

115TH CONGRESS
1ST SESSION

S. 1242

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

IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Mr. SANDERS (for himself, Mrs. MURRAY, Mr. SCHUMER, Mr. DURBIN, Ms. BALDWIN, Mr. BLUMENTHAL, Mr. BOOKER, Mr. BROWN, Ms. CANTWELL, Ms. DUCKWORTH, Mrs. GILLIBRAND, Mrs. FEINSTEIN, Mr. FRANKEN, Ms. HARRIS, Ms. HIRONO, Mr. KAINE, Mr. LEAHY, Mr. MARKEY, Mr. MERKLEY, Mr. NELSON, Mr. PETERS, Mr. REED, Mr. SCHATZ, Ms. STABENOW, Mr. VAN HOLLEN, Ms. WARREN, Mr. WHITEHOUSE, Mr. WYDEN, Mr. MURPHY, Mr. CARDIN, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To provide for increases in the Federal minimum wage, 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 “Raise the Wage Act”.

1 **SEC. 2. MINIMUM WAGE INCREASES.**

2 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor
3 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended
4 to read as follows:

5 “(1) except as otherwise provided in this sec-
6 tion, not less than—

7 “(A) \$9.25 an hour, beginning on the ef-
8 fective date under section 7 of the Raise the
9 Wage Act;

10 “(B) \$10.10 an hour, beginning 1 year
11 after such effective date;

12 “(C) \$11.00 an hour, beginning 2 years
13 after such effective date;

14 “(D) \$12.00 an hour, beginning 3 years
15 after such effective date;

16 “(E) \$13.00 an hour, beginning 4 years
17 after such effective date;

18 “(F) \$13.50 an hour, beginning 5 years
19 after such effective date;

20 “(G) \$14.25 an hour, beginning 6 years
21 after such effective date;

22 “(H) \$15.00 an hour, beginning 7 years
23 after such effective date; and

24 “(I) beginning on the date that is 8 years
25 after such effective date, and annually there-

1 after, the amount determined by the Secretary
 2 under subsection (h);”.

3 (b) DETERMINATION BASED ON INCREASE IN THE
 4 MEDIAN HOURLY WAGE OF ALL EMPLOYEES.—Section
 5 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.
 6 206) is amended by adding at the end the following:

7 “(h)(1) Not later than each date that is 90 days be-
 8 fore a new minimum wage determined under subsection
 9 (a)(1)(I) is to take effect, the Secretary shall determine
 10 the minimum wage to be in effect under this subsection
 11 for each period described in subsection (a)(1)(I). The wage
 12 determined under this subsection for a year shall be—

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

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

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

20 “(2) In calculating the annual percentage increase in
 21 the median hourly wage of all employees for purposes of
 22 paragraph (1)(B), the Secretary, through the Bureau of
 23 Labor Statistics, shall compile data on the hourly wages
 24 of all employees to determine such a median hourly wage
 25 and compare such median hourly wage for the most recent

1 year for which data are available with the median hourly
 2 wage determined for the preceding year.”.

3 **SEC. 3. TIPPED EMPLOYEES.**

4 (a) BASE MINIMUM WAGE FOR TIPPED EMPLOY-
 5 EES.—Section 3(m)(1) of the Fair Labor Standards Act
 6 of 1938 (29 U.S.C. 203(m)(1)) is amended to read as fol-
 7 lows:

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

11 “(A) for the 1-year period beginning on
 12 the effective date under section 7 of the Raise
 13 the Wage Act, \$4.15 an hour;

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

20 “(i) \$1.15; or

21 “(ii) the amount necessary for the
 22 wage in effect under this paragraph to
 23 equal the wage in effect under section
 24 6(a)(1) for such period, rounded to the
 25 nearest multiple of \$0.05; and

1 “(C) for each succeeding 1-year period
 2 after the increase made pursuant to subpara-
 3 graph (B)(ii), the minimum wage in effect
 4 under section 6(a)(1); and”.

5 (b) TIPS RETAINED BY EMPLOYEES.—Section 3(m)
 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.
 7 203(m)) is amended—

8 (1) in the second sentence of the matter fol-
 9 lowing paragraph (2), by striking “of this sub-
 10 section, and all tips received by such employee have
 11 been retained by the employee” and inserting “of
 12 this subsection. Any employee shall have the right to
 13 retain any tips received by such employee”; and

14 (2) by adding at the end the following: “An em-
 15 ployer shall inform each employee of the right and
 16 exception provided under the preceding sentence.”.

17 (c) SCHEDULED REPEAL OF SEPARATE MINIMUM
 18 WAGE FOR TIPPED EMPLOYEES.—

19 (1) TIPPED EMPLOYEES.—Section 3(m) of the
 20 Fair Labor Standards Act of 1938 (29 U.S.C.
 21 203(m)), as amended by subsections (a) and (b), is
 22 further amended by striking the sentence beginning
 23 with “In determining the wage an employer is re-
 24 quired to pay a tipped employee,” and all that fol-
 25 lows through “of this subsection.” and inserting

1 “The wage required to be paid to a tipped employee
2 shall be the wage set forth in section 6(a)(1).”.

3 (2) PUBLICATION OF NOTICE.—Section 6(i) of
4 the Fair Labor Standards Act of 1938 (29 U.S.C.
5 206(i)), as added by section 5, is amended by strik-
6 ing “or in accordance with subparagraph (B) or (C)
7 of section 3(m)(1) (as applicable),”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by paragraphs (1) and (2) shall take effect on the
10 date that is one day after the date on which the
11 hourly wage under section 3(m)(1)(C) of the Fair
12 Labor Standards Act of 1938 (29 U.S.C.
13 203(m)(1)(C)), as amended by subsection (a), takes
14 effect.

