

# One Minute Memo<sup>®</sup>



## Money Doesn't Grow on Trees in the Garden State, but New Jersey Senate Committee Advances Bill for \$15 Minimum Wage

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*Seyfarth Synopsis:* New Jersey Senate Committee proposes a \$15 minimum wage by 2021, with automatic future increases tied to the CPI.

Earlier this week, the New Jersey Senate Committee [voted 3-1](#) to advance [Senate Bill 15](#) that would incorporate the 2013 state constitutional amendment (previously reported [here](#)) to gradually raise the minimum wage to \$15.00 per hour. Joining New York and California, the bill would increase New Jersey's minimum wage incrementally until 2021, when it would hit \$15.00. The current minimum wage in New Jersey is \$8.38, which means an increase to \$15.00 will raise the wage by more than 80% over the next five years.

As of January 1, 2017, the minimum wage would increase to \$10.10 per hour. On January 1 of each year starting in 2018, up to and including the year 2021, the minimum wage will increase by the larger of \$1.25 per hour or the sum of \$1.00 per hour plus any increase in the Consumer Price Index (CPI) applicable to that year. Beginning in 2022, the wage will be tied to an uptick in the CPI, or if higher, the federal minimum wage, to provide for continuing increases in the future.

While its sponsors champion the bill as providing an opportunity for New Jersey workers to earn a "living wage," the gradual increase would give employers more time to comply with the law. This issue has come to the fore in recent years when income inequality is one of the main themes in politicians' stump speeches. The bill's proponents promised that if Republican Governor Chris Christie refuses to sign the bill, they will propose a referendum to the voters for a state constitutional amendment.

Stay tuned for updates from Seyfarth's New Jersey Practice Group.

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