

118TH CONGRESS
1ST SESSION

S. 2488

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

IN THE SENATE OF THE UNITED STATES

JULY 25, 2023

Mr. SANDERS (for himself, Mrs. MURRAY, Ms. BALDWIN, Mr. BLUMENTHAL, Mr. BOOKER, Mr. BROWN, Ms. CANTWELL, Mr. CARDIN, Ms. DUCKWORTH, Mr. DURBIN, Mrs. FEINSTEIN, Mr. FETTERMAN, Mrs. GILLIBRAND, Ms. HIRONO, Mr. KAINE, Ms. KLOBUCHAR, Mr. MARKEY, Mr. MERKLEY, Mr. MURPHY, Mr. PADILLA, Mr. PETERS, Mr. REED, Mr. SCHATZ, Ms. SMITH, Ms. STABENOW, Mr. VAN HOLLEN, Ms. WARREN, Mr. WELCH, Mr. WHITEHOUSE, and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

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

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 “Raise the Wage Act
5 of 2023”.

1 **SEC. 2. MINIMUM WAGE INCREASES.**

2 (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor
3 Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended
4 to read as follows:

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

7 “(A) \$9.50 an hour, beginning on the ef-
8 fective date under section 7 of the Raise the
9 Wage Act of 2023;

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

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

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

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

18 “(F) \$17.00 an hour, beginning 5 years
19 after such effective date; and

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

24 (b) DETERMINATION BASED ON INCREASE IN THE
25 MEDIAN HOURLY WAGE OF ALL EMPLOYEES.—Section

1 6 of the Fair Labor Standards Act of 1938 (29 U.S.C.
2 206) is amended by adding at the end the following:

3 “(h)(1) Not later than each date that is 90 days be-
4 fore a new minimum wage determined under subsection
5 (a)(1)(G) is to take effect, the Secretary shall determine
6 the minimum wage to be in effect under this subsection
7 for each period described in subsection (a)(1)(G). The
8 wage determined under this subsection for a year shall
9 be—

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

12 “(B) increased from such amount by the annual
13 percentage increase, if any, in the median hourly
14 wage of all employees as determined by the Bureau
15 of Labor Statistics; and

16 “(C) rounded up to the nearest multiple of
17 \$0.05, if the amount after applying subparagraphs
18 (A) and (B) is not a multiple of \$0.05.

19 “(2) In calculating the annual percentage increase in
20 the median hourly wage of all employees for purposes of
21 paragraph (1)(B), the Secretary, through the Bureau of
22 Labor Statistics, shall compile data on the hourly wages
23 of all employees to determine such a median hourly wage
24 and compare such median hourly wage for the most recent

1 year for which data are available with the median hourly
2 wage determined for the preceding year.”.

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

4 (a) BASE MINIMUM WAGE FOR TIPPED EMPLOYEES
5 AND TIPS RETAINED BY EMPLOYEES.—Section
6 3(m)(2)(A)(i) of the Fair Labor Standards Act of 1938
7 (29 U.S.C. 203(m)(2)(A)(i)) is amended to read as fol-
8 lows:

9 “(i) the cash wage paid such employee, which
10 for purposes of such determination shall be not less
11 than—

12 “(I) for the 1-year period beginning on the
13 effective date under section 7 of the Raise the
14 Wage Act of 2023, \$6.00 an hour;

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

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

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

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

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

1 “(VII) \$17.00 an hour, beginning 6 years
2 after such effective date; and

3 “(VIII) for each succeeding 1-year period
4 after the increase made pursuant to subclause
5 (VII), the minimum wage in effect under sec-
6 tion 6(a)(1); and”.

7 (b) TIPS RETAINED BY EMPLOYEES.—Section
8 3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29
9 U.S.C. 203(m)(2)(A)) is amended—

10 (1) in the second sentence of the matter fol-
11 lowing clause (ii), by striking “of this subsection,
12 and all tips received by such employee have been re-
13 tained by the employee” and inserting “of this sub-
14 section. Any employee shall have the right to retain
15 any tips received by such employee”; and

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

19 (c) SCHEDULED REPEAL OF SEPARATE MINIMUM
20 WAGE FOR TIPPED EMPLOYEES.—

21 (1) TIPPED EMPLOYEES.—Section 3(m)(2)(A)
22 of the Fair Labor Standards Act of 1938 (29 U.S.C.
23 203(m)(2)(A)), as amended by subsections (a) and
24 (b), is further amended by striking the sentence be-
25 ginning with “In determining the wage an employer

1 is required to pay a tipped employee,” and all that
2 follows through “of this subsection.” and inserting
3 “The wage required to be paid to a tipped employee
4 shall be the wage set forth in section 6(a)(1).”.

5 (2) PUBLICATION OF NOTICE.—Subsection (i)
6 of section 6 of the Fair Labor Standards Act of
7 1938 (29 U.S.C. 206), as added by section 5 and
8 amended by section 6(b)(1), is further amended by
9 striking “or in accordance with subclause (II) or
10 (III) of section 3(m)(2)(A)(i),”.

11 (3) EFFECTIVE DATE.—The amendments made
12 by paragraphs (1) and (2) shall take effect on the
13 date that is 1 day after the date on which the hourly
14 wage under subclause (VIII) of section 3(m)(2)(A)(i)
15 of the Fair Labor Standards Act of 1938 (29 U.S.C.
16 203(m)(2)(A)(i)), as amended by subsection (a),
17 takes effect.

