

ASSEMBLY, No. 699

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Assemblywoman L. GRACE SPENCER

District 29 (Essex and Union)

SYNOPSIS

Increases minimum wage.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT increasing 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:

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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 wages at a
10 rate of not less than \$5.05 per hour as of April 1, 1992 and, after
11 January 1, 1999 the federal minimum hourly wage rate set by
12 section 6(a)(1) of the federal "Fair Labor Standards Act of 1938"
13 (29 U.S.C. s.206(a)(1)) for 40 hours of working time in any week
14 and 1 1/2 times such employee's regular hourly wage for each hour
15 of working time in excess of 40 hours in any week, except this
16 overtime rate shall not include any individual employed in a bona
17 fide executive, administrative, or professional capacity or, if an
18 applicable wage order has been issued by the commissioner under
19 section 17 (C.34:11-56a16) of this act, not less than the wages
20 prescribed in said order. Commencing in 2002, the commissioner
21 shall, no later than April 1 of each year, adjust the minimum hourly
22 wage rate set forth in this section to make it equal to 30% of the
23 average hourly wage for all workers in this State and the adjustment
24 shall become effective on July 1 of that year, unless the federal
25 minimum hourly wage rate is greater, in which case the federal
26 minimum hourly rate shall prevail. For the purposes of this section,
27 the "average hourly wage for all workers in this State" shall be one
28 fortieth of the Statewide average weekly wage paid to all workers
29 subject to the "unemployment compensation law" (R.S.43:21-1 et
30 seq.) as determined and promulgated by the commissioner. The
31 wage rates fixed in this section shall not be applicable to part-time
32 employees primarily engaged in the care and tending of children in
33 the home of the employer, to persons under the age of 18 not
34 possessing a special vocational school graduate permit issued
35 pursuant to section 15 of P.L.1940, c.153 (C.34:2-21.15), or to
36 persons employed as salesmen of motor vehicles, or to persons
37 employed as outside salesmen as such terms shall be defined and
38 delimited in regulations adopted by the commissioner, or to persons
39 employed in a volunteer capacity and receiving only incidental
40 benefits at a county or other agricultural fair by a nonprofit or
41 religious corporation or a nonprofit or religious association which
42 conducts or participates in that fair.

43 The provisions of this section for the payment to an employee of
44 not less than 1 1/2 times such employee's regular hourly rate for

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 each hour of working time in excess of 40 hours in any week shall
2 not apply to employees engaged to labor on a farm or employed in a
3 hotel or to an employee of a common carrier of passengers by motor
4 bus or to a limousine driver who is an employee of an employer
5 engaged in the business of operating limousines or to employees
6 engaged in labor relative to the raising or care of livestock.

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

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

14 Notwithstanding the provisions of this section to the contrary,
15 every trucking industry employer shall pay to all drivers, helpers,
16 loaders and mechanics for whom the Secretary of Transportation
17 may prescribe maximum hours of work for the safe operation of
18 vehicles, pursuant to section 31502(b) of the federal Motor Carrier
19 Act, 49 U.S.C.s.31502(b), an overtime rate not less than 1 1/2 times
20 the minimum wage required pursuant to this section and
21 N.J.A.C.12:56-3.1. Employees engaged in the trucking industry
22 shall be paid no less than the minimum wage rate as provided in this
23 section and N.J.A.C.12:56-3.1. As used in this section, "trucking
24 industry employer" means any business or establishment primarily
25 operating for the purpose of conveying property from one place to
26 another by road or highway, including the storage and warehousing
27 of goods and property. Such an employer shall also be subject to the
28 jurisdiction of the Secretary of Transportation pursuant to the
29 federal Motor Carrier Act, 49 U.S.C.s.31501 et seq., whose
30 employees are exempt under section 213(b)(1) of the federal Fair
31 Labor Standards Act, 29 U.S.C.s.213(b)(1), which provides an
32 exemption to employees regulated by section 207 of the federal Fair
33 Labor Standards Act, 29 U.S.C.s.207, and the Interstate Commerce
34 Act, 49 U.S.C.s.501 et al.
35 (cf: P.L.1999, c.370, s.1)

36
37 2. This act shall take effect immediately.
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39

40 STATEMENT
41

42 This bill increases New Jersey's minimum wage rate and
43 establishes a new method of determining the minimum wage in the
44 future.

45 Commencing in 2002, the Commissioner of Labor is required,
46 not later than April 1 of each year, to adjust the State minimum
47 hourly wage rate to make it equal to 30% of the average hourly
48 wage for all workers in this State, with the adjustment becoming

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1 effective on July 1 of that year, unless the federal minimum hourly
2 wage rate is greater, in which case the federal minimum hourly rate
3 will prevail. For the purposes of the bill, the "average hourly wage
4 for all workers in this State" means one fortieth of the Statewide
5 average weekly wage paid to all workers under the "unemployment
6 compensation law" (R.S.43:21-1 et seq.).

7 The bill, as of July 1, 2002, increases New Jersey's minimum
8 wage rate from its current level of \$5.15 per hour to \$6.29 per hour,
9 which is 30% of the \$20.96 average hourly wage for all New Jersey
10 workers.

11 The current New Jersey minimum wage of \$5.15 per hour is only
12 24.6% of the average hourly wage in the State, the lowest
13 percentage on record. In 1974, the minimum wage was 46.0% of
14 the average hourly wage. Moreover, a full-time worker paid New
15 Jersey's current minimum wage receives \$10,300 per year, far
16 below the national poverty level of \$17,650 per year for a family of
17 four.

18 The bill is designed to sustain New Jersey's minimum wage at an
19 appropriate level in light of New Jersey's high cost of living, which
20 is more than 15% higher than the national average, and to prevent
21 workers earning the minimum wage from falling increasingly
22 behind the wage levels of average workers. An increase in the
23 minimum wage is appropriate to lift the incomes of tens of
24 thousands of hard-working New Jersey citizens.