

SENATE, No. 15

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 29, 2016

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Co-Sponsored by:

Senators Pou and Ruiz

SYNOPSIS

Raises minimum wage rate to \$10.10, makes further increases over a four-year period, and maintains annual cost of living increases.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/24/2016)

1 AN ACT concerning the minimum wage and amending P. L.1966,
2 c.113.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 5 of P. L.1966, c.113 (C.34:11-56a4) is amended to
8 read as follows:

9 5. Every employer shall pay to each of his employees for the
10 first 40 hours of working time in any week wages at a rate of not
11 less than **[\$5.05 per hour as of April 1, 1992 and, after January 1,**
12 **1999 the federal minimum hourly wage rate set by section 6(a)(1)**
13 **of the federal "Fair Labor Standards Act of 1938" (29 U.S.C.**
14 **s.206(a)(1)), and, as of October 1, 2005, \$6.15 per hour, and as of**
15 **October 1, 2006, \$7.15 per hour for 40 hours of working time in**
16 **any week and** \$8.25 per hour as of January 1, 2014 and, on
17 January 1 of 2015 and January 1 of each subsequent year, the
18 minimum wage shall be increased by any increase in the consumer
19 price index for all urban wage earners and clerical workers (CPI-W)
20 as calculated by the federal government for the 12 months prior to
21 the September 30 preceding that January 1, except that, any of the
22 following increases over a preceding year shall apply when that
23 increase exceeds the applicable increase in the CPI-W over the
24 preceding year: on January 1, 2017, the minimum wage shall be
25 \$10.10 per hour; and on January 1 of each year from 2018 to 2021,
26 inclusive, the minimum wage shall be increased by whichever
27 increase is greater of \$1.25 per hour or \$1.00 per hour plus any
28 increase in the CPI-W. If, at any time, the federal minimum hourly
29 wage rate set by section 6 of the federal "Fair Labor Standards Act
30 of 1938" (29 U.S.C. s.206), or a successor federal law, is raised to a
31 level higher than the State minimum wage rate set by this section,
32 then the State minimum wage rate shall be increased to the level of
33 the federal minimum wage rate and all subsequent increases based
34 on increases in the CPI-W pursuant to this section shall be applied
35 to the State minimum wage rate as increased to match the federal
36 minimum wage rate. The employer shall pay to each of his
37 employees 1 1/2 times such employee's regular hourly wage for
38 each hour of working time in excess of 40 hours in any week,
39 except this overtime rate shall not include any individual employed
40 in a bona fide executive, administrative, or professional capacity or,
41 if an applicable wage order has been issued by the commissioner
42 under section 17 (C.34:11-56a16) of this act, not less than the
43 wages prescribed in said order. The wage rates fixed in this section
44 shall not be applicable to part-time employees primarily engaged in
45 the care and tending of children in the home of the employer, to

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 persons under the age of 18 not possessing a special vocational
2 school graduate permit issued pursuant to section 15 of P.L.1940,
3 c.153 (C.34:2-21.15), or to persons employed as salesmen of motor
4 vehicles, or to persons employed as outside salesmen as such terms
5 shall be defined and delimited in regulations adopted by the
6 commissioner, or to persons employed in a volunteer capacity and
7 receiving only incidental benefits at a county or other agricultural
8 fair by a nonprofit or religious corporation or a nonprofit or
9 religious association which conducts or participates in that fair.

10 The provisions of this section for the payment to an employee of
11 not less than 1 1/2 times such employee's regular hourly rate for
12 each hour of working time in excess of 40 hours in any week shall
13 not apply to employees engaged to labor on a farm or employed in a
14 hotel or to an employee of a common carrier of passengers by motor
15 bus or to a limousine driver who is an employee of an employer
16 engaged in the business of operating limousines or to employees
17 engaged in labor relative to the raising or care of livestock.

18 Employees engaged on a piece-rate or regular hourly rate basis to
19 labor on a farm shall be paid for each day worked not less than the
20 minimum hourly wage rate multiplied by the total number of hours
21 worked.

22 Full-time students may be employed by the college or university
23 at which they are enrolled at not less than 85% of the effective
24 minimum wage rate.

