# BECKER MEISEL ATTORNEYS AT LAW

WINTER 2012

**EMPLOYMENT AND LABOR PRACTICE** 

## **Employment News Alert 'News Flash'**

### Minimum Wage Rate Increases—In the Works for 2012 in N.J. and the U.S.

Shortly after the New Year, legislators in 17 states across the United States - including New Jersey - introduced bills to increase their state's minimum wage rate. For our state, is this move a job creator, a job killer, or just the opening salvo in this year's political debate between the parties in Trenton as to whose 'philosophy' works best to stimulate our economy?

Assembly Speaker Sheila Oliver (D-Essex) has led the initiative, delivering a speech to the Legislature stating it to be one of her top priorities. Anticipating opposition from companies and business owners state-wide, Oliver sought to deflect, stating,

"... I know some people will call this a burden on this a burden on businesses, but businesses, but recent studies by the National Employment Law Project show minimum wage increases do not cost jobs." \*

- Assembly Speaker Sheila Oliver

"... I know some people will call recent studies by the National Employment Law Project show minimum wage increases do not cost jobs...In fact, this is economic stimulus. The National Employ-

ment Law Project has noted that minimum wage workers are most likely to cycle their money back into the economy."\* Many business owners may disagree, however.

Currently, New Jersey's minimum wage is \$7.25 per hour, the same rate required by federal law. Eighteen states pay more than that right now.

To see and compare each state's minimum wage rate across the nation, visit www.dol.gov/whd/minwage/america.htm.

Under Oliver's bill, the New Jersey Legislature is considering a new minimum hourly wage of \$8.50, an increase of \$1.25 over the current wage rate. Assemblyman Declan O'Scanlon (R-Monmouth) indicated he is not planning to support the bill because, as he sees it, the effort "will dissuade employers from hiring"\*.

It appears likely that a compromise will ensue in which the minimum wage rate will be increased to some number less than the \$1.25 per hour currently being sought in the bill now under consideration.

Continued...



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Employment News Alert, a series of print and e-mail publications, starting with the Year In Review (formerly the Year-End Review) which he first published in 2004, the Quarterly Edition which he introduced in 2006, and the Monthly 'NewsFlash' which he created in 2009.

Mr. Curtis has been a licensed New Jersey attorney in active practice for nearly two decades. He is a recognized authority in employment law, human resources policy management, and contract law. For a complete profesbiography, www.beckermeisel.com.



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If there is compromise on the rate increase, it may come at a greater price than employers realize as the bill contains a plan to institute automatic yearly increases to the minimum wage based on the Consumer Price Index, which broadly tracks prices for consumer goods. For many, such a change would wreak havoc on company budgets going forward and would likely permanently alter, and limit, hiring patterns.

Though there is a deep resonance of 'wage disparity' in many regions across the country, employers must remain vigilant.

New Jersey companies must be aware and prepared for an increase in the minimum wage that may result in a yearly increase going forward. Let the Becker Meisel Business Services Group help you plan your strategy to ensure you stay compliant and competitive.

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#### SEMINAR ALERT—SOCIAL MEDIA POLICY DO'S & DON'TS

RIVERCENTER - RED BANK BUSINESS DEVELOPMENT GROUP ROUNDTABLE SEMINAR SPEAKER & PANELIST: BRIAN E. CURTIS, ESQ.

Tuesday, February 28, 2012 - 6:00 pm to 8:00 pm RiverCenter Conference Center 20 Broad Street, Red Bank, NJ

Mr. Curtis will be presenting on recent developments in the use of social media tools in the workplace, particularly focusing on the corporation's responsibility to monitor the use of these tools at work and off-site as well as its liability for an employee's misuse of these tools.