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

17 (a) BASE MINIMUM WAGE FOR NEWLY HIRED EM-
18 PLOYEES WHO ARE LESS THAN 20 YEARS OLD.—Section
19 6(g)(1) of the Fair Labor Standards Act of 1938 (29
20 U.S.C. 206(g)(1)) is amended by striking “a wage which
21 is not less than \$4.25 an hour.” and inserting the fol-
22 lowing: “a wage at a rate that is not less than—

23 “(A) for the 1-year period beginning on
24 the effective date under section 7 of the Raise
25 the Wage Act, \$5.00 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) \$1.05; 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 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)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(g)(1)), as amended by subsection (a), shall be repealed effective on the date provided in paragraph (3).

1 (2) PUBLICATION OF NOTICE.—Section 6(i) of
 2 the Fair Labor Standards Act of 1938 (29 U.S.C.
 3 206(i)), as amended by section 3(c)(2), is further
 4 amended by striking “or subparagraph (B) or (C) of
 5 section 6(g)(1) (as applicable),”.

6 (3) EFFECTIVE DATE.—The repeal and amend-
 7 ment made by paragraphs (1) and (2), respectively,
 8 shall take effect on the date that is one day after the
 9 date on which the hourly wage under section
 10 6(g)(1)(C) of the Fair Labor Standards Act, as
 11 amended by subsection (a), takes effect.

12 **SEC. 5. PUBLICATION OF NOTICE.**

13 Section 6 of the Fair Labor Standards Act of 1938
 14 (29 U.S.C. 206), as amended by the preceding sections,
 15 is further amended by adding at the end the following:

16 “(i) Not later than 60 days prior to the effective date
 17 of any increase in the required wage determined under
 18 subsection (h), or in accordance with subparagraph (B)
 19 or (C) of section 3(m)(1) (as applicable), section
 20 14(c)(1)(A) (as applicable), or subparagraph (B) or (C)
 21 of section 6(g)(1) (as applicable), the Secretary shall pub-
 22 lish in the Federal Register and on the website of the De-
 23 partment of Labor a notice announcing each increase in
 24 such required wage.”.

1 **SEC. 6. PROMOTING ECONOMIC SELF-SUFFICIENCY FOR IN-**
 2 **DIVIDUALS WITH DISABILITIES.**

3 (a) WAGES.—

4 (1) TRANSITION TO FAIR WAGES FOR INDIVID-
 5 UALS WITH DISABILITIES.—Subparagraph (A) of
 6 section 14(c)(1) of the Fair Labor Standards Act of
 7 1938 (29 U.S.C. 214(c)(1)) is amended to read as
 8 follows:

9 “(A) at a rate that equals, or exceeds, the
 10 greater of—

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

14 “(II) \$6.25 an hour, beginning 2
 15 years after such date;

16 “(III) \$8.25 an hour, beginning 3
 17 years after such date;

18 “(IV) \$10.25 an hour, beginning 4
 19 years after such date;

20 “(V) \$12.25 an hour, beginning 5
 21 years after such date; and

22 “(VI) the wage rate in effect under
 23 section 6(a)(1), on the date that is 6 years
 24 after the date the wage specified in section
 25 6(a)(1)(A) takes effect; or

1 “(ii) if applicable, the wage rate in ef-
 2 fect on the day before the date of enact-
 3 ment of the Raise the Wage Act for the
 4 employment, under a special certificate
 5 issued under this paragraph, of the indi-
 6 vidual for whom the wage rate is being de-
 7 termined under this subparagraph,”.

8 (2) PROHIBITION ON NEW SPECIAL CERTIFI-
 9 CATES; SUNSET.—Section 14(c) of the Fair Labor
 10 Standards Act of 1938 (29 U.S.C. 214(c)) (as
 11 amended by paragraph (1)) is further amended by
 12 adding at the end the following:

13 “(6) PROHIBITION ON NEW SPECIAL CERTIFI-
 14 CATES.—Notwithstanding paragraph (1), the Sec-
 15 retary shall not issue a special certificate under this
 16 subsection to an employer that was not issued a spe-
 17 cial certificate under this subsection before the date
 18 of enactment of the Raise the Wage Act.

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

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

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

6 “(i) transitioning the practices of such
7 employers to comply with this subsection,
8 as amended by the Raise the Wage Act;
9 and

10 “(ii) ensuring continuing employment
11 opportunities for individuals with disabil-
12 ities receiving a special minimum wage
13 rate under this subsection; and

14 “(B) information to individuals employed
15 at a special minimum wage rate under this sub-
16 section, which may include referrals to other
17 Federal or State entities with expertise in com-
18 petitive integrated employment.”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on the date of en-
21 actment of this Act.

22 (b) PUBLICATION OF NOTICE.—

23 (1) AMENDMENT.—Section 6(i) of the Fair
24 Labor Standards Act of 1938 (29 U.S.C. 206(i)), as

1 amended by section 4(b)(2), is further amended by
2 striking “section 14(c)(1)(A) (as applicable),”.

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

9 **SEC. 7. GENERAL EFFECTIVE DATE.**

10 Except as otherwise provided in this Act or the
11 amendments made by this Act, this Act and the amend-
12 ments made by this Act shall take effect on the first day
13 of the third month that begins after the date of enactment
14 of this Act.

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