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

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

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

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

3 (a) BASE MINIMUM WAGE FOR NEWLY HIRED EM-
4 PLOYEES WHO ARE LESS THAN 20 YEARS OLD.—Section
5 6(g)(1) of the Fair Labor Standards Act of 1938 (29
6 U.S.C. 206(g)(1)) is amended by striking “a wage which
7 is not less than \$4.25 an hour.” and inserting the fol-
8 lowing: “a wage at a rate that is not less than—

9 “(A) for the 1-year period beginning on the ef-
10 fective date under section 7 of the Raise the Wage
11 Act of 2023, \$6.00 an hour;

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

18 “(i) \$1.75; or

19 “(ii) the amount necessary for the wage in
20 effect under this paragraph to equal the wage
21 in effect under section 6(a)(1) for such period;
22 and

23 “(C) for each succeeding 1-year period after the
24 increase made pursuant to subparagraph (B)(ii), the
25 minimum wage in effect under section 6(a)(1).”.

1 (b) SCHEDULED REPEAL OF SEPARATE MINIMUM
 2 WAGE FOR NEWLY HIRED EMPLOYEES WHO ARE LESS
 3 THAN 20 YEARS OLD.—

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

7 (2) PUBLICATION OF NOTICE.—Subsection (i)
 8 of section 6 of the Fair Labor Standards Act of
 9 1938 (29 U.S.C. 206), as added by section 5 and
 10 amended by sections 6(b)(1) and 3(e)(2), is further
 11 amended by striking “or subparagraph (B) or (C) of
 12 subsection (g)(1)”.

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

20 **SEC. 5. PUBLICATION OF NOTICE.**

21 Section 6 of the Fair Labor Standards Act of 1938
 22 (29 U.S.C. 206), as amended by section 2(b), is further
 23 amended by adding at the end the following:

24 “(i) Not later than 60 days prior to the effective date
 25 of any increase in the required wage determined under

1 subsection (a)(1) or subparagraph (B) or (C) of subsection
 2 (g)(1), or in accordance with subclause (II) or (III) of sec-
 3 tion 3(m)(2)(A)(i) or section 14(c)(1)(A), the Secretary
 4 shall publish in the Federal Register and on the website
 5 of the Department of Labor a notice announcing each in-
 6 crease in such required wage.”.

7 **SEC. 6. PROMOTING ECONOMIC SELF-SUFFICIENCY FOR IN-**
 8 **DIVIDUALS WITH DISABILITIES.**

9 (a) WAGES.—

10 (1) TRANSITION TO FAIR WAGES FOR INDIVID-
 11 UALS WITH DISABILITIES.—Subparagraph (A) of
 12 section 14(c)(1) of the Fair Labor Standards Act of
 13 1938 (29 U.S.C. 214(c)(1)) is amended to read as
 14 follows:

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

17 “(i)(I) \$5.00 an hour, beginning on the ef-
 18 fective date under section 7 of the Raise the
 19 Wage Act of 2023;

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

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

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

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

3 “(VI) the wage rate in effect under section
4 6(a)(1), beginning 5 years after such effective
5 date; or

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

13 (2) PROHIBITION ON NEW SPECIAL CERTIFI-
14 CATES; TRANSITION ASSISTANCE.—

15 (A) IN GENERAL.—Section 14(c) of the
16 Fair Labor Standards Act of 1938 (29 U.S.C.
17 214(c)) is amended by adding at the end the
18 following:

19 “(6) PROHIBITION ON NEW SPECIAL CERTIFI-
20 CATES.—Notwithstanding paragraph (1), the Sec-
21 retary shall not issue a special certificate under this
22 subsection to an employer that was not issued a spe-
23 cial certificate under this subsection before the date
24 of enactment of the Raise the Wage Act of 2023.

1 “(7) TRANSITION ASSISTANCE.—Upon request,
2 the Secretary shall provide—

3 “(A) technical assistance and information
4 to employers issued a special certificate under
5 this subsection for the purposes of—

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

9 “(ii) ensuring continuing employment
10 opportunities for individuals with disabil-
11 ities receiving a special minimum wage
12 rate under this subsection; and

13 “(B) information to individuals employed
14 at a special minimum wage rate under this sub-
15 section, which may include referrals to Federal
16 or State entities with expertise in competitive
17 integrated employment.”.

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

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

1 “(8) SUNSET.—Beginning on the day after the
2 date on which the wage rate described in paragraph
3 (1)(A)(i)(VI) takes effect, the authority to issue spe-
4 cial certificates under paragraph (1) shall expire,
5 and no special certificates issued under paragraph
6 (1) shall have any legal effect.”.

7 (b) PUBLICATION OF NOTICE.—

8 (1) AMENDMENT.—Subsection (i) of section 6
9 of the Fair Labor Standards Act of 1938 (29 U.S.C.
10 206), as added by section 5, is amended by striking
11 “or section 14(c)(1)(A)”.

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

18 **SEC. 7. GENERAL EFFECTIVE DATE.**

19 Except as otherwise provided in this Act, this Act and
20 the amendments made by this Act shall take effect on the
21 first day of the third month that begins after the date
22 of the enactment of this Act.

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