

**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  
5 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended  
6 to read as follows:

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

9 “(A) \$8.55 an hour, beginning on the ef-  
10 fective date under section 7 of the Raise the  
11 Wage Act;

12 “(B) \$9.85 an hour, beginning 1 year after  
13 such effective date;

14 “(C) \$11.15 an hour, beginning 2 years  
15 after such effective date;

16 “(D) \$12.45 an hour, beginning 3 years  
17 after such effective date;

1           “(E) \$13.75 an hour, beginning 4 years  
2 after such effective date;

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

5           “(G) beginning on the date that is 6 years  
6 after such effective date, and annually there-  
7 after, the amount determined by the Secretary  
8 under subsection (h);”.

9           (b) DETERMINATION BASED ON INCREASE IN THE  
10 MEDIAN HOURLY WAGE OF ALL EMPLOYEES.—Section  
11 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.  
12 206) is amended by adding at the end the following:

13           “(h)(1) Not later than each date that is 90 days be-  
14 fore a new minimum wage determined under subsection  
15 (a)(1)(G) is to take effect, the Secretary shall determine  
16 the minimum wage to be in effect under this subsection  
17 for each period described in subsection (a)(1)(G). The  
18 wage determined under this subsection for a year shall  
19 be—

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

22           “(B) increased from such amount by the annual  
23 percentage increase, if any, in the median hourly  
24 wage of all employees as determined by the Bureau  
25 of Labor Statistics; and

1           “(C) rounded up to the nearest multiple of  
2           \$0.05.

3           “(2) In calculating the annual percentage increase in  
4 the median hourly wage of all employees for purposes of  
5 paragraph (1)(B), the Secretary, through the Bureau of  
6 Labor Statistics, shall compile data on the hourly wages  
7 of all employees to determine such a median hourly wage  
8 and compare such median hourly wage for the most recent  
9 year for which data are available with the median hourly  
10 wage determined for the preceding year.”.

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

12           (a) **BASE MINIMUM WAGE FOR TIPPED EMPLOYEES**  
13 **AND TIPS RETAINED BY EMPLOYEES.**—Section  
14 3(m)(2)(A)(i) of the Fair Labor Standards Act of 1938  
15 (29 U.S.C. 203(m)(2)(A)(i)) is amended to read as fol-  
16 lows:

17                           “(i) the cash wage paid such em-  
18                           ployee, which for purposes of such deter-  
19                           mination shall be not less than—

20   “(I) for the 1-year period begin-  
21   ning on the effective date under sec-  
22   tion 7 of the Raise the Wage Act,  
23   \$3.60 an hour;

24   “(II) for each succeeding 1-year  
25   period until the hourly wage under

1           this clause equals the wage in effect  
2           under section 6(a)(1) for such period,  
3           an hourly wage equal to the amount  
4           determined under this clause for the  
5           preceding year, increased by the lesser  
6           of—

7                           “(aa) \$1.50; or

8                           “(bb) the amount necessary  
9                           for the wage in effect under this  
10                           clause to equal the wage in effect  
11                           under section 6(a)(1) for such  
12                           period, rounded up to the nearest  
13                           multiple of \$0.05; and

14                           “(III) for each succeeding 1-year  
15                           period after the increase made pursu-  
16                           ant to subclause (II), the minimum  
17                           wage in effect under section 6(a)(1);  
18                           and”.

19           (b) TIPS RETAINED BY EMPLOYEES.—Section  
20           3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29  
21           U.S.C. 203(m)(2)(A)) is amended—

22                   (1) in the second sentence of the matter fol-  
23                   lowing clause (ii), by striking “of this subsection,  
24                   and all tips received by such employee have been re-  
25                   tained by the employee” and inserting “of this sub-

1 section. Any employee shall have the right to retain  
2 any tips received by such employee”; and

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

6 (c) SCHEDULED REPEAL OF SEPARATE MINIMUM  
7 WAGE FOR TIPPED EMPLOYEES.—

8 (1) TIPPED EMPLOYEES.—Section 3(m)(2)(A)  
9 of the Fair Labor Standards Act of 1938 (29 U.S.C.  
10 203(m)(2)(A)), as amended by subsections (a) and  
11 (b), is further amended by striking the sentence be-  
12 ginning with “In determining the wage an employer  
13 is required to pay a tipped employee,” and all that  
14 follows through “of this subsection.” and inserting  
15 “The wage required to be paid to a tipped employee  
16 shall be the wage set forth in section 6(a)(1).”.

