H. R. 603

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2021

Mr. SCOTT of Virginia (for himself, Mrs. Murphy of Florida, Ms. Jayapal, Ms. Pelosi, Mr. Hoyle, Mr. Clyburn, Ms. Adams, Mr. Aguilar, Mr. Auchincloss, Mrs. Axne, Ms. Barragán, Ms. Bass, Mrs. Beatty, Mr. Bera, Mr. Beyer, Mr. Bishop of Georgia, Mr. Blumenauer, Ms. Blunt Rochester, Ms. Bonamici, Mr. Brendan F. Boyle of Pennsylvania, Mr. Brown, Ms. Brownley, Mrs. Bustos, Mr. Bowman, Ms. Bush, Mr. Butterfield, Mr. Carbajal, Mr. Cárdenas, Mr. Carson, Mr. Cartwright, Mr. Casten, Mr. Castro of Texas, Ms. Castor of Florida, Ms. Chu, Mr. Cicilline, Ms. Clark of Massachusetts, Ms. Clarke of New York, Mr. Cleaver, Mr. Cohen, Mr. Connolly, Mr. Cooper, Mr. Courtney, Ms. Craig, Mr. Crist, Mr. Crow, Mr. Danny K. Davis of Illinois, Ms. Dean, Mr. DeFazio, Ms. DeGette, Ms. Delauro, Ms. DelBene, Mr. Deutch, Mrs. Demings, Mr. DeSaulnier, Mrs. Dingell, Mr. Michael F. Doyle of Pennsylvania, Ms. Escobar, Ms. Eshoo, Mr. Espaillat, Mr. Evans, Ms. Lois Frankel of Florida, Mr. Foster, Mr. Gallego, Mr. Garamendi, Mr. Garcia of Illinois, Ms. Garcia of Texas, Mr. Green of Texas, Mr. Grijalva, Mr. Gomez, Ms. Haaland, Mr. Hastings, Mrs. Hayes, Mr. Horsford, Mr. Huffman, Mr. Higgins of New York, Mr. Himes, Ms. Jackson Lee, Ms. Jacobs of California, Mr. Jeffries, Ms. Johnson of Texas, Mr. Johnson of Georgia, Mr. Jones, Mr. Kahele, Ms. Kaptur, Mr. Keating, Ms. Kelly of Illinois, Mr. Kilanna, Mr. Kildee, Mrs. Kirkpatrick, Mr. Kilmer, Mr. Kim of New Jersey, Mr. Krishnamoorthi, Mr. Larsen of Washington, Mr. Larson of Connecticut, Mr. Lamb, Mr. Langevin, Mr. Lawson of Florida, Mrs. Lawrence, Ms. Lee of California, Ms. Leger Fernandez, Mr. Levin of Michigan, Mr. Levin of California, Mr. Lieu, Ms. Lofgren, Mr. Lowenthal, Mrs. Luria, Mr. Lynch, Mrs. Carolyn B. Maloney of New York, Mr. Sean Patrick Maloney of New York, Mr. Malinowski, Ms. Manning, Ms. Matsui, Mrs. McBath, Ms. McCollum, Mr. McEachin, Mr. McGovern, Mr. McNerney, Mr. Meeks, Ms. Meng, Mr. Mfume, Ms. Moore of Wisconsin, Mr. Morelle, Mr. Moulton, Mr. Mrovin, Mr. Nadler, Mrs. Napolitano, Mr. Neguse,
Ms. Newman, Mr. Norcross, Ms. Norton, Ms. Ocasio-Cortez, Ms. Omar, Mr. Pallone, Mr. Panetta, Mr. Pascrell, Mr. Payne, Mr. Peters, Mr. Perlmutter, Ms. Pingree, Mr. Pocan, Ms. Pressley, Mr. Price of North Carolina, Mr. Quigley, Mr. Raskin, Miss Rice of New York, Ms. Ross, Ms. Roybal-Allard, Mr. Ruiz, Mr. Ruppersberger, Mr. Rush, Mr. Ryan, Ms. Sánchez, Mr. Sarbanes, Ms. Scanlon, Ms. Schakowsky, Mr. Schneider, Mr. David Scott of Georgia, Mr. Sherman, Ms. Sherrill, Mr. Sires, Mr. Smith of Washington, Ms. Spanberger, Ms. Speier, Ms. Stevens, Ms. Strickland, Mr. Soto, Mr. Suozzi, Mr. Swalwell, Mr. Takano, Mr. Thompson of Mississippi, Mr. Thompson of California, Ms. Titus, Ms. Tlaib, Mr. Tonko, Mrs. Torres of California, Mr. Torres of New York, Mrs. Trahan, Mr. Trone, Ms. Underwood, Mr. Vargas, Mr. Veasey, Ms. Velázquez, Ms. Wasserman Schultz, Ms. Waters, Mrs. Watson Coleman, Mr. Welch, Ms. Wexton, Ms. Wild, Ms. Williams of Georgia, Ms. Wilson of Florida, and Mr. Yarmuth) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

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 of 2021”.

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) $9.50 an hour, beginning on the effective date under section 7 of the Raise the Wage Act of 2021;

“(B) $11.00 an hour, beginning 1 year after such effective date;

“(C) $12.50 an hour, beginning 2 years after such effective date;

“(D) $14.00 an hour, beginning 3 years after such effective date;

“(E) $15.00 an hour, beginning 4 years after such effective date; and

“(F) beginning on the date that is 5 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)(F) 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)(F). 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 of 2021, $4.95 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) $2.00; 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”.

(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) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)(i)), as amended by subsection (a), takes effect.

(d) Penalties.—Section 16 of the Fair Labor Standards Act of 1938 (29 U.S.C. 216) is amended—

(1) in the third sentence of subsection (b), by inserting “or used” after “kept”; and

(2) in the second sentence of subsection (e)(2), by inserting “or used” after “kept”.

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 of 2021, $6.00 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) $1.75; 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 subparagraph (B) or (C) of subsection (g)(1),”.

(3) **Effective Date.**—The repeal and amendment 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) $5.00 an hour, beginning on the effective date under section 7 of the Raise the Wage Act of 2021;

“(II) $7.50 an hour, beginning 1 year after such effective date;

“(III) $10.00 an hour, beginning 2 years after such effective date;

“(IV) $12.50 an hour, beginning 3 years after such effective date;

“(V) $15.00 an hour, beginning 4 years after such effective date; and

“(VI) the wage rate in effect under section 6(a)(1), beginning 5 years after such effective date; or

“(ii) if applicable, the wage rate in effect on the day before the date of enactment of the Raise the Wage Act of 2021 for the employment, under a special certificate issued under
this paragraph, of the individual for whom the wage rate is being determined under this sub-
paragraph,”.

(2) Prohibition on new special certificates; sunset.—Section 14(c) 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 of 2021.

“(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) assisting such employers to comply with this subsection, as amended by the Raise the Wage Act of 2021; 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

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 on the first day of the third month that begins after the date of the enactment of this Act.