

Wage & Hour and Contract Compliance

Effective January 1, 2023, the New Jersey minimum wage is \$14.13 per hour for most workers. [Learn more about the increase.](#)

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Wage and Hour Compliance FAQs (for Workers)



The following are general questions applying to most workers.

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Minimum Wage / Rate of Pay

Q. How much is the minimum wage in New Jersey?

A. Effective January 1, 2023, the New Jersey minimum wage is \$14.13 per hour for most workers. Please refer to [New Jersey's Minimum Wage Chart](#) for scheduled increases.

Q. Do all workers have to be paid the minimum wage?

A. Most employees have minimum wage protection under the law. There are exceptions, such as automobile salespersons, outside salespersons, and minors under the age of 18, except for minors working in retail, food service, the first processing of farm products, beauty culture occupations, laundry, cleaning and dyeing occupations, light manufacturing and apparel occupations, and hotel and motel occupations.

Q. If I am a tipped employee, is my employer required to pay the minimum wage rate?

A. Your total earnings (hourly wage plus tips) must equal at least the minimum wage per hour. The hourly rate is up to your employer; however, effective January 1, 2023, the required rate is a minimum of \$5.26 per hour. If the hourly rate plus tips does not equal at least the minimum wage per hour, the employer is required to make up the difference. Please refer to [New Jersey's Minimum Wage Chart](#) for scheduled increases.

Q. Is the employer allowed to reduce my rate of pay?

A. Yes. The employer can reduce your rate of pay as long as you are given advance notice of the reduction. The reduction cannot be made retroactively for any time worked. Also, the reduction cannot bring the rate of pay below minimum wage.

Overtime

Q. When is overtime pay due?

A. Overtime is paid at the rate of time and one half after forty hours of actual work in a seven-day workweek, with the [exception of certain salaried employees who meet the definition of an executive, administrative or professional.](#)

Q. Does my employer have to pay me overtime or double time for working on a holiday, Saturday, or Sunday?

A. No. Overtime must be paid at a rate of time and one-half times the employee's regular rate of pay for each hour actually worked in excess of 40 hours in the workweek.

Q. If I work 40 hours and get 8 hours of holiday pay for a total of 48 hours of pay for the week, does my employer have to pay overtime for the hours over 40?

A. No, unless the employee physically worked over 40 hours in the workweek. Overtime must be paid at a rate of time and one-half times the employee's regular rate of pay for each hour actually worked in excess of 40 hours in the workweek.

Q. If an employee wants to work overtime (in excess of 40 hours in the workweek) and will accept straight time, can the employee waive his/her right to overtime pay?

A. No, the employee and the employer cannot mutually agree to violate the law.

Q. How does an employer compute the overtime rate for a worker who has two or more job titles with different hourly rates?

A. The overtime rate is calculated by using the weighted averaged method. The total gross wage is divided by the total number of hours worked to obtain the actual hourly wage rate. The actual hourly wage rate is then divided in half to determine the additional premium (half-time) rate due the employee.

Example:

An employee does clerical work for \$17.00 per hour and is also a hostess for \$15.00 per hour. The employee works 30 hours at \$17.00 per hour and 16 hours at \$15.00 per hour for a total of 46 hours during the week. The overtime rate due the employee is calculated as follows:

30 hours x \$17.00 per hour = \$510.00
16 hours x \$15.00 per hour = \$240.00
Total compensation = \$750.00

The total compensation (\$750.00) is divided by the total hours (46) to obtain the actual hourly wage rate. The actual hourly wage rate is \$16.30 per hour.

The employee is still due the additional premium rate (half-time) for the 6 overtime hours. The average hourly rate (\$16.30) is divided in half. The half-time rate is \$8.15.

6 overtime hours x \$8.15 = \$48.91

The \$48.91 (premium rate) is added to the original gross amount of \$750.00. The new gross amount is \$798.91. This is the amount that must be paid to the employee for the week.

Q. Can my employer require me to work overtime?

A. Yes. An employer can require an employee to work overtime provided the employer pays the appropriate wages and does not violate any existing employer-employee collective bargaining agreement.

Q. Can my employer require me to work overtime if I am a health care worker?

A. There are special regulations involving health care workers and mandatory overtime. View the [Frequently Asked Questions for Healthcare Workers](#) for more information.

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