New Year, New $14.13 Minimum Wage in New Jersey

Insights
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New Jersey employers should prepare now for increases to the state's minimum wage that will take effect January 1, 2023. In 2019, Governor Phil Murphy signed a law that gradually increases the state's minimum wage to $15 an hour for most non-exempt employees. Since that time, the state minimum wage has increased by $1 for more employers each year on January 1st. Looking ahead to 2023, the New Jersey Department of Labor and Workforce Development recently announced that minimum wage will increase by $1.13 per hour because of significant increases in the Consumer Price Index (CPI). Here is a summary of all the increases that will soon take effect, along with some compliance recommendations to prepare.

Summary of 2023 Minimum Wage Levels

Effective January 1, 2023, the following minimum wage increases will go into effect:

- Most employers: increase from $13 to **$14.13 per hour**
- Tipped employees: increase from $5.13 to **$5.26** (**$8.87 tip credit**)
- Seasonal and small employers (fewer than 6 employees): increase from $11.90 to **$12.93**
- Agricultural employees: increase from $11.05 to **$12.01**
- Long-term care facility staff: increase from $16 to **$17.13**

What Should You Do?

Compliance with the new minimum wage rates is essential for all New Jersey employers. New Jersey's Wage Theft Act criminalizes certain wage and hour violations and the damages, penalties, and fines for violations is significant. 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.

Additionally, employers should be cognizant of the minimum wage increases that will continue in the future for compliance and budgeting purposes. On January 1, 2024, the minimum wage for most employees will increase to $15 an hour. Thereafter, the state Constitution provides that minimum wage will increase annually based on any increase in the CPI.

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Conclusion

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 New Jersey office. Make sure you are subscribed to the Fisher Phillips' Insight System to get the most up-to-date information.

Related People

Sarah Wieselthier
Partner
908.516.1064
Email

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