

New Jersey Minimum Wage Increases: Everything You Need to Know

By Square

As always, to make sure your business is prepared and stays in compliance, we recommend that you discuss these upcoming changes to the New Jersey minimum wage with your accountant and lawyer. This article does not constitute legal advice.

What is the minimum wage in New Jersey for 2022?

As of January 1, 2022, New Jersey's minimum wage will increase to \$13 per hour for most employees, which is \$5.75 more than the current [federal minimum wage](#). However, there are exceptions:

- **High school or college students** may be paid \$9.35 per hour, or 85 percent of the minimum wage, for part-time work (up to 20 hours per week).
- **Tipped employees** must be paid a minimum cash wage of \$5.13 per hour. The total minimum wage that a tipped employee earns must be greater than or equal to \$13 per hour, including tips. This is in accordance with new regulations for tipped employees.
- **Agricultural employees** may be paid \$10.30 per hour, or 70 cents below the standard minimum wage.
- **Seasonal and small employers** can pay their employees \$10.30 per hour.
- **Employees ages 18 and under** in certain occupations, such as in-home childcare, maybe entirely exempt.

Is the minimum wage going up in New Jersey?

New Jersey's minimum [wage was raised in 2019](#), making the Garden State the third-largest state to hike the minimum wage gradually to \$15 per hour. The New Jersey minimum wage will [increase \\$1 every year until 2024](#).

Will New Jersey raise its minimum wage in 2022 and beyond?

The New Jersey minimum wage in 2022 will be set at \$13 per hour for most employees beginning on January 1, 2022, \$14 in 2023, and \$15 by January 1, 2024.

Currently, no cities in the Garden State have their own minimum wage laws.

How should small business owners prepare for changes that are being made?

- **Audit your expenses:** Check your cash flow in detail to ensure you are avoiding [common payroll mistakes](#) and create a hiring plan that you can afford. In some cases, you may find that hiring temporary workers as needed is less expensive than taking on full-time regular staff.
- **Make sure you hire and keep the right employees:** Replacing an employee costs a lot. You decrease the total cost associated with recruiting by [retaining valuable employees](#). Look for candidates who have good track records, come recommended, and fit in with the company culture. Once they're onboarded, make sure you build a relationship and provide paths for [employee growth](#); it makes it more likely that they will stay in their role.
- **Increase prices:** This is a great way to increase cash flow. Customers are rarely happy with a price hike, but keep in mind that your competitors will be forced to do the same. Just make sure you keep track of trends and don't raise prices too high.
- **Update tech:** Consider automating certain aspects of the work and find ways to reduce production costs. Investing in [small business payroll software](#) can help free up your time and is simple enough that you can learn [how to do payroll yourself](#).