17 (2) PUBLICATION OF NOTICE.—Subsection (i)  
18 of section 6 of the Fair Labor Standards Act of  
19 1938 (29 U.S.C. 206), as amended by section 5, is  
20 further amended by striking “or in accordance with  
21 subclause (II) or (III) of section 3(m)(2)(A)(i)”.

22 (3) EFFECTIVE DATE.—The amendments made  
23 by paragraphs (1) and (2) shall take effect on the  
24 date that is one day after the date on which the  
25 hourly wage under subclause (III) of section

1       3(m)(2)(A)(i) of the Fair Labor Standards Act of  
2       1938 (29 U.S.C. 203(m)(2)(A)(i)), as amended by  
3       subsection (a), takes effect.

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

6       (a) **BASE MINIMUM WAGE FOR NEWLY HIRED EM-**  
7       **PLOYEES WHO ARE LESS THAN 20 YEARS OLD.**—Section  
8       6(g)(1) of the Fair Labor Standards Act of 1938 (29  
9       U.S.C. 206(g)(1)) is amended by striking “a wage which  
10      is not less than \$4.25 an hour.” and inserting the fol-  
11      lowing: “a wage at a rate that is not less than—

12                           “(A) for the 1-year period beginning on  
13                           the effective date under section 7 of the Raise  
14                           the Wage Act, \$5.50 an hour;

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

21   “(i) \$1.25; or

22   “(ii) the amount necessary for the  
23                           wage in effect under this paragraph to  
24                           equal the wage in effect under section

1                   6(a)(1) for such period, rounded up to the  
2                   nearest multiple of \$0.05; and  
3                   “(C) for each succeeding 1-year period  
4                   after the increase made pursuant to subpara-  
5                   graph (B)(ii), the minimum wage in effect  
6                   under section 6(a)(1).”.

7           (b) SCHEDULED REPEAL OF SEPARATE MINIMUM  
8 WAGE FOR NEWLY HIRED EMPLOYEES WHO ARE LESS  
9 THAN 20 YEARS OLD.—

10           (1) IN GENERAL.—Section 6(g) of the Fair  
11 Labor Standards Act of 1938 (29 U.S.C. 206(g)), as  
12 amended by subsection (a), shall be repealed.

13           (2) PUBLICATION OF NOTICE.—Subsection (i)  
14 of section 6 of the Fair Labor Standards Act of  
15 1938 (29 U.S.C. 206), as amended by section  
16 3(c)(2), is further amended by striking “or subpara-  
17 graph (B) or (C) of subsection (g)(1),”.

18           (3) EFFECTIVE DATE.—The repeal and amend-  
19 ment made by paragraphs (1) and (2), respectively,  
20 shall take effect on the date that is one day after the  
21 date on which the hourly wage under subparagraph  
22 (C) of section 6(g)(1) of the Fair Labor Standards  
23 Act of 1938 (29 U.S.C. 206(g)(1)), as amended by  
24 subsection (a), takes effect.

1 **SEC. 5. PUBLICATION OF NOTICE.**

2 Section 6 of the Fair Labor Standards Act of 1938  
3 (29 U.S.C. 206), as amended by the preceding sections,  
4 is further amended by adding at the end the following:

5 “(i) Not later than 60 days prior to the effective date  
6 of any increase in the required wage determined under  
7 subsection (a)(1) or subparagraph (B) or (C) of subsection  
8 (g)(1), or in accordance with subclause (II) or (III) of sec-  
9 tion 3(m)(2)(A)(i) or section 14(c)(1)(A), the Secretary  
10 shall publish in the Federal Register and on the website  
11 of the Department of Labor a notice announcing each in-  
12 crease in such required wage.”.

