

Union Calendar No. 388

117TH CONGRESS
2D SESSION

H. R. 7701

[Report No. 117-540]

To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2022

Ms. DELAURO (for herself, Mr. SCOTT of Virginia, Mr. CARSON, Mr. DESAULNIER, Ms. LEE of California, Mr. SABLAN, Mr. MCGOVERN, Ms. NEWMAN, Ms. PORTER, Mr. JONES, Ms. BARRAGÁN, Ms. BONAMICI, Ms. JAYAPAL, Ms. JACOBS of California, Mr. LARSON of Connecticut, Ms. SCHAKOWSKY, Ms. WILSON of Florida, Ms. VELÁZQUEZ, Mr. SAN NICOLAS, Mr. MFUME, Mr. RASKIN, Mr. BOWMAN, Mr. RUSH, Ms. GARCIA of Texas, Ms. OMAR, Mr. TAKANO, Ms. ADAMS, Mrs. WATSON COLEMAN, Mr. JOHNSON of Georgia, Ms. STEVENS, Ms. MENG, Mr. DANNY K. DAVIS of Illinois, Ms. TLAIB, Mr. EVANS, Ms. SHERRILL, Mr. POCAN, Mr. NADLER, Mr. GRIJALVA, Ms. SCANLON, Ms. NORTON, Ms. BASS, Mr. NORCROSS, and Mr. CICILLINE) introduced the following bill; which was referred to the Committee on Education and Labor

OCTOBER 7, 2022

Additional sponsors: Ms. MCCOLLUM, Mr. ESPAILLAT, and Mrs. HAYES

OCTOBER 7, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on May 10, 2022]

A BILL

To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Wage Theft Prevention*
 5 *and Wage Recovery Act of 2022”.*

6 **TITLE I—AMENDMENTS TO THE**
 7 **FAIR LABOR STANDARDS ACT**
 8 **OF 1938**

9 **SEC. 101. REQUIREMENTS TO PROVIDE CERTAIN DISCLO-**
 10 **SURES, REGULAR PAYSTUBS, AND FINAL PAY-**
 11 **MENTS.**

12 *The Fair Labor Standards Act of 1938 is amended by*
 13 *inserting after section 4 (29 U.S.C. 204) the following:*

14 **“SEC. 5. REQUIREMENTS TO PROVIDE CERTAIN DISCLO-**
 15 **SURES, REGULAR PAYSTUBS, AND FINAL PAY-**
 16 **MENTS.**

17 **“(a) DISCLOSURES.—**

18 **“(1) INITIAL DISCLOSURES.—***Not later than 15*
 19 *days after the date on which an employer hires an*
 20 *employee who in any workweek is engaged in com-*
 21 *merce or in the production of goods for commerce, or*
 22 *is employed in an enterprise engaged in commerce or*
 23 *in the production of goods for commerce, the employer*
 24 *of such employee shall provide such employee with an*
 25 *initial disclosure containing the information de-*

1 scribed in paragraph (3). Such initial disclosure shall
2 be—

3 “(A) provided as a written statement or, if
4 the employee so chooses, as a digital document
5 provided through electronic communication; and

6 “(B) made available in the employee’s pri-
7 mary language.

8 “(2) *MODIFICATION DISCLOSURES.*—Not later
9 than the earlier of 5 days after the date on which any
10 of the information described in paragraph (3) changes
11 with respect to an employee described in paragraph
12 (1) or the date of the next paystub following the date
13 on which such information changes, the employer of
14 such employee shall provide the employee with a
15 modification disclosure containing all the information
16 described in paragraph (3).

