filed in Superior Court, seeks more than $2 million in unpaid wages and liquidated damages on behalf of construction workers who performed work on two Jersey City developments but allegedly were not paid for weeks of work.

The significance of the case extends beyond the disputed wages. Amendments enacted in 2024 expanded the law to permit labor unions to bring actions on behalf of construction workers, including workers who are not union members. LIUNA's lawsuit represents the first known use of this enforcement mechanism by a labor union and could establish an important precedent regarding the ability of unions to pursue wage theft claims on behalf of workers throughout the construction industry.

The "up-the chain" wage theft law was designed to prevent companies from avoiding responsibility when a lower-tier subcontractor fails to pay its workers, particularly when that subcontractor is unable to satisfy wage claims. LIUNA's lawsuit highlights the potential exposure for contractors and other entities further up the contracting chain when wage violations occur. ACCNJ will continue to monitor the litigation closely, given its potential to shape how wage theft claims are pursued and the extent of liability for contractors and subcontractors.

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## STUDY COMMISSIONED BY ELEC 825 SHOWS PROJECT LABOR AGREEMENTS REDUCE COST & PROVIDE EFFICIENCY

A new study conducted by the Engineers Labor-Employer Cooperative (ELEC) examining project labor agreements (PLAs) in New Jersey provides evidence supporting their use on public construction projects, particularly as the legal debate surrounding PLAs continues to develop in New Jersey.

The study, *Project Labor Agreements in New Jersey: Skilled Labor, Apprenticeship Investment, and Evidence on Construction Costs*, concludes that evidence does not support the longstanding claim that PLAs inherently increase public construction costs. Researchers identified significant flaws in the frequently cited 2010 New Jersey Labor Commissioner study

and found that, when factors such as project timing and change orders are properly considered, the apparent cost difference between PLA and non-PLA projects is substantially diminished. Additionally, ELEC's study highlights the workforce benefits of PLAs, including access to union hiring halls, standardized work rules and a larger pool of skilled workers, an increasingly important consideration given the non-union construction industry's skilled-worker shortage.

These findings provide important counterpoints to arguments that PLAs increase costs or restrict competition. For ACCNJ, the study is welcome news and reinforces the importance of ensuring that public officials evaluate PLAs based on the overall value, efficiency and certainty they can provide to taxpayers, not simply the initial bid price.

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