

1 H.552

2 Senator Zuckerman moves that the Senate propose to the House that the bill be
3 amended by striking out Sec. 1 in its entirety and inserting in lieu thereof a
4 new Sec. 1 to read:

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

6 § 384. EMPLOYMENT; WAGES

7 (a) ~~An~~ Notwithstanding subsection (d) of this section, an employer shall
8 not employ ~~an~~ any employee at a rate of less than ~~\$7.25, \$9.75. Beginning on~~
9 January 1, 2016 and notwithstanding subsection (d) of this section, an
10 employer shall not employ any employee at a rate of less than \$10.50.
11 Beginning on January 1, 2017 and notwithstanding subsection (d) of this
12 section, an employer shall not employ any employee at a rate of less than
13 \$11.25, and; beginning on January 1, 2007, 2018 and on each subsequent
14 January 1, the minimum wage rate shall be increased by five percent or
15 the percentage increase of the Consumer Price Index, CPI-U, U.S. city
16 average, not seasonally adjusted, or successor index, as calculated by the
17 U.S. Department of Labor or successor agency for the 12 months preceding the
18 previous September 1, whichever is smaller, but in no event shall the minimum
19 wage be decreased. The minimum wage shall be rounded off to the nearest
20 \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry
21 shall not employ a service or tipped employee at a basic wage rate less than

1 ~~\$3.65 an hour, and beginning January 1, 2008, and on each January 1~~
2 ~~thereafter, this basic tip wage rate shall be increased at the same percentage~~
3 ~~rate as the minimum wage rate one-half the minimum wage. For the purposes~~
4 ~~of As used in this subsection, "a service or tipped employee" means an~~
5 ~~employee of a hotel, motel, tourist place, or restaurant who customarily and~~
6 ~~regularly receives more than \$120.00 per month in tips for direct and personal~~
7 ~~customer service. If the minimum wage rate established by the United States~~
8 ~~U.S. government is greater than the rate established for Vermont for any year,~~
9 ~~the minimum wage rate for that year shall be the rate established by the United~~
10 ~~States U.S. government.~~

11 * * *

12 (d) Six-week probationary period for new hires. An employer may require
13 a six-week probationary period for new hires. During this probationary period,
14 an employer may not employ any:

15 (1) non-service or non-tipped employee at a rate of less than 90 percent
16 of the minimum wage; and

17 (2) any service or tipped employee at a rate of less than 90 percent of
18 one-half the minimum wage.

Senator David Zuckerman

Minimum Wage Proposal

This proposal seeks to address three critical issues surrounding the time of implementation and the impact of various wage rate options.

1. People who are supporting families by holding minimum wage jobs deserve to have increases greater than inflation. This will allow for increased independence and boost local purchasing power, which will strengthen our economy.
2. This proposal addresses the business community and their concern with stability and planning. In this proposal, the minimum wage for the next three years is clearly indicated and there is no longer a term question as there is in the House version.
3. The proposal seeks to reinforce the reality on the ground. Young people are an important part of the workforce, but they also have different needs and have a different level of work experience. Many young people are living at home or group housing situations, whereby they have lower expenses than families or older bread earners.

Proposed Minimum Wage Rates

Year	House Proposal	Shumlin/Wright Proposal	Baruth Proposal	Adult Wage	Apprenticeship Wage
Jan.-2015	\$10.10	\$9.18	\$9.42	\$9.75	\$8.76
Jan.-2016	COLA/study	\$9.63	\$10.10	\$10.50	\$9.45
Jan.-2017	COLA/study	\$10.10	COLA	\$11.25	\$10.13

Under this proposal an apprenticeship wage earner would be any worker who has recently started employment and is in a six-week apprenticeship period. That rate is 90% of the minimum wage.

This effectively raises the apprenticeship minimum wage to the goals set forth by Governor Shumlin (\$10.10 in three years), but also raises the minimum wage for adults in steps that are more manageable for businesses than the House version.

It is clear from my experience as an employer paying between \$9.00 and \$12.00 per hour that as my employees earn more, they immediately spend it. That money is usually spent on the local economy, which helps strengthen the community economically. The predictable wage allows for businesses to plan accordingly for the next three years.

Raising the minimum wage will increase the payroll of my business by approximately \$10,000 in the first year and more in the ensuing years. We will have to implement very slight increases in our prices, but I am confident that will not hurt our competitiveness. By raising the minimum wage over time Vermonters will have more income to spend, businesses will be able to retain employees longer, and the quality and experience of our work force will be improved. Our business competes with others and it is difficult for us to raise our wages, while our competitors do not. If the wage rate is mandated, we will all raise our wages, therefore we will all win.