17 “(3) *INFORMATION.*—The information described
18 in this paragraph shall include—

19 “(A) the rate of pay and whether the em-
20 ployee is paid by the hour, shift, day, week, or
21 job, or by salary, piece rate, commission, or
22 other form of compensation;

23 “(B)(i) an indication of whether the em-
24 ployee is being classified by the employer as an
25 employee subject to the minimum wage require-

1 *ments of section 6 or as an employee that is ex-*
2 *empt from (or otherwise not subject to) such re-*
3 *quirements as provided under section 3(m)(2), 6,*
4 *13, or 14, as well as the reason for the exemp-*
5 *tion; and*

6 *“(ii) in the case that such employee is not*
7 *classified as being an employee subject to such*
8 *minimum wage requirements, an identification*
9 *of the section described in clause (i) providing*
10 *for such classification;*

11 *“(C)(i) an indication of whether the em-*
12 *ployee is being classified by the employer as an*
13 *employee subject to the overtime compensation*
14 *requirements of section 7 or as an employee ex-*
15 *empt from such requirements as provided under*
16 *section 7 or 13; and*

17 *“(ii) in the case that such employee is not*
18 *classified as being an employee subject to such*
19 *overtime compensation requirements, an identi-*
20 *fication of the section described in clause (i) pro-*
21 *viding for such classification;*

22 *“(D) the name of the employer and any*
23 *other name used by the employer to conduct*
24 *business; and*

1 “(E) the physical address of and telephone
2 number for the employer’s main office or prin-
3 cipal place of business, and a mailing address
4 for such office or place of business if the mailing
5 address is different than the physical address.

6 “(b) *PAYSTUBS.*—

7 “(1) *IN GENERAL.*—Every employer shall pro-
8 vide each employee of such employer who in any
9 workweek is engaged in commerce or in the produc-
10 tion of goods for commerce, or is employed in an en-
11 terprise engaged in commerce or in the production of
12 goods for commerce, a paystub that corresponds to
13 work performed by the employee during the applicable
14 pay period and contains the information required
15 under paragraph (3) in any form provided under
16 paragraph (2).

17 “(2) *FORMS.*—A paystub required under this
18 subsection shall be a written statement and may be
19 provided in any of the following forms:

20 “(A) As a separate document accompanying
21 any payment to an employee for work performed
22 during the applicable pay period.

23 “(B) In the case of an employee who re-
24 ceives paychecks from the employer, as a detach-
25 able statement accompanying each paycheck.

1 “(C) *As a digital document provided*
2 *through electronic communication, subject to the*
3 *employee affirmatively consenting to receive the*
4 *paystubs in this form.*

5 “(3) *CONTENTS.—Each paystub shall contain all*
6 *of the following information:*

7 “(A) *The name of the employee.*

8 “(B) *Except in the case of an employee who*
9 *is exclusively paid a salary and is exempt from*
10 *the overtime requirements of section 7, the total*
11 *number of hours worked by the employee, includ-*
12 *ing the number of hours worked per workweek,*
13 *during the applicable pay period.*

14 “(C) *The total gross and net wages paid,*
15 *and, except in the case of an employee who is ex-*
16 *clusively paid a salary and is exempt from the*
17 *overtime requirements of section 7, the rate of*
18 *pay for each hour worked during the applicable*
19 *pay period.*

20 “(D) *In the case of an employee who is paid*
21 *any salary, the amount of any salary paid dur-*
22 *ing the applicable pay period.*

23 “(E) *In the case of an employee employed*
24 *at piece rates, the number of piece rate units*
25 *earned, the applicable piece rates, and the total*

1 *amount paid to the employee per workweek for*
2 *the applicable pay period in accordance with*
3 *such piece rates.*

4 *“(F) The rate of pay per workweek of the*
5 *employee during the applicable pay period and*
6 *an explanation of the basis for such rate.*

7 *“(G) The number of overtime hours per*
8 *workweek worked by the employee during the ap-*
9 *plicable pay period and the compensation re-*
10 *quired under section 7 that is provided to the*
11 *employee for such hours.*

12 *“(H) Any additional compensation pro-*
13 *vided to the employee during the applicable pay*
14 *period, with an explanation of each type of com-*
15 *penetration, including any allowances or reim-*
16 *bursments such as amounts related to meals,*
17 *clothing, lodging, or any other item.*

18 *“(I) Itemized deductions from the gross in-*
19 *come of the employee during the applicable pay*
20 *period, and an explanation for each deduction.*

21 *“(J) The date that is the beginning of the*
22 *applicable pay period and the date that is the*
23 *end of such applicable pay period.*

1 “(K) *The name of the employer and any*
2 *other name used by the employer to conduct*
3 *business.*

