

1 S.128

2 Introduced by Senators Vyhovsky and White

3 Referred to Committee on

4 Date:

5 Subject: Labor; public institutions and corrections; employment practices;
6 employment of inmates; minimum wage; overtime; exemptions

7 Statement of purpose of bill as introduced: This bill proposes to reduce the
8 number of exemptions from Vermont's minimum wage and overtime law, to
9 eliminate the tipped minimum wage, to increase the minimum wage, and to
10 require that inmates in Vermont's correctional institutions be paid at least the
11 Vermont minimum wage for any work performed.

12 An act relating to eliminating certain exemptions from the minimum wage
13 and overtime, including the tipped minimum wage; increasing the minimum
14 wage; and requiring that inmates receive the minimum wage for work
15 performed

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

17 Sec. 1. 21 V.S.A. § 383 is amended to read:

18 § 383. DEFINITIONS

19 As used in this subchapter:

20 (1) "Commissioner" means the Commissioner of Labor or designee.

1 (2) “Employee” means any individual employed or permitted to work by
2 an employer except:

3 (A) any individual employed in agriculture, provided the individual is
4 the agricultural employer’s parent, spouse, or child;

5 (B) ~~any individual employed in domestic service in or about a private~~
6 ~~home;~~

7 ~~(C)~~ any individual employed by the United States; or

8 ~~(D) any individual employed in the activities of a public supported~~
9 ~~nonprofit organization, except laundry employees, nurses’ aides, or practical~~
10 ~~nurses;~~

11 ~~(E)~~(C) any individual employed in a bona fide executive,
12 administrative, or professional capacity;

13 ~~(F) any individual making home deliveries of newspapers or~~
14 ~~advertising;~~

15 ~~(G) taxi-cab drivers;~~

16 ~~(H) outside salespersons; and~~

17 ~~(I) students working during all or any part of the school year or~~
18 ~~regular vacation periods.~~

19 (3) “Employer” means any person that employs two or more employees.

20 (4) “Occupation” means an industry, trade, or business or branch thereof
21 or class of work in which workers are gainfully employed.

1 Sec. 2. 21 V.S.A. § 384 is amended to read:

2 § 384. EMPLOYMENT; WAGES

3 (a)(1) Beginning on January 1, ~~2022~~ 2026, an employer shall not employ
4 any employee at a rate of less than ~~\$12.55~~ \$25.00 per hour, and on each
5 subsequent January 1, the minimum wage rate shall be increased by five
6 percent or the percentage increase of the Consumer Price Index, CPI-U, U.S.
7 city average, not seasonally adjusted, or successor index, as calculated by the
8 U.S. Department of Labor or successor agency for the 12 months preceding the
9 previous September 1, whichever is smaller, but in no event shall the minimum
10 wage be decreased. The minimum wage shall be rounded off to the nearest
11 \$0.01.

12 (2) An employer in the hotel, motel, tourist place, and restaurant
13 industry shall not employ a service or tipped employee at a basic wage rate less
14 than one-half the minimum wage. Beginning on January 1, 2026, an employer
15 shall not employ a service or tipped employee at a basic wage of less than
16 the minimum wage established pursuant to subdivision (1) of this subsection.
17 As used in this subdivision, “a service or tipped employee” means an employee
18 of a hotel, motel, tourist place, or restaurant who customarily and regularly
19 receives more than \$120.00 per month in tips for direct and personal customer
20 service.

21 * * *

1 supplied by a correctional facility; and to set aside sums to be paid to the
2 offender upon release from the custody or supervision of the Commissioner.

3 (4) Any interest that accrues from these wages during the period of ~~such~~
4 custody of an offender shall be credited to any fund maintained by the
5 correctional facility for the welfare of offenders.

6 * * *

7 Sec. 4. DEPARTMENT OF CORRECTIONS WAGE POLICIES; UPDATE

8 On or before January 1, 2026, the Commissioner of Corrections shall update
9 all Department of Corrections policies relating to inmate wages to comply with
10 the requirements of 28 V.S.A. § 751b.

11 Sec. 5. EFFECTIVE DATE

12 This act shall take effect on July 1, 2025.