IN THE SENATE OF THE UNITED STATES

JULY 18, 2019
Received; read the first time
JULY 22, 2019
Read the second time and placed on the calendar

AN ACT
To provide for increases in the Federal minimum wage, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Raise the Wage Act”.

SEC. 2. MINIMUM WAGE INCREASES.
(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:
“(1) except as otherwise provided in this section, not less than—
“(A) $8.40 an hour, beginning on the effective date under section 7 of the Raise the Wage Act;

“(B) $9.50 an hour, beginning 1 year after such effective date;

“(C) $10.60 an hour, beginning 2 years after such effective date;

“(D) $11.70 an hour, beginning 3 years after such effective date;

“(E) $12.80 an hour, beginning 4 years after such effective date;

“(F) $13.90 an hour, beginning 5 years after such effective date;

“(G) $15.00 an hour, beginning 6 years after such effective date; and

“(H) beginning on the date that is 7 years after such effective date, and annually thereafter, the amount determined by the Secretary under subsection (h);”.

(b) Determination Based on Increase in the Median Hourly Wage of All Employees.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h)(1) Not later than each date that is 90 days before a new minimum wage determined under subsection
(a)(1)(H) is to take effect, the Secretary shall determine the minimum wage to be in effect under this subsection for each period described in subsection (a)(1)(H). The wage determined under this subsection for a year shall be—

“(A) not less than the amount in effect under subsection (a)(1) on the date of such determination; 

“(B) increased from such amount by the annual percentage increase, if any, in the median hourly wage of all employees as determined by the Bureau of Labor Statistics; and

“(C) rounded up to the nearest multiple of $0.05.

“(2) In calculating the annual percentage increase in the median hourly wage of all employees for purposes of paragraph (1)(B), the Secretary, through the Bureau of Labor Statistics, shall compile data on the hourly wages of all employees to determine such a median hourly wage and compare such median hourly wage for the most recent year for which data are available with the median hourly wage determined for the preceding year.”.

SEC. 3. TIPPED EMPLOYEES.

(a) Base Minimum Wage for Tipped Employees and Tips Retained by Employees.—Section 3(m)(2)(A)(i) of the Fair Labor Standards Act of 1938
(29 U.S.C. 203(m)(2)(A)(i)) is amended to read as follows:

“(i) the cash wage paid such employee, which for purposes of such determination shall be not less than—

“(I) for the 1-year period beginning on the effective date under section 7 of the Raise the Wage Act, $3.60 an hour;

“(II) for each succeeding 1-year period until the hourly wage under this clause equals the wage in effect under section 6(a)(1) for such period, an hourly wage equal to the amount determined under this clause for the preceding year, increased by the lesser of—

“(aa) $1.50; or

“(bb) the amount necessary for the wage in effect under this clause to equal the wage in effect under section 6(a)(1) for such period, rounded up to the nearest multiple of $0.05; and

“(III) for each succeeding 1-year period after the increase made pursuant to subclause (II), the minimum wage in effect under section 6(a)(1); and”.

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(b) Tips Retained by Employees.—Section 3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)) is amended—

(1) in the second sentence of the matter following clause (ii), by striking “of this subsection, and all tips received by such employee have been retained by the employee” and inserting “of this subsection. Any employee shall have the right to retain any tips received by such employee”; and

(2) by adding at the end the following: “An employer shall inform each employee of the right and exception provided under the preceding sentence.”.

c) Scheduled Repeal of Separate Minimum Wage for Tipped Employees.—

(1) Tipped Employees.—Section 3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)), as amended by subsections (a) and (b), is further amended by striking the sentence beginning with “In determining the wage an employer is required to pay a tipped employee,” and all that follows through “of this subsection.” and inserting “The wage required to be paid to a tipped employee shall be the wage set forth in section 6(a)(1).”.

(2) Publication of Notice.—Subsection (i) of section 6 of the Fair Labor Standards Act of
1938 (29 U.S.C. 206), as amended by section 5, is
further amended by striking “or in accordance with
subclause (II) or (III) of section 3(m)(2)(A)(i)”.

(3) **EFFECTIVE DATE.**—The amendments made
by paragraphs (1) and (2) shall take effect on the
date that is 1 day after the date on which the hourly
wage under subclause (III) of section 3(m)(2)(A)(i)
203(m)(2)(A)(i)), as amended by subsection (a),
takes effect.