4 “(L) *The name and phone number of a rep-*
5 *resentative of the employer for contact purposes.*

6 “(M) *Any additional information that the*
7 *Secretary reasonably requires to be included*
8 *through notice and comment rulemaking.*

9 “(c) *MODEL DISCLOSURES AND PAY STUB.—The Sec-*
10 *retary shall prescribe model disclosures and a model pay*
11 *stub that may be used to satisfy the requirements of sub-*
12 *sections (a) and (b), respectively. The Secretary shall make*
13 *the model disclosures and the model pay stub publicly avail-*
14 *able to employers.*

15 “(d) *FINAL PAYMENTS.—*

16 “(1) *IN GENERAL.—Not later than 14 days after*
17 *an individual described in paragraph (4) terminates*
18 *employment with an employer (by action of the em-*
19 *ployer or the individual), or on the date on which*
20 *such employer pays other employees for the pay pe-*
21 *riod during which the individual so terminates such*
22 *employment, whichever date is earlier, the employer*
23 *shall provide the individual with a final payment,*
24 *which includes all compensation due to such indi-*
25 *vidual for all time worked and benefits incurred (in-*

1 cluding retirement, health, leave, fringe, and other
2 benefits) by the individual as an employee for the em-
3 ployer.

4 “(2) *CONTINUING WAGES.*—An employer who
5 violates the requirement under paragraph (1) shall,
6 for each day, not to exceed 30 days, of such violation
7 provide the individual described in paragraph (4)
8 with compensation at a rate that is equal to the reg-
9 ular rate of compensation, as determined under this
10 Act, to which such individual was entitled when such
11 individual was an employee of such employer.

12 “(3) *LIMITATION.*—Notwithstanding paragraphs
13 (1) and (2), an individual described in paragraph (4)
14 shall not be entitled to the compensation described
15 under paragraph (2) if the employer successfully dem-
16 onstrates that—

17 “(A) the employer made a good-faith effort
18 to provide the final payment described in para-
19 graph (1); and

20 “(B) the individual refused or otherwise in-
21 tentionally avoided receiving such final pay-
22 ment.

23 “(4) *INDIVIDUAL.*—An individual described in
24 this paragraph is an individual who was employed
25 by the employer, and through such employment, in

1 *any workweek, was engaged in commerce or in the*
2 *production of goods for commerce, or was employed in*
3 *an enterprise engaged in commerce or in the produc-*
4 *tion of goods for commerce.”.*

5 **SEC. 102. RIGHT TO FULL COMPENSATION.**

6 *(a) IN GENERAL.—The Fair Labor Standards Act of*
7 *1938 is amended by inserting after section 7 (29 U.S.C.*
8 *207) the following:*

9 **“SEC. 8. RIGHT TO FULL COMPENSATION.**

10 *“(a) IN GENERAL.—In the case of an employment con-*
11 *tract or other employment agreement, including a collective*
12 *bargaining agreement, that specifies that an employer shall*
13 *compensate an employee (who is described in subsection (b))*
14 *at a rate that is higher than the rate otherwise required*
15 *under this Act, the employer shall compensate such em-*
16 *ployee at the rate specified in such contract or other employ-*
17 *ment agreement.*

18 *“(b) EMPLOYEE ENGAGED IN COMMERCE.—The re-*
19 *quirement under subsection (a) shall apply with respect to*
20 *any employee who in any workweek is engaged in commerce*
21 *or in the production of goods for commerce, or is employed*
22 *in an enterprise engaged in commerce or in the production*
23 *of goods for commerce.”.*

1 (b) *CONFORMING AMENDMENT.*—*The Fair Labor*
 2 *Standards Act of 1938 is amended by repealing section 10*
 3 *(29 U.S.C. 210).*

4 **SEC. 103. CIVIL AND CRIMINAL ENFORCEMENT.**

5 (a) *PROHIBITED ACTS.*—*Section 15(a) of the Fair*
 6 *Labor Standards Act of 1938 (29 U.S.C. 215(a)) is amend-*
 7 *ed—*

8 (1) *in paragraph (1), by striking “section 6 or*
 9 *section 7” and inserting “section 6, 7, or 8”; and*