25 Notwithstanding the provisions of this section to the contrary,
26 every trucking industry employer shall pay to all drivers, helpers,
27 loaders and mechanics for whom the Secretary of Transportation
28 may prescribe maximum hours of work for the safe operation of
29 vehicles, pursuant to section 31502(b) of the federal Motor Carrier
30 Act, 49 U.S.C.s.31502(b), an overtime rate not less than 1 1/2 times
31 the minimum wage required pursuant to this section and N.J.A.C.
32 12:56-3.1. Employees engaged in the trucking industry shall be
33 paid no less than the minimum wage rate as provided in this section
34 and N.J.A.C. 12:56-3.1. As used in this section, "trucking industry
35 employer" means any business or establishment primarily operating
36 for the purpose of conveying property from one place to another by
37 road or highway, including the storage and warehousing of goods
38 and property. Such an employer shall also be subject to the
39 jurisdiction of the Secretary of Transportation pursuant to the
40 federal Motor Carrier Act, 49 U.S.C.s.31501 et seq., whose
41 employees are exempt under section 213(b)(1) of the federal "Fair
42 Labor Standards Act of 1938," 29 U.S.C. s.213(b)(1), which
43 provides an exemption to employees regulated by section 207 of the
44 federal "Fair Labor Standards Act of 1938," 29 U.S.C.s.207, and the
45 Interstate Commerce Act, 49 U.S.C.s.501 et al.

46 The provisions of this section shall not be construed as
47 prohibiting any political subdivision of the State from adopting an
48 ordinance, resolution, regulation or rule, or entering into any

1 agreement, establishing any standard for vendors, contractors and
2 subcontractors of the subdivision regarding wage rates or overtime
3 compensation which is higher than the standards provided for in
4 this section, and no provision of any other State or federal law
5 establishing a minimum standard regarding wages or other terms
6 and conditions of employment shall be construed as preventing a
7 political subdivision of the State from adopting an ordinance,
8 resolution, regulation or rule, or entering into any agreement,
9 establishing a standard for vendors, contractors and subcontractors
10 of the subdivision which is higher than the State or federal law or
11 which otherwise provides greater protections or rights to employees
12 of the vendors, contractors and subcontractors of the subdivision,
13 unless the State or federal law expressly prohibits the subdivision
14 from adopting the ordinance, resolution, regulation or rule, or
15 entering into the agreement.

16 (cf: P.L.2005, c.70, s.1)

17

18 2. This act shall take effect immediately.

19

20

STATEMENT

21

22 This bill amends section 5 of P. L.1966, c.113 (C.34:11-56a4) to:
23 (1) incorporate into that law the provisions of Article I, paragraph
24 23 of the State Constitution approved by ballot initiative in 2013 to
25 increase the State minimum wage; and (2) provide further increases
26 in the minimum wage beyond what is provided in the Constitution.

27 The bill incorporates into the minimum wage law the
28 constitutional provision increasing the minimum wage rate to \$8.25
29 per hour on January 1, 2014, and increasing the rate on January 1 of
30 any year after 2014 in which there was an increase, during the 12
31 months prior to the September 30 before that January 1, in the
32 consumer price index for all urban wage earners and clerical
33 workers (CPI-W). The bill also incorporates into the law the
34 provision of the Constitution that whenever the federal minimum
35 wage exceeds the State minimum wage, the federal minimum wage
36 will be adopted as the State minimum wage and the increases based
37 on increases in the CPI-W will be applied to the federal minimum
38 wage rate.

39 The bill also provides for certain increases in the State minimum
40 wage beyond what is provided in the Constitution. Any of the
41 following increases shall apply, if the increase is greater than the
42 applicable increase in the CPI-W: the minimum wage rate will be
43 increased to \$10.10 per hour on January 1, 2017 and will be
44 increased on January 1 of each year from 2017 to 2021 inclusive by
45 the larger of \$1.25 per hour or the sum of \$1.00 per hour plus any
46 increase in the CPI-W applicable to that year.

47 Increases based on increases in the CPI-W will continue to be
48 applied after 2021.