

SENATE, No. 1478

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Senator LIPMAN

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

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

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

8 5. Every employer shall pay to each of his employees wages at a
9 rate of not less than [\$3.80 per hour as of the effective date of
10 P.L.1990, c.18, \$4.25 per hour as of April 1, 1991 and] \$5.05 per
11 hour as of April 1, 1992, \$5.55 per hour as of July 1, 1996 and \$6.00
12 per hour as of July 1, 1997 for 40 hours of working time in any week
13 and 1 1/2 times such employee's regular hourly wage for each hour of
14 working time in excess of 40 hours in any week, except this overtime
15 rate shall not include any individual employed in a bona fide executive,
16 administrative, or professional capacity or, if an applicable wage order
17 has been issued by the commissioner under section 17
18 (C.34:11-56a16) of this act, not less than the wages prescribed in said
19 order, and, commencing January 1, 1998, the commissioner shall, no
20 later than March 1 of each year, adjust the minimum hourly wage rate
21 set forth in this section in direct proportion to the rise or fall of the
22 consumer price index for all urban consumers in the New York City
23 and the Philadelphia areas as reported by the United States
24 Department of Labor and the adjustment shall become effective on
25 July 1 of each year. The wage rates fixed in this section shall not be
26 applicable to part-time employees primarily engaged in the care and
27 tending of children in the home of the employer, to persons under the
28 age of 18 not possessing a special vocational school graduate permit
29 issued pursuant to section 15 of P.L.1940, c.153 (C.34:2-21.15), or
30 to persons employed as salesmen of motor vehicles, or to persons
31 employed as outside salesmen as such terms shall be defined and
32 delimited in regulations adopted by the commissioner, or to persons
33 employed in a volunteer capacity and receiving only incidental benefits
34 at a county or other agricultural fair by a nonprofit or religious

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

Matter underlined thus is new matter.

1 corporation or a nonprofit or religious association which conducts or
2 participates in that fair.

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

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

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

18 (cf: P.L.1995, c.387, s.2)

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20 2. This act shall take effect immediately.

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STATEMENT

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25 This bill increases New Jersey's minimum wage rate from its current
26 level of \$5.05 per hour to \$5.55 per hour as of July 1, 1996 and \$6.00
27 per hour as of July 1, 1997. The bill requires that, starting in 1998,
28 the minimum wage rate be adjusted annually, based on changes in the
29 consumer price index, with the adjustment taking effect on July 1 of
30 each year.

31 Legislation is currently pending in the Congress of United States to
32 increase the federal minimum hourly wage by 90 cents, from \$4.25 to
33 \$5.15, over a two year period, an increase equal to that provided by
34 this bill. The purpose of the bill is to sustain New Jersey's minimum
35 wage at a level appropriate in light of New Jersey's cost of living,
36 which is 20% higher than the national average. Because of New
37 Jersey's above average minimum wage, only 7% of New Jersey wage
38 earners are paid less than \$5.15 per hour, compared to states like
39 Mississippi, Oklahoma, Wyoming and Texas, in which more than 20%
40 of wage earners are paid below \$5.15 per hour.

41 A full-time worker paid New Jersey's minimum wage receives
42 \$10,100 per year, far below the national poverty level of \$15,600 per
43 year for a family of four. An increase in the minimum wage is an
44 appropriate step to lift the incomes of tens of thousands of hard-
45 working New Jersey citizens.

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3 Increases minimum wage.