**SEC. 4. NEWLY HIRED EMPLOYEES WHO ARE LESS THAN 20 YEARS OLD.**

(a) **BASE MINIMUM WAGE FOR NEWLY HIRED EMPLOYEES WHO ARE LESS THAN 20 YEARS OLD.**—Section 6(g)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(g)(1)) is amended by striking “a wage which is not less than $4.25 an hour.” and inserting the following: “a wage at a rate that is not less than—

“(A) for the 1-year period beginning on the effective date under section 7 of the Raise the Wage Act, $5.50 an hour;

“(B) for each succeeding 1-year period until the hourly wage under this paragraph equals the wage in effect under section 6(a)(1) for such period, an hourly wage equal to the amount determined under
this paragraph for the preceding year, increased by
the lesser of—

“(i) $1.25; or

“(ii) the amount necessary for the wage in
effect under this paragraph to equal the wage
in effect under section 6(a)(1) for such period,
rounded up to the nearest multiple of $0.05;
and

“(C) for each succeeding 1-year period after the
increase made pursuant to subparagraph (B)(ii), the
minimum wage in effect under section 6(a)(1).”.

(b) Scheduled Repeal of Separate Minimum Wage
for Newly Hired Employees Who Are Less
Than 20 Years Old.—

(1) In General.—Section 6(g) of the Fair
Labor Standards Act of 1938 (29 U.S.C. 206(g)), as
amended by subsection (a), shall be repealed.

(2) Publication of Notice.—Subsection (i)
of section 6 of the Fair Labor Standards Act of
1938 (29 U.S.C. 206), as amended by section
3(c)(2), is further amended by striking “or subpara-
graph (B) or (C) of subsection (g)(1),”.

(3) Effective Date.—The repeal and amend-
ment made by paragraphs (1) and (2), respectively,
shall take effect on the date that is 1 day after the
date on which the hourly wage under subparagraph (C) of section 6(g)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(g)(1)), as amended by subsection (a), takes effect.

SEC. 5. PUBLICATION OF NOTICE.

Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), as amended by the preceding sections, is further amended by adding at the end the following:

“(i) Not later than 60 days prior to the effective date of any increase in the required wage determined under subsection (a)(1) or subparagraph (B) or (C) of subsection (g)(1), or in accordance with subclause (II) or (III) of section 3(m)(2)(A)(i) or section 14(c)(1)(A), the Secretary shall publish in the Federal Register and on the website of the Department of Labor a notice announcing each increase in such required wage.”.

SEC. 6. PROMOTING ECONOMIC SELF-SUFFICIENCY FOR INDIVIDUALS WITH DISABILITIES.

(a) WAGES.—

(1) TRANSITION TO FAIR WAGES FOR INDIVIDUALS WITH DISABILITIES.—Subparagraph (A) of section 14(c)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)(1)) is amended to read as follows:
“(A) at a rate that equals, or exceeds, for each year, the greater of—

“(i)(I) $4.25 an hour, beginning 1 year after the date the wage rate specified in section 6(a)(1)(A) takes effect;

“(II) $6.40 an hour, beginning 2 years after such date;

“(III) $8.55 an hour, beginning 3 years after such date;

“(IV) $10.70 an hour, beginning 4 years after such date;

“(V) $12.85 an hour, beginning 5 years after such date; and

“(VI) the wage rate in effect under section 6(a)(1), on the date that is 6 years after the date the wage specified in section 6(a)(1)(A) takes effect; or

“(ii) if applicable, the wage rate in effect on the day before the date of enactment of the Raise the Wage Act for the employment, under a special certificate issued under this paragraph, of the individual for whom the wage rate is being determined under this subparagraph,”.

(2) Prohibition on new special certificates; sunset.—Section 14(e) of the Fair Labor
Standards Act of 1938 (29 U.S.C. 214(c)) (as amended by paragraph (1)) is further amended by adding at the end the following:

“(6) PROHIBITION ON NEW SPECIAL CERTIFICATES.—Notwithstanding paragraph (1), the Secretary shall not issue a special certificate under this subsection to an employer that was not issued a special certificate under this subsection before the date of enactment of the Raise the Wage Act.

“(7) SUNSET.—Beginning on the day after the date on which the wage rate described in paragraph (1)(A)(i)(VI) takes effect, the authority to issue special certificates under paragraph (1) shall expire, and no special certificates issued under paragraph (1) shall have any legal effect.