10 (2) *in paragraph (2), by striking “section 6 or*
 11 *section 7” and inserting “section 5, 6, 7, or 8”.*

12 (b) *DAMAGES.*—*The Fair Labor Standards Act of 1938*
 13 *(29 U.S.C. 201 et seq.) is amended—*

14 (1) *in section 4(f) (29 U.S.C. 204(f)), in the*
 15 *third sentence, by striking “for unpaid minimum*
 16 *wages, or unpaid overtime compensation, and liq-*
 17 *uidated damages” and inserting “for unpaid wages,*
 18 *or unpaid overtime compensation, as well as interest*
 19 *and liquidated damages,”;*

20 (2) *in section 6(d)(3) (29 U.S.C. 206(d)(3)), by*
 21 *striking “minimum”;*

22 (3) *in section 16 (29 U.S.C. 216)—*

23 (A) *in subsection (b)—*

1 (i) by striking “section 6 or section 7”
2 each place it appears and inserting “section
3 6, 7, or 8”;

4 (ii) by striking “minimum” each place
5 it appears;

6 (iii) in the first sentence, by striking
7 “and in an additional equal amount as liq-
8 uidated damages” and inserting “the
9 amount of any interest on such unpaid
10 wages or unpaid overtime compensation ac-
11 crued at the prevailing rate, and an addi-
12 tional amount as liquidated damages that
13 is equal to (subject to the second sentence of
14 this subsection) 2 times such amount of un-
15 paid wages or unpaid overtime compensa-
16 tion”;

17 (iv) in the second sentence, by striking
18 “wages lost and an additional equal
19 amount as liquidated damages” and insert-
20 ing “wages lost, including any unpaid
21 wages or any unpaid overtime compensa-
22 tion, the amount of any interest on such
23 wages lost accrued at the prevailing rate,
24 and an additional amount as liquidated

1 *damages that is equal to 3 times the*
2 *amount of such wages lost”;*

3 *(v) by striking the fifth sentence; and*

4 *(vi) by adding at the end the following:*

5 *“Notwithstanding chapter 1 of title 9,*
6 *United States Code (commonly known as*
7 *the ‘Federal Arbitration Act’), or any other*
8 *law, the right to bring an action, including*
9 *a joint, class, or collective claim, in court*
10 *under this section cannot be waived by an*
11 *employee as a condition of employment or*
12 *in a pre-dispute arbitration agreement.”;*
13 *and*

14 *(B) in subsection (c)—*

15 *(i) by striking “minimum” each place*
16 *the term appears;*

17 *(ii) in the first sentence—*

18 *(I) by striking “section 6 or 7”*
19 *and inserting “section 6, 7, or 8”; and*

20 *(II) by striking “and an addi-*
21 *tional equal amount as liquidated*
22 *damages” and inserting “, any interest*
23 *on such unpaid wages or unpaid over-*
24 *time compensation accrued at the pre-*
25 *vailing rate, and an additional*

1 *amount as liquidated damages that is*
2 *equal to (subject to the third sentence*
3 *of this subsection) 2 times such amount*
4 *of unpaid wages or unpaid overtime*
5 *compensation”;*

6 *(iii) in the second sentence, by striking*
7 *“and an equal amount as liquidated dam-*
8 *ages.” and inserting “, any interest on such*
9 *unpaid wages or unpaid overtime com-*
10 *penetration accrued at the prevailing rate,*
11 *and an additional amount as liquidated*
12 *damages that is equal to (subject to the*
13 *third sentence of this subsection) 2 times*
14 *such amount of unpaid wages or unpaid*
15 *overtime compensation. In the event that the*
16 *employer violates section 15(a)(3), the Sec-*
17 *retary may bring an action in any court of*
18 *competent jurisdiction to recover the*
19 *amount of any wages lost, including any*
20 *unpaid wages or any unpaid overtime com-*
21 *penetration, any interest on such wages lost*
22 *accrued at the prevailing rate, an addi-*
23 *tional amount as liquidated damages that*
24 *is equal to 3 times the amount of such*

1 *wages lost, and any such legal or equitable*
 2 *relief as may be appropriate.”; and*

