

1 H.552

2 Introduced by Representatives Poirier of Barre City, Cross of Winooski, Davis
3 of Washington, Krowinski of Burlington, Moran of Wardsboro,
4 and Pearson of Burlington

5 Referred to Committee on

6 Date:

7 Subject: Labor; employment practices; minimum wage

8 Statement of purpose of bill as introduced: This bill proposes to raise the
9 Vermont minimum wage to \$12.50 per hour.

10 An act relating to raising the Vermont minimum wage

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 ~~Sec. 1. 21 V.S.A. § 384 is amended to read:~~

13 § 384. EMPLOYMENT; WAGES

14 (a) An employer shall not employ ~~an~~ any employee at a rate of less than
15 ~~\$7.25, \$12.50,~~ and, beginning January 1, ~~2007, 2015~~ and on each subsequent
16 January 1, the minimum wage rate shall be increased by five percent or the
17 percentage increase of the Consumer Price Index, CPI-U, U.S. city average,
18 not seasonally adjusted, or successor index, as calculated by the U.S.

19 Department of Labor or successor agency for the 12 months preceding the
20 previous September 1, whichever is smaller, but in no event shall the minimum

1 ~~wage be decreased. The minimum wage shall be rounded off to the nearest~~
2 \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry
3 shall not employ a service or tipped employee at a basic wage rate less than
4 ~~\$3.65~~ \$6.65 an hour, and beginning January 1, 2008, and on each January 1
5 thereafter, this basic wage rate shall be increased at the same percentage
6 rate as the minimum wage rate. For the purposes of this subsection, “a service
7 or tipped employee” means an employee of a hotel, motel, tourist place, or
8 restaurant who customarily and regularly receives more than \$120.00 per
9 month in tips for direct and personal customer service. If the minimum wage
10 rate established by the ~~United States~~ U.S. government is greater than the rate
11 established for Vermont for any year, the minimum wage rate for that year
12 shall be the rate established by the ~~United States~~ U.S. government.

13 * * *

14 Sec. 2. EFFECTIVE DATE

15 ~~This act shall take effect on July 1, 2014.~~

~~*Sec. 1. 21 V.S.A. § 384 is amended to read:*~~

~~*§ 384. EMPLOYMENT; WAGES*~~

~~*(a) An employer shall not employ ~~an~~ any employee at a rate of less than
\$7.25, \$10.10, and, beginning January 1, 2007, 2016 and on each subsequent
January 1, the minimum wage rate shall be increased by five percent or
the percentage increase of the Consumer Price Index, CPI-U, U.S. city*~~

~~average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry shall not employ a service or tipped employee at a basic wage rate less than \$3.65 an hour, and beginning January 1, 2008, and on each January 1 thereafter, this basic tip wage rate shall be increased at the same percentage rate as the minimum wage rate one-half the minimum wage. For the purposes of As used in this subsection, "a service or tipped employee" means an employee of a hotel, motel, tourist place, or restaurant who customarily and regularly receives more than \$120.00 per month in tips for direct and personal customer service. If the minimum wage rate established by the ~~United States~~ U.S. government is greater than the rate established for Vermont for any year, the minimum wage rate for that year shall be the rate established by the ~~United States~~ U.S. government.~~

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Sec. 2. MINIMUM WAGE STUDY

On or before January 15, 2016, the Joint Fiscal Office shall submit a report to the General Assembly detailing the impact that raising the minimum wage to the livable wage would have on:

(1) low wage working Vermonters;

(2) Vermont businesses and jobs;

(3) State and federal benefits; and

(4) Vermont's economy as a whole.

Sec. 3. MINIMUM WAGE BENEFIT REPORT

On or before December 15, 2014, the Agency of Human Services, the Agency of Commerce and Community Development, and the Department of Labor shall submit a report to the House Committee on Commerce and Economic Development, the House Committee on Human Services, the House Committee on General, Housing and Military Affairs, the Senate Committee on Economic Development, Housing and General Affairs, and the Senate Committee on Health and Welfare detailing:

(1) the impact that a minimum wage rate of \$10.10 will have on low-wage workers, especially a low-wage worker who is a single parent with one child;

(2) how to adjust government subsidy programs to provide a slope for low-wage workers who are single parents to reflect the government subsidies received by low-wage workers who are single with no children, and

(3) the effect that an hourly wage rate of \$10.10 will have on any programs linked to the minimum wage.

~~Sec. 4. EFFECTIVE DATES~~

~~(a) This section and Secs. 2 and 3 shall take effect on passage.~~

~~(b) Sec. 1 shall take effect on January 1, 2015.~~

Sec. 1. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

~~(a) An employer shall not employ ~~an~~ any employee at a rate of less than \$7.25, \$9.15. Beginning January 1, 2016, an employer shall not employ any employee at a rate of less than \$9.60. Beginning January 1, 2017, an employer shall not employ any employee at a rate of less than \$10.00. Beginning January 1, 2018, an employer shall not employ any employee at a rate of less than \$10.50, and, beginning January 1, ~~2007~~, 2019 and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry shall not employ a service or tipped employee at a basic wage rate less than ~~\$3.65 an hour, and beginning January 1, 2008, and on each January 1 thereafter, this basic tip wage rate shall be increased at the same~~~~

~~percentage rate as the minimum wage rate one-half the minimum wage. For the purposes of~~ As used in this subsection, “a service or tipped employee” means an employee of a hotel, motel, tourist place, or restaurant who customarily and regularly receives more than \$120.00 per month in tips for direct and personal customer service. If the minimum wage rate established by the United States U.S. government is greater than the rate established for Vermont for any year, the minimum wage rate for that year shall be the rate established by the United States U.S. government.

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Sec. 2. 10 V.S.A. § 531 is amended to read:

§ 531. EMPLOYMENT TRAINING PROGRAM

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(c) The employer promises as a condition of the grant to:

(1) ~~employ new persons at a wage which, at the completion of the training program, is two times the prevailing state or federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of 30 percent of the gross program wage, or for existing employees, to increase the wage to two times the prevailing state and federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of 20 percent of the gross program wage, upon completion of training; provided, however, that in areas defined by the~~

~~Secretary of Commerce and Community Development in which the Secretary finds that the rate of unemployment is 50 percent greater than the average for the State, the wage rate under this subsection may be set by the Secretary at a rate no less than one and one-half times the federal or state minimum wage, whichever is greater equals or exceeds the livable wage as defined in 2 V.S.A. § 505;~~

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Sec. 3. EFFECTIVE DATES

(a) This Sec. and Sec. 2 shall take effect on July 1, 2014.

(b) Sec. 1 shall take effect on January 1, 2015.