

Union Calendar No. 464

119TH CONGRESS
2^D SESSION

H. R. 2299

[Report No. 119-539]

To establish the Payroll Audit Independent Determination program in the
Department of Labor.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 2025

Mr. GROTHMAN introduced the following bill; which was referred to the
Committee on Education and Workforce

MARCH 3, 2026

Additional sponsors: Mr. HAMADEH of Arizona, Ms. STEFANIK, Mr.
MESSMER, Ms. TENNEY, and Mr. FINE

MARCH 3, 2026

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 March 24, 2025]

A BILL

To establish the Payroll Audit Independent Determination
program in the Department of Labor.

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 “Ensuring Workers Get*
5 *PAID Act of 2025”.*

6 **SEC. 2. FINDINGS.**

7 *Congress finds the following:*

8 *(1) In 2018, the Department of Labor launched*
9 *the nationwide Payroll Audit Independent Deter-*
10 *mination pilot program (referred to in this section as*
11 *the “PAID pilot program”).*

12 *(2) The Secretary of Labor, acting through the*
13 *Administrator of the Wage and Hour Division, estab-*
14 *lished the PAID pilot program to complement enforce-*
15 *ment and compliance assistance tools undertaken by*
16 *the Wage and Hour Division of the Department of*
17 *Labor.*

18 *(3) The Secretary has a longstanding practice of*
19 *providing self-audit and office audit programs, as*
20 *noted by Secretary Marty Walsh in a response for the*
21 *record following a hearing before the Committee on*
22 *Education and Labor of the House of Representatives*
23 *on June 9, 2021.*

24 *(4) The Wage and Hour Division, through the*
25 *PAID pilot program, worked with employers on a*

1 *voluntary basis to remedy unintentional violations of*
2 *the Fair Labor Standards Act of 1938 (29 U.S.C. 201*
3 *et seq.), which is the Federal statute establishing min-*
4 *imum wage, overtime pay, recordkeeping, and youth-*
5 *employment requirements affecting employees in the*
6 *private sector and in Federal, State, and local gov-*
7 *ernments.*

8 (5) *The PAID pilot program yielded positive re-*
9 *sults for employers and employees. Between April 1,*
10 *2018, and September 15, 2019, the Wage and Hour*
11 *Division concluded 74 PAID pilot program cases,*
12 *representing less than one percent of all compliance*
13 *actions under the Fair Labor Standards Act of 1938,*
14 *with a total of \$4,131,238 in back wages paid to*
15 *7,429 employees through such PAID pilot program*
16 *cases.*

17 (6) *Self-audits through the PAID pilot program*
18 *by employers returned more back wages to employees*
19 *in less time than compliance actions overall. In fact,*
20 *during the period described in paragraph (5)—*

21 (A) *the average back wages paid per case*
22 *for PAID pilot program cases (\$55,828) were*
23 *more than 4 times the average back wages paid*
24 *per compliance action (\$11,355);*

1 (B) the average back wages paid per en-
2 forcement hour for PAID pilot program cases
3 (\$2,864) was more than 10 times greater than
4 the average back wages paid per enforcement
5 hour for compliance actions (\$279);

6 (C) on average, nearly 10 times more em-
7 ployees received back wages in each PAID pilot
8 program case than in investigations conducted
9 using traditional methods;

10 (D) self-audits through the PAID pilot pro-
11 gram averaged 19 hours per case as compared to
12 41 hours per case for the Secretary conducted
13 using traditional methods; and

14 (E) self-audits through the PAID pilot pro-
15 gram reached employers that the Wage and Hour
16 Division would not typically prioritize for en-
17 forcement, including government establishments
18 and industry sectors with higher-wage occupa-
19 tions.

20 **SEC. 3. DEFINITIONS.**

21 *In this Act:*

22 (1) *AFFECTED EMPLOYEE.*—The term “affected
23 employee” means an employee affected by a violation
24 of a minimum wage or overtime hours requirement of
25 the Fair Labor Standards Act of 1938 (29 U.S.C. 201

1 *et seq.*), excluding any employee subject to prevailing
2 wage requirements under the H-1B, H-2B, or H-2A
3 visa programs, subchapter IV of chapter 31 of title
4 40, United States Code (commonly referred to as the
5 “Davis-Bacon Act”), or chapter 67 of title 41, United
6 States Code (commonly known as the “Service Con-
7 tract Act”).

8 (2) *ADMINISTRATOR*.—The term “Adminis-
9 trator” means the Administrator of the Wage and
10 Hour Division of the Department of Labor.

11 (3) *EMPLOYEE*.—The term “employee”—

12 (A) has the meaning given such term in sec-
13 tion 3 of the Fair Labor Standards Act of 1938
14 (29 U.S.C. 203); and

15 (B) with respect to an employer, includes a
16 former employee of such employer.

