

# **New Jersey Employers Could See Minimum Wage Hike**

by Ramon Rivera on April 3, 2012

Employers should be aware that legislation to raise New Jersey's minimum wage is making its way through both the Assembly and Senate. Similar efforts to raise the minimum wage are also underway in New York and Connecticut. By jointly pursuing the increases, the states hope to defeat arguments by businesses that minimum wage hikes put states at a competitive disadvantage.

The Assembly Labor Committee most recently approved the New Jersey bill (A2162). It seeks to increase the New Jersey minimum wage rate from \$7.25 to \$8.50 an hour and would also tie future annual adjustments to the Consumer Price Index.

The bill will now go before the General Assembly for further consideration. If enacted, the wage hike would take effect on July 1, 2012. It would also be the first minimum wage increase in three years.

In a separate but related measure, lawmakers are also proposing to raise the minimum wage for tipped employees. The bill provides that, after June 30, 2012, employers must compensate their employees at an hourly rate of at least 40 percent of the minimum wage (\$2.90 per hour). After June 30, 2013, the minimum wage would be further increased to an hourly rate of at least 69% of the minimum wage (\$5.00 per hour). Tipped employees are currently paid the federal minimum wage of \$2.13 per hour.

Given the potential impact on employers, we will closely monitor the bills as progress through the legislature. For more information about how wage laws may impact your New York or New Jersey business, we recommend consulting with an experienced employment attorney. You can reach Ramon Rivera, the Chair of the Labor and Employment Law Group, at the number above.