

# One Minute Memo<sup>®</sup>



## NJ Raises Minimum Wage

Along with Governor Christie's re-election on November 5, 2013, New Jersey residents voted to increase the state's minimum wage from \$7.25 to \$8.25, effective January 1, 2014.

As part of the minimum wage increase, the voters also approved a constitutional amendment to the New Jersey State Constitution that will tie future minimum wage increases to cost of living increases. If the federal minimum wage rate is raised above the State rate, however, the State rate would match the federal rate, with future cost of living increases based on the new rate.

Going forward, on September 30 of each coming year, New Jersey will increase its minimum wage based on the consumer price index for all urban wage earners and clerical workers (CPI-W), as calculated by the federal government.

According to the U.S. Department of Labor, New Jersey joins ten sister states in having minimum wages linked to the consumer price index. For example, residents in Colorado, Florida, Nevada and Ohio have previously amended their state constitutions to include indexed minimum wages.

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