

No. 176. An act relating to raising the Vermont minimum wage.

(H.552)

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

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.

Date Governor signed bill: June 9, 2014