17 (4) *EMPLOYER*.—The term “employer” has the
18 meaning given such term in section 3 of such Act.

19 (5) *GOOD FAITH*.—The term “good faith” means,
20 with respect to an employer applying for participa-
21 tion in the Payroll Audit Independent Determination
22 program established under section 4, that such em-
23 ployer is not, at the time such employer submits an
24 application for such program—

1 (A) under investigation by the Secretary for
2 an alleged violation of a minimum wage or over-
3 time hours requirement of the Fair Labor Stand-
4 ards Act of 1938 (29 U.S.C. 201 et seq.); or

5 (B) subject to a lawsuit related to an al-
6 leged violation of such a requirement.

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

9 (7) *SELF-AUDIT*.—The term “self-audit” means
10 an audit conducted by an employer to resolve inac-
11 curacies by the employer in the computation of wages
12 and overtime compensation required under the Fair
13 Labor Standards Act of 1938 within the statute of
14 limitations described in section 6(a) of the Portal-to-
15 Portal Act of 1947 (29 U.S.C. 255(a)).

16 **SEC. 4. PAYROLL AUDIT INDEPENDENT DETERMINATION**
17 **PROGRAM.**

18 (a) *PROGRAM ESTABLISHMENT*.—The Administrator
19 shall establish a Payroll Audit Independent Determination
20 program (referred to in this section as the “program”) to
21 foster collaboration with employers that inadvertently vio-
22 late the Fair Labor Standards Act of 1938 (29 U.S.C. 201
23 et seq.) to voluntarily remedy, within the statute of limita-
24 tions described in section 6(a) of the Portal-to-Portal Act
25 of 1947 (29 U.S.C. 255(a)), unpaid minimum wages or

1 *overtime compensation owed to any affected employee under*
2 *the Fair Labor Standards Act of 1938.*

3 *(b) APPLICATION REQUIREMENTS.—*

4 *(1) RESOURCES FOR COMPLIANCE ASSIST-*
5 *ANCE.—Not later than 30 days after the date of enact-*
6 *ment of this Act, the Administrator shall make avail-*
7 *able to employers resources for assistance in com-*
8 *plying with the Fair Labor Standards Act of 1938,*
9 *including content regarding wage and hour require-*
10 *ments, which shall be offered online, through printed*
11 *materials, and through other outreach activities.*

12 *(2) APPLICATION.—An employer seeking to par-*
13 *ticipate in the program shall submit an application*
14 *to the Administrator that includes—*

15 *(A) materials related to and the results of a*
16 *self-audit, including—*

17 *(i) an identification of any practice of*
18 *such employer identified in a self-audit that*
19 *may violate a minimum wage or overtime*
20 *compensation requirement of the Fair Labor*
21 *Standards Act of 1938; and*

22 *(ii) a list of each employee who may be*
23 *an affected employee with respect to such*
24 *violation, including—*

1 (I) the period of time such em-
2 ployee would have been affected by such
3 violation;

4 (II) payroll records related to
5 such employee for such period with in-
6 formation on the hours of work per-
7 formed by such employee;

8 (III) calculations of unpaid min-
9 imum wages or overtime compensation
10 owed to such employee under the Fair
11 Labor Standards Act of 1938 with a
12 description of the methodology of such
13 calculation and supporting evidence;
14 and

15 (IV) contact information for such
16 employee;

17 (B) an explanation of the scope of potential
18 violations of a minimum wage or overtime com-
19 pensation requirement of such Act for inclusion
20 in a release of claims under subsection (d);

21 (C) an assurance that any practice of such
22 employer that violates a minimum wage or over-
23 time compensation requirement of the Fair
24 Labor Standards Act of 1938 that is identified

1 *in the self-audit has been corrected to comply*
2 *with such Act;*

3 *(D) an assurance that such employer has,*
4 *prior to submitting such application, reviewed*
5 *the compliance assistance resources made avail-*
6 *able under paragraph (1) and all program infor-*
7 *mation, terms, and requirements;*

8 *(E) an assurance that, on the date of sub-*
9 *mission of such application, such employer—*

10 *(i) is not involved in any litigation re-*
11 *garding any practice of such employer that*
12 *is identified in the self-audit; and*

13 *(ii) has not received any communica-*
14 *tions from an employee or a representative*
15 *of an employee seeking to litigate or settle*
16 *claims related to any such practice; and*

17 *(F) an assurance that no employee listed in*
18 *subparagraph (A)(ii) is subject to a prevailing*
19 *wage requirement under the H-1B, H-2B, or*
20 *H-2A visa programs, subchapter IV of chapter*
21 *31 of title 40, United States Code (commonly re-*
22 *ferred to as the “Davis-Bacon Act”), or chapter*
23 *67 of title 41, United States Code (commonly*
24 *known as the “Service Contract Act”).*

25 *(c) APPLICATION REVIEW AND APPROVAL.—*

1 (1) *REVIEW AND AMENDMENT.*—*The Administrator shall review each application submitted by an*
2 *employer under subsection (b)(2). As part of such re-*
3 *view, the Administrator shall—*

4 (A) *as necessary, consult with such em-*
5 *ployer regarding—*

6 (i) *the self-audit and supporting mate-*
7 *rials submitted in the application; and*

8 (ii) *the process for approval of such*
9 *application and settlement of unpaid min-*
10 *imum wages or overtime compensation owed*
11 *to any affected employee under the Fair*
12 *Labor Standards Act of 1938 (29 U.S.C.*
13 *201 et seq.);*

14 (B) *inform such employer in a timely man-*
15 *ner and prior to a determination on the ap-*
16 *proval of the application if additional informa-*
17 *tion is needed to assess the unpaid minimum*
18 *wages or overtime compensation owed to any af-*
19 *ected employee for the violations of such Act*
20 *identified in the application through the self-*
21 *audit; and*

22 (C) *provide such employer an opportunity*
23 *to amend such application to revise the scope of*
24 *the practices of such employer that violate a*
25

1 *minimum wage or overtime compensation re-*
2 *quirement of the Fair Labor Standards Act of*
3 *1938 that are identified in the application*
4 *through self-audit, to update the list of affected*
5 *employees with respect to the practices at issue*
6 *in the self-audit, and to update the calculations*
7 *of unpaid minimum wages or overtime com-*
8 *ensation owed to any affected employee as a re-*
9 *sult of such violations.*

10 (2) *APPROVAL.—*

11 (A) *IN GENERAL.—If the conditions under*
12 *subparagraph (B) are satisfied with respect to*
13 *an application submitted under subsection*
14 *(b)(2), the Administrator shall—*

15 (i) *approve the application—*

16 (I) *in the case the application has*
17 *not been amended under paragraph*
18 *(1)(C), not later than 30 days after*
19 *such submission; or*

20 (II) *in the case the application*
21 *has been amended under paragraph*
22 *(1)(C), not later than 30 days after the*
23 *date of submission of such amended*
24 *application; and*

1 (ii) supervise the settlement under sub-
2 section (d), including the payment of any
3 unpaid minimum wages or overtime com-
4 pensation under the Fair Labor Standards
5 Act of 1938 (29 U.S.C. 201 et seq.) required
6 through such settlement.

7 (B) *CONDITIONS FOR APPROVAL.*—An ap-
8 plication submitted under subsection (b)(2) shall
9 be approved under subparagraph (A) if—

10 (i) within the scope of the violations
11 identified by the employer through the ap-
12 plication or an amendment to the applica-
13 tion under paragraph (1)(C), the Adminis-
14 trator verifies that the self-audit and cal-
15 culation of unpaid minimum wages or over-
16 time compensation owed to any affected em-
17 ployee under the Fair Labor Standards Act
18 of 1938 submitted in such application or
19 amendment are accurate; and

20 (ii) the employer submitting the appli-
21 cation—

22 (I) is determined to be acting in
23 good faith regarding violations of the
24 Fair Labor Standards Act of 1938

1 *identified in such application or*
2 *amendment;*

3 *(II) has not been found by the Ad-*
4 *ministrator or any court of law to*
5 *have violated a minimum wage or*
6 *overtime compensation requirement of*
7 *such Act during the 5 years imme-*
8 *diately preceding submission of such*
9 *application; and*

10 *(III) has not been approved for*
11 *participation in the program prior to*
12 *the submission of such application, un-*
13 *less—*

14 *(aa) such participation was*
15 *for a distinct violation of the Fair*
16 *Labor Standards Act of 1938 than*
17 *the practice identified in the self-*
18 *audit under subsection (b)(2); and*

19 *(bb) such employer has sub-*
20 *mitted the necessary materials for*
21 *the Administrator to verify that*
22 *such employer is not engaging in*
23 *the practice addressed by the pre-*
24 *vious participation of the em-*
25 *ployer in the program.*

1 (d) *SETTLEMENT.*—

2 (1) *IN GENERAL.*—*For each employer that sub-*
3 *mits an application under subsection (b)(2) that is*
4 *approved under subsection (c)(2), the Administrator*
5 *shall—*

6 (A) *provide to the employer a description of*
7 *the scope of the potential release of claims for*
8 *violations of minimum wage or overtime com-*
9 *ensation requirements of the Fair Labor Stand-*
10 *ards Act of 1938 (29 U.S.C. 201 et seq.) and a*
11 *summary of any unpaid minimum wages or*
12 *overtime compensation owed to each affected em-*
13 *ployee under such Act for such violations; and*

14 (B) *issue a release form to each affected em-*
15 *ployee of such employer that describes the settle-*
16 *ment terms, which shall include a written expla-*
17 *nation of—*

18 (i) *the waiver under paragraph (2)(B);*

19 *and*

20 (ii) *the right of the affected employee*
21 *receiving the offer for settlement to decline*
22 *the offer for settlement and preserve any*
23 *private right of action of the employee to re-*
24 *cover any unpaid minimum wages or over-*
25 *time compensation owed to the employee*

1 *under the Fair Labor Standards Act of*
2 *1938 as a result of such violations.*

3 (2) *ACCEPTANCE OF SETTLEMENT.—*

4 (A) *IN GENERAL.—An affected employee of-*
5 *fered a settlement through a release form under*
6 *paragraph (1)(B) may accept or decline the*
7 *offer.*

8 (B) *WAIVER OF PRIVATE RIGHT OF AC-*
9 *TION.—The acceptance by an affected employee*
10 *of an offer of settlement under subparagraph (A)*
11 *shall, upon payment in full of any amounts*
12 *owed to the employee under the settlement, con-*
13 *stitute a waiver by such employee of any right*
14 *such employee may have under section 16 of the*
15 *Fair Labor Standards Act of 1938 (29 U.S.C.*
16 *216) to a private right of action to recover un-*
17 *paid minimum wages or overtime compensation,*
18 *including any liquidated damages, for the viola-*
19 *tions addressed by the settlement.*

20 (3) *PAYMENT OF SETTLEMENT.—For each af-*
21 *ected employee that accepts a settlement through a re-*
22 *lease form under paragraph (1)(B), the employer*
23 *shall—*

24 (A) *pay such employee the full amount of*
25 *unpaid minimum wages or overtime compensa-*

1 *tion owed to such employee under the Fair Labor*
2 *Standards Act of 1938 (29 U.S.C. 201 et seq.)*
3 *for the violations addressed in the settlement;*
4 *and*

5 *(B) submit proof of payment of such full*
6 *amount to the Administrator.*

7 *(e) ADDITIONAL REQUIREMENTS.—*

8 *(1) DENIALS.—In the case of an application sub-*
9 *mitted by an employer under subsection (b)(2) and*
10 *not approved under subsection (c)(2), the Adminis-*
11 *trator may not—*

12 *(A) use information submitted in the appli-*
13 *cation in an investigation against the employer;*

14 *(B) use the fact such employer applied to*
15 *the program as a basis for any future investiga-*
16 *tion, except in a case in which the Administrator*
17 *has reason to believe that the health and safety*
18 *of an employee is at risk due to an alleged viola-*
19 *tion related to a requirement enforced by the*
20 *Secretary involving child labor, agricultural*
21 *worker protections, or housing or transportation*
22 *requirements under the H-2A or H-2B visa pro-*
23 *grams; or*

24 *(C) communicate to any affected employee*
25 *of such employer in response to receipt of such*

1 *application to notify such employee of the pri-*
2 *vate right of action of such employee to resolve*
3 *potential violations of the Fair Labor Standards*
4 *Act of 1938 (29 U.S.C. 201 et seq.), particularly*
5 *with respect to the wage practices at issue in the*
6 *self-audit.*

7 (2) *EXPANSION OF SCOPE.—The Administrator*
8 *may not expand the scope of the violations to be in-*
9 *vestigated or settled through an employer’s participa-*
10 *tion in the program beyond the violations identified*
11 *by the employer in the application submitted by the*
12 *employer under subsection (b)(2) or the amended ap-*
13 *plication submitted by the employer under subsection*
14 *(c)(1)(C).*

15 (3) *NO PAYMENTS REQUIRED.—The Adminis-*
16 *trator may not require any form of payment by an*
17 *employer to apply, qualify, or participate in the pro-*
18 *gram.*

19 (4) *EXEMPTION FROM DISCOVERY.—Any infor-*
20 *mation submitted in an application to the program*
21 *under subsection (b)(2), or an amendment to such ap-*
22 *plication under subsection (c)(1)(C), may not be sub-*
23 *ject to discovery in a Federal or State court pro-*
24 *ceeding without the consent of the employer that sub-*
25 *mitted the application.*

1 (f) *RETALIATION*.—Section 15(a)(3) of the Fair Labor
2 *Standards Act of 1938 (29 U.S.C. 215(a)(3))* is amended
3 *by inserting before the semicolon the following: “, or has*
4 *accepted or declined to accept an offer for settlement under*
5 *section 4(d) of the Ensuring Workers Get PAID Act of*
6 *2025”.*

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