Insights, News & Events

$15 MINIMUM WAGE MAY SOON BE REALITY FOR NEW JERSEY EMPLOYERS

Insights
Jan 22, 2019

New Jersey is likely to follow California, Massachusetts, and New York in gradually raising its minimum wage to $15 an hour. Senate President Steve Sweeney and Assembly Speaker Craig Coughlin agreed on a proposal with Governor Phil Murphy last week, which could see the increase passed into law around the end of the month, soon after full Senate and Assembly sessions are scheduled to convene. What do New Jersey employers need to know about this proposal?

WHAT IS IN THE PROPOSAL?

Under the current form of the proposal, many employees in New Jersey would see their wages rise from $8.85 to $10 an hour on July 1, 2019. At the beginning of 2020, the minimum wage would increase to $11 an hour. In each year thereafter, the minimum wage would increase in dollar increments until it hits $15 an hour in 2024.

The proposal, however, has notable carve-outs. For seasonal workers and employees of businesses that hire five or fewer employees, their minimum wage would not reach $15 an hour until 2026. The minimum wage for farm workers would increase to $12.50 an hour by 2024. At that time, a legislative committee would be expected to convene to decide whether to approve a further wage increase for farm workers.

The proposal also reportedly includes incentives in the form of tax credits. Under the proposal, employers could be able to claim a tax credit for hiring employees with disabilities.

Related People



Eric T. Baginski
Counsel

Service Focus

Wage and Hour

Related Offices

New Jersey

Copyright © 2026 Fisher Phillips LLP. All Rights Reserved.

HOW DOES THIS FIT INTO RECENT STATE HISTORY?

The proposal comes soon after New Jersey increased its minimum wage to $8.85 an hour on January 1, 2019. In October, the Murphy administration announced the 25-cent increase from $8.60 an hour. That announcement was based on the annual review of the minimum wage in relation to the consumer price index for all urban wage earners and clerical workers (CPI-W) by the New Jersey Department of Labor and Workforce Development.

In 2013, New Jersey voters approved an amendment to the state constitution that requires the minimum wage to be increased annually by any increases in the CPI-W, and to match increases in the federal minimum wage. Pursuant to the amendment, any increase in the CPI-W from the year prior is to be applied to the state minimum wage rate in the following year. The CPI-W data reflects changes in the cost of living, and the constitutional amendment appears to have been an effort to keep wages on pace with inflation. If the law is passed, following 2024, the $15 minimum wage could be increased annually based upon CPI-W data.

It remains to be seen how the final minimum wage law will interact with New Jersey's constitution. If the legislature does not carefully draft the law to account for annual increases required by changes to the CPI-W, workers may be entitled to the CPI-W adjustment on top of the proposed $1.00 an hour annual increases.

WHAT'S NEXT?

We will continue to monitor further developments and provide updates regarding the final law's provisions once the law is signed and an effective date is established, so you should ensure you are subscribed to Fisher Phillips' alert system to gather the most up-to-date information. In the meantime, New Jersey employers should begin preparing for the changes, including with respect to their wage payment systems and practices.

If you have questions, please contact your Fisher Phillips attorney or any attorney in our New Jersey office.

This Legal Alert provides information about a specific proposed state law. It is not intended to be, and should not

Copyright © 2026 Fisher Phillips LLP. All Rights Reserved.

be construed as, legal advice for any particular fact situation.

Copyright © 2026 Fisher Phillips LLP. All Rights Reserved.