3 *(iv) in the third sentence, by striking*
 4 *“sections 6 and 7” and inserting “section 6,*
 5 *7, or 8”; and*

6 *(4) in section 17 (29 U.S.C. 217), by striking*
 7 *“minimum”.*

8 *(c) CIVIL FINES.—Section 16(e) of the Fair Labor*
 9 *Standards Act of 1938 (29 U.S.C. 216(e)) is amended—*
 10 *(1) by striking paragraph (2) and inserting the*
 11 *following:*

12 *“(2)(A) Subject to subparagraph (B), any person who*
 13 *violates section 6, 7, or 8, relating to wages, shall be subject*
 14 *to a civil fine that is not to exceed \$22,030 per each em-*
 15 *ployee affected for each initial violation of such section.*

16 *“(B) Any person who repeatedly or willfully violates*
 17 *section 6, 7, or 8, relating to wages, shall be subject to a*
 18 *civil fine that is not to exceed \$110,150 per each employee*
 19 *affected for each such violation.*

20 *“(C) Any person who violates section 3(m)(2)(B) shall*
 21 *be subject to a civil penalty not to exceed \$12,340 for each*
 22 *such violation, as the Secretary determines appropriate, in*
 23 *addition to being liable to the employee or employees af-*
 24 *ected for all tips unlawfully kept, any interest on wages*
 25 *lost accrued at the prevailing rate, and an additional*

1 *amount as liquidated damages that is equal to 2 times the*
 2 *amount of wages lost, as described in subsection (b).”;*

3 *(2) by redesignating paragraphs (3), (4), and (5)*
 4 *as paragraphs (5), (6), and (7), respectively; and*

5 *(3) by inserting after paragraph (2) the fol-*
 6 *lowing:*

7 *“(3) Any person who violates subsection (a) or (b) of*
 8 *section 5 shall—*

9 *“(A) for the initial violation of such subsection,*
 10 *be subject to a civil fine that is not to exceed \$50 per*
 11 *each employee affected; and*

12 *“(B) for each repeated or willful violation of*
 13 *such subsection, be subject to a civil fine that is not*
 14 *to exceed \$100 per each employee affected.*

15 *“(4) Any person who violates section 11(c) shall—*

16 *“(A) for the initial violation, be subject to a civil*
 17 *fine that is not to exceed \$1,000 per each employee af-*
 18 *ected; and*

19 *“(B) for each repeated or willful violation, be*
 20 *subject to a civil fine that is not to exceed \$5,000 per*
 21 *each employee affected.”.*

22 *(d) CRIMINAL PENALTIES.—Section 16(a) of the Fair*
 23 *Labor Standards Act of 1938 (29 U.S.C. 216(a)) is amend-*
 24 *ed—*

1 (1) by striking “Any person” and inserting “(1)
2 Any person”;

3 (2) in the first sentence, by striking “\$10,000”
4 and inserting “\$10,000 per each employee affected”;

5 (3) in the second sentence, by striking “No per-
6 son” and inserting “Subject to paragraph (2), no per-
7 son”; and

8 (4) by adding at the end the following:

9 “(2)(A) Notwithstanding any other provision of this
10 Act, the Secretary shall refer any case involving a covered
11 offender described in subparagraph (B) to the Department
12 of Justice for prosecution.

13 “(B) A covered offender described in this subparagraph
14 is a person who willfully violates any of the following:

15 “(i) Section 11(c) by falsifying any records de-
16 scribed in such section.

17 “(ii) Section 6, 7, or 8, relating to wages.

18 “(iii) Section 15(a)(3).”.

