Minimum Wage in New Jersey Expected to Increase Beginning July 2019

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The first step toward the minimum wage increasing to $15 an hour took place last Thursday. A new bill that was introduced and approved by the Assembly Labor Committee would incrementally increase the minimum wage, now at $8.85 an hour, to $15 an hour by 2024. The bill only has a few exceptions for seasonal workers, agricultural workers, tipped employees, and new hires enrolled in a training program. This is the first significant change to the State's minimum wage since New Jersey voters approved a constitutional amendment in 2013 that increased the minimum wage to $8.25 and indexed the State's minimum wage rate to the consumer price index.

Both the Senate and the Assembly are expected to vote and pass the bill during legislative session on January 31, 2019. "The bill will then head to the Governor's desk, where we expect Governor Murphy to sign it in the near future, leaving businesses only a few months to accommodate for the increased costs" said Sal Anderton, a member of Porzio Government Affairs.

As presently written, the bill establishes the following minimum wage increase:

July 1, 2019:	$10.00 per hour
January 1, 2020:	$11 per hour
January 1, 2021:	$12 per hour
January 1, 2022:	$13 per hour
January 1, 2023:	$14 per hour
January 1, 2024:	$15 per hour

Businesses impacted by the changes to the minimum wage rate should immediately begin preparing how to handle the increased labor costs. "Unfortunately, this may include adjustments to staffing levels or a decrease in the benefits provided to their employees." said David Disler, a member of Porzio's employment team. "In making these adjustments, employers should document their reasoning in order to avoid potential lawsuits under such laws as the New Jersey Law Against Discrimination or New Jersey's Equal Pay Act."