

ASSEMBLY, No. 4687

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED OCTOBER 29, 2018

Sponsored by:

Assemblywoman BRITNEE N. TIMBERLAKE

District 34 (Essex and Passaic)

Assemblywoman ANGELICA M. JIMENEZ

District 32 (Bergen and Hudson)

Assemblyman THOMAS P. GIBLIN

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)

1 AN ACT concerning the minimum wage and amending and
2 supplementing P.L.1966, 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. (New section) The Legislature finds and declares that:

8 a. Over one million New Jersey households are comprised of
9 hardworking members of the community, who are employed but
10 who do not earn sufficient income to afford the basic necessities of
11 life and are not able to save funds for retirement, emergencies, or
12 other expenses that may arise.

13 b. These individuals earn above the federal poverty level, but
14 they do not earn sufficient income to afford child care, food,
15 transportation, healthcare, and technology.

16 c. The basic cost of living has increased each year, and yet
17 these individuals have had no guarantee that their income will rise
18 in proportion to the cost of living.

19 d. Despite low national inflation, from 2010-2016, the bare
20 minimum household survival budget increased by 16 percent for a
21 single adult and 28 percent for a family.

22 e. As of 2016, low wage jobs dominated the landscape in the
23 State, with 51 percent of all jobs paying less than \$20 per hour, and
24 with two-thirds of those jobs paying less than \$15 per hour.

25 f. According to a survey of State businesses in 2017, nearly 60
26 percent of businesses anticipated sales to rise in 2018, and 55
27 percent of businesses forecasted increased profits.

28 g. Some businesses have found that by voluntarily paying their
29 employees at least \$15 per hour, the businesses have experienced an
30 increase in employee productivity and a reduction in employee
31 turnover.

32 h. Despite claims from opponents to raising the minimum
33 wage, many studies demonstrate that following an increase in a
34 minimum wage, employment levels rise, rather than fall.

35 i. It is imperative that the State take measures, including an
36 increase in the minimum wage, to ensure that individuals who are
37 working are receiving a living wage.

38

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

41 5. Every employer shall pay to each of his employees for the
42 first 40 hours of working time in any week wages at a rate of not
43 less than **[\$5.05** per hour as of April 1, 1992 and, after January 1,
44 1999 the federal minimum hourly wage rate set by section 6(a)(1)
45 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.

1 (29 U.S.C. s.206(a)(1)), and, as of October 1, 2005, \$6.15 per hour,
2 and as of October 1, 2006, \$7.15 per hour for 40 hours of working
3 time in any week and \$8.25 per hour as of January 1, 2014 and, on
4 January 1 of 2015 and January 1 of each subsequent year, the
5 minimum wage shall be increased by any increase in the consumer
6 price index for all urban wage earners and clerical workers (CPI-W)
7 as calculated by the federal government for the 12 months prior to
8 the September 30 preceding that January 1, except that, any of the
9 following increases over a preceding year shall apply when that
10 increase exceeds the applicable increase in the CPI-W over the
11 preceding year: on January 1, 2019, the minimum wage shall be
12 \$10.10 per hour; and on January 1 of each year from 2020 to 2023,
13 inclusive, the minimum wage shall be increased by whichever
14 increase is the greater of \$1.25 per hour or \$1.00 per hour plus any
15 increase in the CPI-W. If, at any time, the federal minimum hourly
16 wage rate set by section 6 of the federal "Fair Labor Standards Act
17 of 1938" (29 U.S.C. s.206), or a successor federal law, is raised to a
18 level higher than the State minimum wage rate set by this section,
19 then the State minimum wage rate shall be increased to the level of
20 the federal minimum wage rate and all subsequent increases based
21 on increases in the CPI-W pursuant to this section shall be applied
22 to the State minimum wage rate as increased to match the federal
23 minimum wage rate. The employer shall pay to each of his
24 employees 1 1/2 times such employee's regular hourly wage for
25 each hour of working time in excess of 40 hours in any week,
26 except this overtime rate shall not include any individual employed
27 in a bona fide executive, administrative, or professional capacity or,
28 if an applicable wage order has been issued by the commissioner
29 under section 17 (C.34:11-56a16) of this act, not less than the
30 wages prescribed in said order. The wage rates fixed in this section
31 shall not be applicable to part-time employees primarily engaged in
32 the care and tending of children in the home of the employer, to
33 persons under the age of 18 not possessing a special vocational
34 school graduate permit issued pursuant to section 15 of P.L.1940,
35 c.153 (C.34:2-21.15), or to persons employed as salesmen of motor
36 vehicles, or to persons employed as outside salesmen as such terms
37 shall be defined and delimited in regulations adopted by the
38 commissioner, or to persons employed in a volunteer capacity and
39 receiving only incidental benefits at a county or other agricultural
40 fair by a nonprofit or religious corporation or a nonprofit or
41 religious association which conducts or participates in that fair.

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

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

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

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

29 The provisions of this section shall not be construed as
30 prohibiting any political subdivision of the State from adopting an
31 ordinance, resolution, regulation or rule, or entering into any
32 agreement, establishing any standard for vendors, contractors and
33 subcontractors of the subdivision regarding wage rates or overtime
34 compensation which is higher than the standards provided for in
35 this section, and no provision of any other State or federal law
36 establishing a minimum standard regarding wages or other terms
37 and conditions of employment shall be construed as preventing a
38 political subdivision of the State from adopting an ordinance,
39 resolution, regulation or rule, or entering into any agreement,
40 establishing a standard for vendors, contractors and subcontractors
41 of the subdivision which is higher than the State or federal law or
42 which otherwise provides greater protections or rights to employees
43 of the vendors, contractors and subcontractors of the subdivision,
44 unless the State or federal law expressly prohibits the subdivision
45 from adopting the ordinance, resolution, regulation or rule, or
46 entering into the agreement.

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

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49 3. This act shall take effect immediately.

STATEMENT

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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.