“(8) TRANSITION ASSISTANCE.—Upon request, the Secretary shall provide—

“(A) technical assistance and information to employers issued a special certificate under this subsection for the purposes of—

“(i) transitioning the practices of such employers to comply with this subsection, as amended by the Raise the Wage Act; and
“(ii) ensuring continuing employment opportunities for individuals with disabilities receiving a special minimum wage rate under this subsection; and

“(B) information to individuals employed at a special minimum wage rate under this subsection, which may include referrals to Federal or State entities with expertise in competitive integrated employment.”.

(3) Effective date.—The amendments made by this subsection shall take effect on the date of enactment of this Act.

(b) Publication of notice.—

(1) Amendment.—Subsection (i) of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), as amended by section 4(b)(2), is further amended by striking “or section 14(c)(1)(A),”.

(2) Effective date.—The amendment made by paragraph (1) shall take effect on the day after the date on which the wage rate described in paragraph (1)(A)(i)(VI) of section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)), as amended by subsection (a)(1), takes effect.
SEC. 7. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act or the amendments made by this Act, this Act and the amendments made by this Act shall take effect—

(1) subject to paragraph (2), on the first day of the third month that begins after the date of enactment of this Act; and

(2) with respect to the Commonwealth of the Northern Mariana Islands, on the date that is 18 months after the effective date described in paragraph (1).

SEC. 8. GAO REPORT ON THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Education and Labor Committee of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report that, with respect to the Commonwealth of the Northern Mariana Islands—

(1) assesses the status and structure of the economy (including employment, earnings and wages, and key industries); and

(2) for each year in which a wage increase will take effect under subsection (a)(1) or (g)(1) of section 6, section 3(m)(2)(A)(i), or section 14(c)(1)(A)
of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), as amended by this Act, estimates the proportion of employees who will be directly affected by each such wage increase taking effect for such year, disaggregated by industry and occupation.

SEC. 9. GAO REPORT ON WAGE INCREASE IMPACT.

(a) In General.—Not later than 90 days before the date of the third wage increase to first take effect after the date of enactment of this Act, the Comptroller General, in consultation with the persons described in subsection (b), shall prepare and submit to Congress a report, that—

(1) identifies and analyzes the effects, in the aggregate, of the first wage increases and second wage increases after such date of enactment on business enterprises (including small business enterprises) including the effects, with respect to such enterprises, on—

(A) the wages and compensation of employees;

(B) the number of employees, disaggregated by full-time and part-time employees;

(C) the prices, sales, and revenues;

(D) employee turnover and retention;
(E) hiring and training costs; and

(F) productivity and absenteeism;

(2) to the extent practicable, identifies such effects in isolation from other factors that may affect business enterprises (including small business enterprises), including—

(A) broader economic conditions;

(B) changes in Federal, State, and local law, policy, and regulation;

(C) industry consolidation;

(D) natural disasters; and

(E) significant demographic changes;

(3) to the extent practicable, identifies and analyzes such effects for the Nation as a whole, and, separately, for—

(A) each census division, as designated by the Bureau of the Census;

(B) each metropolitan statistical area and nonmetropolitan portion (as such terms are defined by the Office of Management and Budget with respect to 2013); and

(C) each urbanized area, urbanized cluster, and rural area, as designated by the Bureau of the Census; and
(4) describes the methodology used to generate
the information in the report.

(b) EXPERT CONSULTATION.—The persons described
in this subsection are—

(1) labor economists with expertise in minimum
wage and low wage labor markets;

(2) workers (including agricultural workers),
and the labor organizations and worker groups rep-
resenting such workers;

(3) representatives of businesses, including
small businesses, agricultural employers, and busi-
nesses in the accommodation and food services sec-
tor;

(4) State and local governments; and

(5) the Board of Governors of the Federal Re-
serve System.

c) CONGRESSIONAL ASSESSMENT AND REC-
ommendations.—Not later than 60 days after the date
on which Congress receives the report under subsection
(a), Congress shall—

(1) assess the findings of such report; and

(2) make recommendations with respect to ac-
tions of Congress to address the findings of such re-
port, including actions to delay the next scheduled
wage increases.
(d) WAGE INCREASE DEFINED.—The term "wage increase" means an increase in wages that takes effect under subsection (a)(1) or (g)(1) of section 6, section 3(m)(2)(A)(i), or section 14(c)(1)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.), as amended by this Act.

Passed the House of Representatives July 18, 2019.

Attest: CHERYL L. JOHNSON,
Clerk.
To provide for increases in the Federal minimum wage, and for other purposes.

AN ACT

H. R. 582

116th CONGRESS
1st SESSION
JULY 22, 2019

Read the second time and placed on the calendar.

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