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

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Raise the Wage Act of 2023”.

SEC. 2. MINIMUM WAGE INCREASES.

(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:
“(1) except as otherwise provided in this section, not less than—

“(A) $9.50 an hour, beginning on the effective date under section 7 of the Raise the Wage Act of 2023;

“(B) $11.00 an hour, beginning 1 year after such effective date;

“(C) $12.50 an hour, beginning 2 years after such effective date;

“(D) $14.00 an hour, beginning 3 years after such effective date;

“(E) $15.50 an hour, beginning 4 years after such effective date;

“(F) $17.00 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, if the amount after applying subparagraphs
(A) and (B) is not a 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 of 2023, $6.00 an hour;

“(II) $8.00 an hour, beginning 1 year after such effective date;

“(III) $10.00 an hour, beginning 2 years after such effective date;

“(IV) $12.00 an hour, beginning 3 years after such effective date;

“(V) $13.50 an hour, beginning 4 years after such effective date;

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

“(VII) $17.00 an hour, beginning 6 years after the increase made pursuant to subclause (VII), 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 subsection. 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 added by section 5 and amended by section 6(b)(1), 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 1 day after the date on which the hourly wage under subclause (VIII) of section 3(m)(2)(A)(i) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)(i)), as amended by subsection (a), takes effect.

(d) PENALTIES.—Section 16 of the Fair Labor Standards Act of 1938 (29 U.S.C. 216) is amended—

(1) in the third sentence of subsection (b), by inserting “or used” after “kept”; and

(2) in the second sentence of subsection (e)(2), by inserting “or used” after “kept”.

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 of 2023, $6.00 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) $1.75; 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; 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) 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 added by section 5 and amended by sections 6(b)(1) and 3(c)(2), is further amended by striking “or subparagraph (B) or (C) of subsection (g)(1)”.

(3) EFFECTIVE DATE.—The repeal and amendment made by paragraphs (1) and (2), respectively, shall take effect on the date that is 1 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 section 2(b), 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) $5.00 an hour, beginning on the effective date under section 7 of the Raise the Wage Act of 2023;

“(II) $7.50 an hour, beginning 1 year after such effective date;

“(III) $10.00 an hour, beginning 2 years after such effective date;

“(IV) $12.50 an hour, beginning 3 years after such effective date;

“(V) $15.50 an hour, beginning 4 years after such effective date; and

“(VI) the wage rate in effect under section 6(a)(1), beginning 5 years after such effective date; or

“(ii) if applicable, the wage rate in effect on the day before the date of enactment of the
Raise the Wage Act of 2023 for the employ-
ment, under a special certificate issued under
this paragraph, of the individual for whom the
wage rate is being determined under this sub-
paragraph.”.

(2) Prohibition on New Special Certifi-
cates; Transition Assistance.—

(A) In General.—Section 14(c) of the
214(c)) is amended by adding at the end the
following:

“(6) Prohibition on New Special Certifi-
cates.—Notwithstanding paragraph (1), the Sec-
retary shall not issue a special certificate under this
subsection to an employer that was not issued a spe-
cial certificate under this subsection before the date

“(7) 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) assisting such employers to com-
ply with this subsection, as amended by
the Raise the Wage Act of 2023; 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.”.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect on the date of enactment of this Act.

(3) SUNSET.—Section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)), as amended by paragraph (2), is further amended by adding at the end the following:

“(8) 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.”.

(b) PUBLICATION OF NOTICE.—

(1) AMENDMENT.—Subsection (i) of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.
206), as added by section 5, is 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, this Act and the amendments made by this Act shall take effect on the first day of the third month that begins after the date of the enactment of this Act.