

New Jersey Minimum Wage Increases to \$13 on January 1 for Most Employers

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With a new year on the horizon, New Jersey employers should prepare now for impending changes to the state's minimum wage. <u>In 2019, Governor Phil Murphy signed a law</u> that gradually increases the state's minimum wage to \$15 an hour for most non-exempt employees. Since its enactment, the state minimum wage has <u>increased by \$1 for most employers</u> each year on January 1.

Effective January 1, 2022, the following minimum wage increases will go into effect:

- Most employers: increase from \$12 to **\$13** per hour
- Tipped employees: increase from \$4.13 to **\$5.13** per hour
- Seasonal and small employers (fewer than 6 employees): increase from \$11.10 to **\$11.90** per hour
- Agricultural employees: increase from \$10.44 to **\$10.90** per hour
- Long-term care facility staff: from \$15 to **\$16** per hour

What Should You Do?

New Jersey has one of the strongest wage theft laws in the country, which should spur you to ensure compliance with the impending changes. Approximately two years ago, New Jersey's Wage Theft Act was amended to criminalize certain wage and hour violations and significantly increase exposure to damages, penalties, and fines for violations. If an employee is not paid properly – including not paid at the correct minimum wage – they may be able to recover liquidated damages of 200% in addition to the original wages they were owed. Therefore, failure to comply with the \$0.46 to \$1 increases above could become an expensive mistake.

If you have any questions about New Jersey's minimum wage laws and how these changes may impact your business, please contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our <u>New Jersey office</u>. Make sure you are subscribed to <u>Fisher Philips' Alert System</u> to get the most up-to-date information.

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