19 **SEC. 104. RECORDKEEPING.**

20 (a) *IN GENERAL.*—Section 11(c) of the Fair Labor
21 Standards Act of 1938 (29 U.S.C. 211(c)) is amended by
22 adding at the end the following: “In the event that an em-
23 ployee requests an inspection of the records described in this
24 subsection that pertain to such employee from the employer,
25 orally or in writing, the employer shall provide the em-

1 *ployee with a copy of the records for a period of up to 5*
2 *years prior to such request being made. Not later than 21*
3 *days after an employee requests such an inspection, the em-*
4 *ployer shall comply with the request.”.*

5 *(b) REBUTTABLE PRESUMPTION.—Section 15 of the*
6 *Fair Labor Standards Act of 1938 (29 U.S.C. 215) is*
7 *amended by adding at the end the following:*

8 *“(c) In the event that an employer violates section*
9 *11(c) and any regulations issued pursuant to such section,*
10 *resulting in a lack of a complete record of an employee’s*
11 *hours worked or wages owed, the employee’s production of*
12 *credible evidence and testimony regarding the amount or*
13 *extent of the work for which the employee was not com-*
14 *pensated in compliance with the requirements under this*
15 *Act shall be sufficient to create a rebuttable presumption*
16 *that the employee’s records are accurate. Such presumption*
17 *shall be rebutted only if the employer produces evidence of*
18 *the precise amount or extent of work performed or evidence*
19 *to show that the inference drawn from the employee’s evi-*
20 *dence is not reasonable.”.*

1 ***TITLE II—AMENDMENTS TO THE***
2 ***PORTAL-TO-PORTAL ACT OF 1947***

3 ***SEC. 201. INCREASING AND TOLLING STATUTE OF LIMITA-***
4 ***TIONS.***

5 *Section 6 of the Portal-to-Portal Act of 1947 (29*
6 *U.S.C. 255) is amended—*

7 *(1) in the matter preceding paragraph (a), by*
8 *striking “minimum”;*

9 *(2) in paragraph (a)—*

10 *(A) by striking “may be commenced within*
11 *two years” and inserting “may be commenced*
12 *within 4 years”;*

13 *(B) by striking “unless commenced within*
14 *two years” and inserting “unless commenced*
15 *within 4 years”; and*

16 *(C) by striking “may be commenced within*
17 *three years” and inserting “may be commenced*
18 *within 5 years”;*

19 *(3) in paragraph (d), by striking the period and*
20 *inserting “; and”; and*

21 *(4) by adding at the end the following:*

22 *“(e) with respect to the running of any statutory*
23 *period of limitation described in this section, the run-*
24 *ning of such statutory period shall be deemed sus-*
25 *pended during the period beginning on the date on*

1 *which the Secretary of Labor notifies an employer of*
2 *an initiation of an investigation or enforcement ac-*
3 *tion and ending on the date on which the Secretary*
4 *notifies the employer that the matter has been offi-*
5 *cially resolved by the Secretary.”.*

6 ***TITLE III—WAGE THEFT PREVEN-***
7 ***TION AND WAGE RECOVERY***
8 ***GRANT PROGRAM***

9 ***SEC. 301. DEFINITIONS.***

10 *In this title:*

11 (1) *COMMUNITY PARTNER.—The term “commu-*
12 *nity partner” means any stakeholder with a commit-*
13 *ment to enforcing wage and hour laws and preventing*
14 *abuses of such laws, including any—*

15 (A) *State department of labor;*

16 (B) *attorney general of a State, or other*
17 *similar authorized official of a political subdivi-*
18 *sion thereof;*

19 (C) *law enforcement agency;*

20 (D) *consulate;*

21 (E) *employee or advocate of employees, in-*
22 *cluding a labor organization, community-based*
23 *organization, faith-based organization, business*
24 *association, or nonprofit legal aid organization;*

1 (F) *academic institution that plans, coordi-*
2 *nates, and implements programs and activities*
3 *to prevent wage and hour violations and recover*
4 *unpaid wages, damages, and penalties; or*

5 (G) *any municipal agency responsible for*
6 *the enforcement of local wage and hour laws.*

7 (2) *COMMUNITY PARTNERSHIP.—The term “com-*
8 *munity partnership” means a partnership between—*

9 (A) *a working group consisting of commu-*
10 *nity partners; and*

11 (B) *the Department of Labor.*

12 (3) *ELIGIBLE ENTITY.—The term “eligible enti-*
13 *ty” means an entity that is any of the following:*

14 (A) *A nonprofit organization, including*
15 *such an organization that is a community-based*
16 *organization, faith-based organization, or labor*
17 *organization, that provides services and support*
18 *to employees, including assisting such employees*
19 *in recovering unpaid wages.*

20 (B) *An employer.*

21 (C) *A business association.*

22 (D) *An institution of higher education, as*
23 *defined by section 101(a) of the Higher Edu-*
24 *cation Act of 1965 (20 U.S.C. 1001(a)).*

1 (E) A partnership between any of the enti-
 2 ties described in subparagraphs (A) through (D).

