



Minimum Wage Rate Increased In New Jersey

Client Advisories

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New Jersey voters overwhelmingly approved a ballot question on Tuesday that will increase the state minimum wage from \$7.25 to \$8.25. The ballot referendum also authorizes an amendment to the New Jersey State Constitution which provides for additional cost-of-living increases to the minimum wage each year in accordance with the Consumer Price Index (CPI). The new minimum wage goes into effect on January 1, 2014, and the cost-of-living adjustments will begin on September 1, 2014, and will be applied each September thereafter.

With this increase, New Jersey joins 19 other states in establishing a higher minimum wage than the federal minimum, which is currently set at \$7.25. Where federal and state wage and hour laws differ, New Jersey law requires that employees be granted the benefits of the more generous of the two. Given that the New Jersey minimum wage is now more generous than the federal minimum, New Jersey employers are required to adhere to the state rule and must pay all employees a minimum of at least \$8.25 per hour beginning in January 2014.

New Jersey Governor Chris Christie had previously vetoed a law passed by the New Jersey legislature that would have increased the minimum wage. But this vote by New Jersey's citizens at the polling place trumps that veto, and becomes the law of the State starting on January 1, 2014. The CPI has varied widely over the past several years, but has averaged around 1.5% to 2.5%. A 2% increase in September 2014 would raise the minimum wage to \$8.42 in September 2014.

If you have any questions regarding minimum wage issues or other labor and employment matters, please contact a member of **Archer's Labor and Employment Department** in Haddonfield, N.J., at (856) 795-2121, in Flemington, N.J., at (908) 788-9700, in Princeton, N.J., at (609) 580-3700, in Hackensack, N.J., at (201) 342-6000, in Philadelphia, Pa., at (215) 963-3300, or in Wilmington, Del., at (302) 777-4350.

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