

RAISE *the* WAGE

SECTION BY SECTION

Raise the Wage Act of 2019

Section 1. Short Title

The *Raise the Wage Act* (the Act).

Section 2. Minimum Wage Increases

Federal Minimum Wage. The Act increases the federal minimum wage “6(a)(1) wage” for employees over a six-year period. In the first year (2019), the federal minimum wage will increase by \$1.15 from \$7.25 to \$8.40 per hour. This increase will occur on the first day of the third month that begins after the date of enactment of the Act (the effective date). One year after the effective date, the minimum wage will increase by \$1.10 to \$9.50; two years after the effective date it will increase by \$1.10 to \$10.60; three years after the effective date, it will increase by \$1.10 to \$11.70; four years after the effective date, it will increase by \$1.10 to \$12.80; five years after the effective date, the minimum wage will increase by \$1.10 to \$13.90; and six years after the effective date, the minimum wage will increase by \$1.10 to \$15. Seven years after the effective date (2026), the minimum wage will be indexed to median wages.

Annual Indexing of Minimum Wage Based on Median Wages. Seven years after enactment, and each subsequent year, the minimum wage will increase based on the percentage increase, if any, in the median hourly wages of all employees. The Secretary of Labor, through the Bureau of Labor Statistics (BLS), will calculate this change by compiling data on the hourly wages of all employees. The minimum wage will not decrease based on BLS’ calculation.

Section 3. Tipped Employees

Tipped Wages. The Act increases the tipped wage from \$2.13 to \$3.60 in 2019. For each succeeding year, the Act increases the tipped wage by the lesser of either \$1.50 or the difference between the tipped wage and the 6(a)(1) wage. Once the tipped wage reaches the 6(a)(1) wage in 2027, the Act eliminates the tipped wage by stipulating that the tipped wage will be the 6(a)(1) wage.

Section 4. Newly Hired Employees Who Are Less than 20 Years Old

The Act increases the minimum wage for youth under age 20 years of age from \$4.25 to \$5.50 in 2019. Each subsequent year, the Act increases the youth wage by the lesser of either \$1.25 or the difference between the youth wage and the 6(a)(1) wage. Once the youth wage reaches the 6(a)(1) wage in 2027, the Act eliminates the youth wage by stipulating that the youth wage will be the 6(a)(1) wage.

Section 5. Publication of Notice of Changes to the Minimum Wage

The Act requires the Secretary of Labor to publish in the Federal Register and on DOL’s website announcements of the increases in the 6(a)(1), tipped, 14(c), and youth wages sixty days prior to each effective date.

Section 6. Promoting Economic Self-Sufficiency for Individuals with Disabilities

The Secretary will discontinue issuing 14(c) certificates on the date of enactment of the Act. Existing 14(c) certificate holders will be permitted to continue using their subminimum wage certificates for six years after enactment. Certificate holders will increase the hourly wages paid to individuals with disabilities who are being paid subminimum wages pursuant to 14(c) on the following schedule: one year after the 6(a)(1) wage takes effect (the effective date), the subminimum wage paid shall be at least \$4.25; two years after the effective date, the subminimum wage paid shall be at least \$6.40; three years after the effective date, the subminimum wage paid shall be at least \$8.55; four years after the effective date, the subminimum wage paid shall be at least \$10.70; and five years after the effective date, the subminimum wage paid shall be at least \$12.85. Six years after the effective date, the subminimum wage paid to 14(c) covered employees must be the same as the 6(a)(1) wage. During the six years of transition to the 6(a)(1) wage, the Secretary of Labor shall, upon request, assist certificate holders with compliance and continuing employment opportunities for individuals with disabilities.

Section 7. General Effective Date

Unless otherwise provided for in the Act, the amendments made by the Act take effect on the first day of the third month that begins after the date of enactment. The effective date in the Commonwealth of the Northern Mariana Islands is 18 months after the Act’s general effective date.

Section 8. GAO Report

The Act requires the Government Accountability Office (GAO) to review the economic conditions in the Commonwealth of the Northern Mariana Islands, estimate the proportion of employees directly affected by wage increases under the Act (disaggregated by industry and occupation), and submit a report to Congress within one year after H.R. 582’s enactment.

Appendix: Scheduled Minimum Wages Increases

Year	Minimum Wage	Tipped Wage	Youth Wage	14(c)
Current	\$7.25	\$2.13	\$4.25	Subminimum Wage
2019	\$8.40	\$3.60	\$5.50	Subminimum Wage
2020	\$9.50	\$5.10	\$6.75	\$4.25
2021	\$10.60	\$6.60	\$8.00	\$6.40
2022	\$11.70	\$8.10	\$9.25	\$8.55
2023	\$12.80	\$9.60	\$10.50	\$10.70
2024	\$13.90	\$11.10	\$11.75	\$12.85
2025	\$15.00	\$12.60	\$13.00	\$15.00
2026	Index to Median Wages	\$14.10	\$14.25	Index to Median Wages
2027		Index to Median Wages	Index to Median Wages	