



## LABOR AND WORKFORCE DEVELOPMENT

### DIVISION OF WAGE AND HOUR COMPLIANCE

N.J.A.C. 12:56-3.1

Notice of Administrative Changes

Minimum Wage

**Take notice** that the Department of Labor and Workforce Development has requested, and the Office of Administrative Law has agreed to permit, an administrative change to N.J.A.C. 12:56-3.1(a). In pertinent part, that subsection states that “except as provided in N.J.A.C. 12:56-3.2, every employee shall, effective January 1, 2017, be paid not less than \$8.44 per hour, the minimum hourly wage rate set by section 6(a)(1) of the Federal ‘Fair Labor Standards Act of 1938’ (29 U.S.C. §206(a)(1)), or the rate provided under N.J.S.A. 34:11-56a4, whichever is greatest.” Pursuant to N.J.A.C. 12:56-3.1(b), on an annual basis, on or about September 30, the Department shall revise the minimum hourly wage rate, “based on any percentage increase during the one-year period of August of the prior year through August of the current year of the consumer price index (CPI) for all urban wage earners and clerical workers (CPI-W, U.S. City Average), as released by the United States Department of Labor, Bureau of Labor Statistics.” N.J.A.C. 12:56-3.1 indicates further that the Department shall annually, (1) through a public notice published in the New Jersey Register, provide the new CPI-adjusted minimum hourly wage rate, and (2) no later than September 30 of each year, publish the afore-mentioned public

notice on the Department’s website. The percent increase in the CPI-W, U.S. City Average, for the one-year period, August 2016 through August 2017, is 1.9 percent. That is, the CPI-W, U.S. City Average, in August 2016 was 234.904, and in August 2017 it was 239.448. Consequently, the change in the index over the one-year period equals 4.544, or an increase of 1.9 percent ( $4.544/234.904 \times 100$ ). Using as a base for the calculation the current New Jersey minimum hourly wage rate of \$8.44 (since as of this date, \$8.44 is greater than both the minimum hourly wage rate set by section 6(a)(1) of the Federal Fair Labor Standards Act and the rate provided under N.J.S.A. 34:11-56a4), a 1.9 percent increase (rounded to the nearest penny) is \$0.16, yielding an adjusted State minimum hourly wage rate, effective January 1, 2018, of \$8.60. Therefore, pursuant to Article 1, Paragraph 23, of the New Jersey Constitution, and N.J.A.C. 12:56-3.1(b), the State minimum hourly wage rate, effective January 1, 2018, must be changed from \$8.44 to \$8.60. This requires making two administrative changes to N.J.A.C. 12:56-3.1(a): (1) the date, January 1, 2017, must be replaced by the date, January 1, 2018, and (2) the amount, \$8.44, must be replaced by the amount, \$8.60.

**Full text** of the changed rule follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

12:56-3.1 Statutory minimum wage rates for specific years

(a) Except as provided in N.J.A.C. 12:56-3.2, every employee shall, effective [January 1, 2017] **January 1, 2018**, be paid not less than [~~\$8.44~~] **\$8.60** per hour, the minimum hourly wage rate set by section 6(a)(1) of the Federal “Fair Labor Standards Act of 1938” (29 U.S.C. §206(a)(1)), or the rate provided under N.J.S.A. 34:11-56a4, whichever is greatest.

(b) (No change.)

(c) (No change.)