

New Year, New Rules for Employers Doing Business in New Jersey in 2023

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The New Year will usher in several new employment laws in New Jersey. This update summarizes these new legal requirements to help New Jersey employers prepare for 2023.

Minimum Wage Increase

A New Jersey state law signed in February 2019, sets forth mandatory increases to the state minimum wage. That law requires increases of at least \$1 annually until the minimum wage reaches \$15 per hour in 2024. As a result, on January 1, 2023, the statewide minimum for most employees will increase to \$14.13 per hour. This increase of \$1.13 exceeds the minimum \$1 increase as a result of “significant increases” in the Consumer Price Index.

For employees not covered under this increase, January 1, 2023, will also bring new industry specific minimum wages. Seasonal employees and employees of “small employers” will see an increase to \$12.93 per hour, the agricultural workers’ minimum wage increases to \$12.01, and the minimum wage for long-term care facility direct care staff will increase to \$17.13 per hour.

In New Jersey, a “seasonal employer” is any employer that:

- Exclusively provides its services in a continuous period of not more than ten weeks during the months of June, July, August, and September;
- Received at least two-thirds of its gross receipts in the immediately previous calendar year in a continuous period of not more than sixteen weeks; or
- Paid 75 percent or more of wages during the immediately preceding year for work performed during a single calendar quarter.

In New Jersey, a “small employer” is any employer that employed:

- Less than six employees for every working day during each of a majority of the calendar workweeks in the current calendar year; and

- Less than six employees for every working day during not less than 48 calendar workweeks in the preceding calendar year.

Service Worker Wage Increase

In New Jersey, the minimum wage that must be paid for employees in the hospitality industry may be reduced for the tips earned by employees. January 1, 2023, will bring an increase to the minimum wage that must be paid to tipped workers. The minimum wage for tipped workers will increase to \$5.26 per hour, with a corresponding increase in the tip credit, bringing that credit to \$8.87.

Business Restructuring in the Healthcare Industry

Effective November 17, 2022, New Jersey law now requires that when a covered “health care entity” is sold, the contract for the sale must “preserve employee wages and benefits” and “honor collective bargaining agreements.” Under this law, a covered health care entity is a licensed health care facility, a staffing registry, or a home care services agency.

The law also requires that a minimum of 30 days before a change in control of a covered health care entity, the former employer must provide a variety of information to the successor employer and any bargaining representative of employees. The required information includes: a list containing the name, address, date of hire, phone number, wage rate, and employment classification of each eligible employee employed at the affected health care entity. The former employer must also inform all eligible employees of their rights provided by the law, and post a notice setting forth the rights provided by the law.

Wolfram Ott also contributed to this article.

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