13 **SEC. 6. PROMOTING ECONOMIC SELF-SUFFICIENCY FOR IN-**  
14 **DIVIDUALS WITH DISABILITIES.**

15 (a) WAGES.—

16 (1) TRANSITION TO FAIR WAGES FOR INDIVID-  
17 UALS WITH DISABILITIES.—Subparagraph (A) of  
18 section 14(c)(1) of the Fair Labor Standards Act of  
19 1938 (29 U.S.C. 214(c)(1)) is amended to read as  
20 follows:

21 “(A) at a rate that equals, or exceeds, for  
22 each year, the greater of—

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



1                   “(II) \$6.40 an hour, beginning 2  
2                   years after such date;

3                   “(III) \$8.55 an hour, beginning 3  
4                   years after such date;

5                   “(IV) \$10.70 an hour, beginning 4  
6                   years after such date;

7                   “(V) \$12.85 an hour, beginning 5  
8                   years after such date; and

9                   “(VI) the wage rate in effect under  
10                  section 6(a)(1), on the date that is 6 years  
11                  after the date the wage specified in section  
12                  6(a)(1)(A) takes effect; or

13                  “(ii) if applicable, the wage rate in ef-  
14                  fect on the day before the date of enact-  
15                  ment of the Raise the Wage Act for the  
16                  employment, under a special certificate  
17                  issued under this paragraph, of the indi-  
18                  vidual for whom the wage rate is being de-  
19                  termined under this subparagraph.”.

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

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

7           “(7) SUNSET.—Beginning on the day after the  
8           date on which the wage rate described in paragraph  
9           (1)(A)(i)(VI) takes effect, the authority to issue spe-  
10          cial certificates under paragraph (1) shall expire,  
11          and no special certificates issued under paragraph  
12          (1) shall have any legal effect.

13          “(8) TRANSITION ASSISTANCE.—Upon request,  
14          the Secretary shall provide—

15                 “(A) technical assistance and information  
16                 to employers issued a special certificate under  
17                 this subsection for the purposes of—

18                         “(i) transitioning the practices of such  
19                         employers to comply with this subsection,  
20                         as amended by the Raise the Wage Act;  
21                         and

22                         “(ii) ensuring continuing employment  
23                         opportunities for individuals with disabili-  
24                         ties receiving a special minimum wage  
25                         rate under this subsection; and

1           “(B) information to individuals employed  
2           at a special minimum wage rate under this sub-  
3           section, which may include referrals to Federal  
4           or State entities with expertise in competitive  
5           integrated employment.”.

6           (3) **EFFECTIVE DATE.**—The amendments made  
7           by this subsection shall take effect on the date of en-  
8           actment of this Act.

9           (b) **PUBLICATION OF NOTICE.**—

10           (1) **AMENDMENT.**—Subsection (i) of section 6  
11           of the Fair Labor Standards Act of 1938 (29 U.S.C.  
12           206), as amended by section 4(b)(2), is further  
13           amended by striking “or section 14(c)(1)(A),”.

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

20 **SEC. 7. GENERAL EFFECTIVE DATE.**

21           Except as otherwise provided in this Act or the  
22           amendments made by this Act, this Act and the amend-  
23           ments made by this Act shall take effect—

1           (1) subject to paragraph (2), on the first day  
2           of the third month that begins after the date of en-  
3           actment of this Act; and

4           (2) with respect to the Commonwealth of the  
5           Northern Mariana Islands, on the date that is 18  
6           months after the effective date described in para-  
7           graph (1).

8   **SEC. 8. GAO REPORT.**

9           Not later than 1 year after the date of enactment  
10          of this Act, the Comptroller General shall submit to the  
11          Education and Labor Committee of the House of Rep-  
12          resentatives and the Committee on Health, Education,  
13          Labor, and Pensions of the Senate a report that, with re-  
14          spect to the Commonwealth of the Northern Mariana Is-  
15          lands—

16               (1) assesses the status and structure of the  
17               economy (including employment, earnings and  
18               wages, and key industries); and

19               (2) for each year in which a wage increase will  
20               take effect under subsection (a)(1) or (g)(1) of sec-  
21               tion 6, section 3(m)(2)(A)(i), or section 14(c)(1)(A)  
22               of the Fair Labor Standards Act of 1938 (29 U.S.C.  
23               201 et seq.), as amended by this Act, estimates the  
24               proportion of employees who will be directly affected

- 1 by each such wage increase taking effect for such
- 2 year, disaggregated by industry and occupation.