3 (4) *EMPLOY; EMPLOYEE; EMPLOYER.*—The terms
 4 “employ”, “employee”, and “employer” have the
 5 meanings given such terms in section 3 of the Fair
 6 Labor Standards Act of 1938 (29 U.S.C. 203).

7 (5) *SECRETARY.*—The term “Secretary” means
 8 the Secretary of Labor.

9 (6) *WAGE AND HOUR LAW.*—The term “wage
 10 and hour law” means any Federal law enforced by
 11 the Wage and Hour Division of the Department of
 12 Labor, including any provision of this Act enforced
 13 by such division.

14 (7) *WAGE AND HOUR VIOLATION.*—The term
 15 “wage and hour violation” refers to any violation of
 16 a Federal law enforced by the Wage and Hour Divi-
 17 sion of the Department of Labor, including any pro-
 18 vision of this Act enforced by such division.

19 **SEC. 302. WAGE THEFT PREVENTION AND WAGE RECOVERY**
 20 **GRANT PROGRAM.**

21 (a) *IN GENERAL.*—The Secretary shall provide grants
 22 to eligible entities to assist employees and employers.

23 (b) *GRANTS.*—A grant provided under this section
 24 shall be designed to—

1 (1) support an eligible entity in establishing and
2 supporting the activities described in subsection
3 (c)(1); and

4 (2) develop community partnerships to expand
5 and improve cooperative efforts to—

6 (A) prevent and reduce wage and hour vio-
7 lations;

8 (B) assist employees in recovering back pay
9 for any such violations; and

10 (C) assist employers in complying with
11 wage and hour laws.

12 (c) *USE OF FUNDS.*—The grants described in this sec-
13 tion shall assist eligible entities in establishing and sup-
14 porting activities that include—

15 (1) disseminating information and conducting
16 outreach and training to educate employees about
17 their rights under wage and hour laws;

18 (2) conducting educational and compliance
19 training for employers about their obligations under
20 wage and hour laws;

21 (3) providing assistance to employees in filing
22 claims of wage and hour violations; and

23 (4) any other activities as the Secretary may
24 reasonably prescribe through notice and comment
25 rulemaking.

1 (d) *TERM OF GRANTS.*—*Each grant made under this*
2 *section shall be available for expenditure for a period that*
3 *is not to exceed 3 years.*

4 (e) *APPLICATIONS.*—

5 (1) *IN GENERAL.*—*An eligible entity seeking a*
6 *grant under this section shall submit an application*
7 *for such grant to the Secretary in accordance with*
8 *this subsection.*

9 (2) *PARTNERSHIPS.*—*In the case of an eligible*
10 *entity that is a partnership described in section*
11 *301(4)(E), the eligible entity may submit a joint ap-*
12 *plication that designates a single entity as the lead*
13 *entity for purposes of receiving and disbursing funds.*

14 (3) *CONTENTS.*—*An application under this sub-*
15 *section shall include—*

16 (A) *a description of a plan for the program*
17 *that the eligible entity proposes to carry out with*
18 *a grant under this section, including a long-term*
19 *strategy and detailed implementation plan that*
20 *reflects expected participation of, and partner-*
21 *ship with, community partners;*

22 (B) *information on the prevalence of wage*
23 *and hour violations in each community or State*
24 *the eligible entity proposes to serve;*

1 (C) information on any industry or geo-
 2 graphic area targeted by the plan for such pro-
 3 gram;

4 (D) information on the type of outreach and
 5 relationship building that will be conducted
 6 under such program;

7 (E) information on the training and edu-
 8 cation that will be provided to employees and
 9 employers under such program; and

10 (F) any additional information the Sec-
 11 retary deems relevant.

