

New Jersey's Minimum Wage Rises to \$8.38 in the New Year

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Due to an increase in the Consumer Price Index (CPI), New Jersey's minimum wage will rise to \$8.38 per hour starting January 1, 2015. This is the second consecutive year that the state's minimum wage will increase. Last year New Jersey voters approved a constitutional amendment that increased the state's minimum wage to \$8.25 per hour effective January 1, 2014, and that mandated automatic annual adjustments based on the CPI beginning on September 30, 2014 and taking effect every January 1st in perpetuity.

New Jersey employers with workers currently being paid less than the new minimum wage rate should prepare for the upcoming pay increase. The state's minimum wage applies to any employee subject to the state wage and hour law, including any "non-exempt" employee who is overtime eligible. Thus, the new minimum wage will result not only in increased "straight time" costs, but higher overtime costs, which generally are calculated at 1.5 times an employee's hourly "regular rate."

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