AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 582
OFFERED BY MR. SCOTT OF VIRGINIA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.
2
This Act may be cited as the “Raise the Wage Act”.

3 SEC. 2. MINIMUM WAGE INCREASES.
4 (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:
5 “(1) except as otherwise provided in this section, not less than—
6 “(A) $8.55 an hour, beginning on the effective date under section 7 of the Raise the Wage Act;
7 “(B) $9.85 an hour, beginning 1 year after such effective date;
8 “(C) $11.15 an hour, beginning 2 years after such effective date;
9 “(D) $12.45 an hour, beginning 3 years after such effective date;
“(E) $13.75 an hour, beginning 4 years after such effective date;

“(F) $15.00 an hour, beginning 5 years after such effective date; and

“(G) beginning on the date that is 6 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)(G) 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)(G). 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”.

(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 sub-
section. 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 one day after the date on which the hourly wage under subclause (III) of section

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 subpara-
graph (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 one 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(e)) (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) AMPENDMENT.—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 en-
actment 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 para-
graph (1).

SEC. 8. GAO REPORT.

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 Rep-
resentatives and the Committee on Health, Education,
Labor, and Pensions of the Senate a report that, with re-
spect to the Commonwealth of the Northern Mariana Is-
lands—

(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 sec-
tion 6, section 3(m)(2)(A)(i), or section 14(c)(1)(A)
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.