12 (f) *SELECTION.*—

13 (1) *COMPETITIVE BASIS.*—In accordance with
 14 this subsection, the Secretary shall, on a competitive
 15 basis, select grant recipients from among eligible enti-
 16 ties that have submitted an application under sub-
 17 section (e).

18 (2) *PRIORITY.*—In selecting grant recipients
 19 under paragraph (1), the Secretary shall give priority
 20 to eligible entities that—

21 (A) serve employees or employers in any in-
 22 dustry or geographic area that is most highly at
 23 risk for noncompliance with wage and hour vio-
 24 lations, as identified by the Secretary; and

1 (B) demonstrate past and ongoing work to
2 prevent wage and hour violations or to recover
3 unpaid wages.

4 (g) *MEMORANDA OF UNDERSTANDING.*—

5 (1) *IN GENERAL.*—Not later than 60 days after
6 receiving notification of selection for a grant under
7 this section, the grant recipient shall negotiate and fi-
8 nalize with the Secretary a memorandum of under-
9 standing that sets forth specific goals, objectives, strat-
10 egies, and activities that will be carried out under the
11 grant by such recipient through a community part-
12 nership.

13 (2) *SIGNATURES.*—A representative of the grant
14 recipient (or, in the case of a grant recipient that is
15 an eligible entity described in section 301(4)(E), a
16 representative of each entity that composes the grant
17 recipient) and the Secretary shall sign the memo-
18 randum of understanding under this subsection.

19 (3) *REVISIONS.*—The memorandum of under-
20 standing under this subsection shall be reviewed and
21 revised by the grant recipient and the Secretary each
22 year for the duration of the grant.

23 (h) *PERFORMANCE EVALUATIONS.*—The Secretary
24 shall develop guidelines for evaluating the activities of each
25 program or project funded under this section.

1 (i) *REVOCATION OR SUSPENSION OF FUNDING.*—If the
 2 Secretary determines that a recipient of a grant under this
 3 section is not in compliance with the terms and require-
 4 ments of the memorandum of understanding under sub-
 5 section (g), the Secretary may revoke or suspend (in whole
 6 or in part) the funding of the grant.

7 **SEC. 303. AUTHORIZATION OF APPROPRIATIONS.**

8 There is authorized to be appropriated \$50,000,000 for
 9 fiscal year 2023 and for each subsequent fiscal year through
 10 fiscal year 2026, to remain available until expended, to
 11 carry out the grant program under section 302.

12 **TITLE IV—RELATION TO OTHER**
 13 **LAWS, REGULATIONS, AND EF-**
 14 **FECTIVE DATE**

15 **SEC. 401. RELATION TO OTHER LAWS.**

16 (a) *IN GENERAL.*—Section 18(a) of the Fair Labor
 17 Standards Act of 1938 (29 U.S.C. 218(a)) is amended by
 18 adding at the end the following: “The requirements of sec-
 19 tion 5 shall not preempt or supercede any requirement
 20 under State or local law that an employer disclose the rate,
 21 frequency, or classification of pay at any time during an
 22 individual’s employ, or that an employer provide regular
 23 paystubs or earnings statements to employees, so long as
 24 such requirement is at least as comprehensive as the re-
 25 quirements described under such section.”.

1 (b) *ASSISTANCE TO EMPLOYERS.*—*The Secretary of*
2 *Labor shall provide such assistance to employers operating*
3 *in more than one State as may be necessary to ensure com-*
4 *pliance with the amendments made by this Act.*

5 **SEC. 402. REGULATIONS.**

6 *Not later than 18 months after the date of enactment*
7 *of this Act, the Secretary of Labor shall promulgate such*
8 *regulations as are necessary to carry out this Act and the*
9 *amendments made by this Act.*

10 **SEC. 403. EFFECTIVE DATE.**

11 *The amendments made by titles I and II shall take*
12 *effect on the date that is the earlier of—*

13 (1) *the date that is 6 months after the date on*
14 *which the final regulations are promulgated by the*
15 *Secretary of Labor under section 401; or*

16 (2) *the date that is 18 months after the date of*
17 *enactment of this Act.*

Union Calendar No. 388

117TH CONGRESS
2D Session

H. R. 7701

[Report No. 117-540]

A BILL

To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

OCTOBER 7, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed