ASSEMBLY, No. 4687

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED OCTOBER 29, 2018

Sponsored by:
Assemblywoman BRITNEE N. TIMBERLAKE
District 34 (Essex and Passaic)
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District 32 (Bergen and Hudson)
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District 34 (Essex and Passaic)

Co-Sponsored by:
Assemblywomen Reynolds-Jackson, Jasey, Assemblyman Caputo,
Assemblywoman Tucker, Assemblymen Mejia, Chiaravalloti,
Assemblywomen McKnight and Carter

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

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 12/7/2018)
AN ACT concerning the minimum wage and amending and supplementing P.L.1966, c.113.

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

1. (New section) The Legislature finds and declares that:
   a. Over one million New Jersey households are comprised of hardworking members of the community, who are employed but who do not earn sufficient income to afford the basic necessities of life and are not able to save funds for retirement, emergencies, or other expenses that may arise.
   b. These individuals earn above the federal poverty level, but they do not earn sufficient income to afford child care, food, transportation, healthcare, and technology.
   c. The basic cost of living has increased each year, and yet these individuals have had no guarantee that their income will rise in proportion to the cost of living.
   d. Despite low national inflation, from 2010-2016, the bare minimum household survival budget increased by 16 percent for a single adult and 28 percent for a family.
   e. As of 2016, low wage jobs dominated the landscape in the State, with 51 percent of all jobs paying less than $20 per hour, and with two-thirds of those jobs paying less than $15 per hour.
   f. According to a survey of State businesses in 2017, nearly 60 percent of businesses anticipated sales to rise in 2018, and 55 percent of businesses forecasted increased profits.
   g. Some businesses have found that by voluntarily paying their employees at least $15 per hour, the businesses have experienced an increase in employee productivity and a reduction in employee turnover.
   h. Despite claims from opponents to raising the minimum wage, many studies demonstrate that following an increase in a minimum wage, employment levels rise, rather than fall.
   i. It is imperative that the State take measures, including an increase in the minimum wage, to ensure that individuals who are working are receiving a living wage.

2. Section 5 of P. L.1966, c.113 (C.34:11-56a4) is amended to read as follows:
   5. Every employer shall pay to each of his employees for the first 40 hours of working time in any week wages at a rate of not less than $5.05 per hour as of April 1, 1992 and, after January 1, 1999 the federal minimum hourly wage rate set by section 6(a)(1) of the federal "Fair Labor Standards Act of 1938"

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.
(29 U.S.C. §206(a)(1)), and, as of October 1, 2005, $6.15 per hour, and as of October 1, 2006, $7.15 per hour for 40 hours of working time in any week and on January 1 of 2015 and January 1 of each subsequent year, the minimum wage shall be increased by any increase in the consumer price index for all urban wage earners and clerical workers (CPI-W) as calculated by the federal government for the 12 months prior to the September 30 preceding that January 1, except that, any of the following increases over a preceding year shall apply when that increase exceeds the applicable increase in the CPI-W over the preceding year: on January 1, 2019, the minimum wage shall be $10.10 per hour; and on January 1 of each year from 2020 to 2023, inclusive, the minimum wage shall be increased by whichever increase is the greater of $1.25 per hour or $1.00 per hour plus any increase in the CPI-W. If, at any time, the federal minimum hourly wage rate set by section 6 of the federal "Fair Labor Standards Act of 1938" (29 U.S.C. §206), or a successor federal law, is raised to a level higher than the State minimum wage rate set by this section, then the State minimum wage rate shall be increased to the level of the federal minimum wage rate and all subsequent increases based on increases in the CPI-W pursuant to this section shall be applied to the State minimum wage rate as increased to match the federal minimum wage rate. The employer shall pay to each of his employees 1 1/2 times such employee's regular hourly wage for each hour of working time in excess of 40 hours in any week, except this overtime rate shall not include any individual employed in a bona fide executive, administrative, or professional capacity or, if an applicable wage order has been issued by the commissioner under section 17 (C.34:11-56a16) of this act, not less than the wages prescribed in said order. The wage rates fixed in this section shall not be applicable to part-time employees primarily engaged in the care and tending of children in the home of the employer, to persons under the age of 18 not possessing a special vocational school graduate permit issued pursuant to section 15 of P.L.1940, c.153 (C.34:2-21.15), or to persons employed as salesmen of motor vehicles, or to persons employed as outside salesmen as such terms shall be defined and delimited in regulations adopted by the commissioner, or to persons employed in a volunteer capacity and receiving only incidental benefits at a county or other agricultural fair by a nonprofit or religious corporation or a nonprofit or religious association which conducts or participates in that fair. The provisions of this section for the payment to an employee of not less than 1 1/2 times such employee's regular hourly rate for each hour of working time in excess of 40 hours in any week shall not apply to employees engaged to labor on a farm or employed in a hotel or to an employee of a common carrier of passengers by motor bus or to a limousine driver who is an employee of an employer engaged in the business of operating limousines or to employees engaged in labor relative to the raising or care of livestock.
Employees engaged on a piece-rate or regular hourly rate basis to labor on a farm shall be paid for each day worked not less than the minimum hourly wage rate multiplied by the total number of hours worked.

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

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

The provisions of this section shall not be construed as prohibiting any political subdivision of the State from adopting an ordinance, resolution, regulation or rule, or entering into any agreement, establishing any standard for vendors, contractors and subcontractors of the subdivision regarding wage rates or overtime compensation which is higher than the standards provided for in this section, and no provision of any other State or federal law establishing a minimum standard regarding wages or other terms and conditions of employment shall be construed as preventing a political subdivision of the State from adopting an ordinance, resolution, regulation or rule, or entering into any agreement, establishing a standard for vendors, contractors and subcontractors of the subdivision which is higher than the State or federal law or which otherwise provides greater protections or rights to employees of the vendors, contractors and subcontractors of the subdivision, unless the State or federal law expressly prohibits the subdivision from adopting the ordinance, resolution, regulation or rule, or entering into the agreement.

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

3. This act shall take effect immediately.
This bill amends section 5 of P. L.1966, c.113 (C.34:11-56a4) to:

(1) incorporate into that law the provisions of Article I, paragraph 23 of the State Constitution approved by ballot initiative in 2013 to increase the State minimum wage; and (2) provide further increases in the minimum wage beyond what is provided in the Constitution.

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

The bill also provides for certain increases in the State minimum wage beyond what is provided in the Constitution. Any of the following increases shall apply, if the increase is greater than the applicable increase in the CPI-W: the minimum wage rate will be increased to $10.10 per hour on January 1, 2019 and will be increased on January 1 of each year from 2020 to 2023 inclusive by the larger of $1.25 per hour or the sum of $1.00 per hour plus any increase in the CPI-W applicable to that year.

Increases based on increases in the CPI-W will continue to be applied after 2023.

The bill includes a section setting forth certain findings as to why such an increase in the minimum wage is appropriate at this time.