



***House Bill No. 5004***

***Public Act No. 19-4***

***AN ACT INCREASING THE MINIMUM FAIR WAGE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (i) of section 31-58 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(i) "Minimum fair wage" in any industry or occupation in this state means: [a]

(1) A wage of not less than six dollars and seventy cents per hour, and effective January 1, 2003, not less than six dollars and ninety cents per hour, and effective January 1, 2004, not less than seven dollars and ten cents per hour, and effective January 1, 2006, not less than seven dollars and forty cents per hour, and effective January 1, 2007, not less than seven dollars and sixty-five cents per hour, and effective January 1, 2009, not less than eight dollars per hour, and effective January 1, 2010, not less than eight dollars and twenty-five cents per hour, and effective January 1, 2014, not less than eight dollars and seventy cents per hour, and effective January 1, 2015, not less than nine dollars and fifteen cents per hour, and effective January 1, 2016, not less than nine dollars and sixty cents per hour, and effective January 1, 2017, not less than ten dollars and ten cents per hour, and effective October 1, 2019,

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not less than eleven dollars per hour, and effective September 1, 2020, not less than twelve dollars per hour, and effective August 1, 2021, not less than thirteen dollars per hour, and effective July 1, 2022, not less than fourteen dollars per hour, and effective June 1, 2023, not less than fifteen dollars per hour. On October 15, 2023, and on each October fifteenth thereafter, the Labor Commissioner shall announce the adjustment in the minimum fair wage which shall become the new minimum fair wage and shall be effective on January first immediately following. On January 1, 2024, and not later than each January first thereafter, the minimum fair wage shall be adjusted by the percentage change in the employment cost index, or its successor index, for wages and salaries for all civilian workers, as calculated by the United States Department of Labor, over the twelve-month period ending on June thirtieth of the preceding year, rounded to the nearest whole cent.

(2) In no event shall the minimum fair wage be less than the amount established under subdivision (1) of this subsection, or one-half of one per cent rounded to the nearest whole cent more than the highest federal minimum wage, whichever is greater, except as may otherwise be established in accordance with the provisions of this part.

(3) All wage orders in effect on October 1, 1971, wherein a lower minimum fair wage has been established, are amended to provide for the payment of the minimum fair wage herein established except as hereinafter provided.

(4) Whenever the highest federal minimum wage is increased, the minimum fair wage established under this part shall be increased to the amount of said federal minimum wage plus one-half of one per cent more than said federal rate, rounded to the nearest whole cent, effective on the same date as the increase in the highest federal minimum wage, and shall apply to all wage orders and administrative regulations then in force.

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(5) The rates for [learners, beginners, and] all persons under the age of eighteen years, except emancipated minors, shall be not less than eighty-five per cent of the minimum fair wage for the first [two hundred hours] ninety days of such employment, or ten dollars and ten cents per hour, whichever is greater, and shall be equal to the minimum fair wage thereafter, except in institutional training programs specifically exempted by the commissioner.

(6) After two consecutive quarters of negative growth in the state's real gross domestic product, as reported by the Bureau of Economic Analysis of the United States Department of Commerce, the Labor Commissioner shall report his or her recommendations, in writing, to the Governor regarding whether any scheduled increases in the minimum fair wage pursuant to this section should be suspended. Upon receiving the report, the Governor may submit his or her recommendations regarding the suspension of such minimum fair wage increases to the General Assembly.

Sec. 2. Section 31-60 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) [Any] Except as provided in subdivision (5) of subsection (i) of section 31-58, as amended by this act, any employer who pays or agrees to pay to an employee less than the minimum fair wage or overtime wage shall be deemed in violation of the provisions of this part.

(b) The Labor Commissioner shall adopt such regulations, in accordance with the provisions of chapter 54, as may be appropriate to carry out the purposes of this part. Such regulations may include, but are not limited to, regulations defining and governing an executive, administrative or professional employee and outside salesperson; learners and apprentices, their number, proportion and length of service; and piece rates in relation to time rates; and shall recognize, as

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part of the minimum fair wage, gratuities in an amount (1) equal to twenty-nine and three-tenths per cent, and effective January 1, 2009, equal to thirty-one per cent of the minimum fair wage per hour, and effective January 1, 2014, equal to thirty-four and six-tenths per cent of the minimum fair wage per hour, and effective January 1, 2015, and ending on June 30, 2019, equal to thirty-six and eight-tenths per cent of the minimum fair wage per hour for persons, other than bartenders, who are employed in the hotel and restaurant industry, including a hotel restaurant, who customarily and regularly receive gratuities, (2) equal to eight and two-tenths per cent, and effective January 1, 2009, equal to eleven per cent of the minimum fair wage per hour, and effective January 1, 2014, equal to fifteen and six-tenths per cent of the minimum fair wage per hour, and effective January 1, 2015, and ending on June 30, 2019, equal to eighteen and one-half per cent of the minimum fair wage per hour for persons employed as bartenders who customarily and regularly receive gratuities, and (3) not to exceed thirty-five cents per hour in any other industry, and shall also recognize deductions and allowances for the value of board, in the amount of eighty-five cents for a full meal and forty-five cents for a light meal, lodging, apparel or other items or services supplied by the employer; and other special conditions or circumstances which may be usual in a particular employer-employee relationship. The commissioner may provide, in such regulations, modifications of the minimum fair wage herein established for learners and apprentices; persons under the age of eighteen years; and for such special cases or classes of cases as the commissioner finds appropriate to prevent curtailment of employment opportunities, avoid undue hardship and safeguard the minimum fair wage herein established. Regulations in effect on July 1, 1973, providing for a board deduction and allowance in an amount differing from that provided in this section shall be construed to be amended consistent with this section.

(c) Regulations adopted by the commissioner pursuant to

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subsection (b) of this section which define executive, administrative and professional employees shall be updated not later than October 1, 2000, and every four years thereafter, to specify that such persons shall be compensated on a salary basis at a rate determined by the Labor Commissioner.

(d) (1) Effective July 1, 2019, the Labor Commissioner shall recognize, as part of the minimum fair wage, gratuities in an amount equal to the difference between the minimum fair wage and the employer's share per hour for persons, other than bartenders, who are employed in the hotel and restaurant industry, including a hotel restaurant, who customarily and regularly receive gratuities. The Labor Commissioner shall also recognize, as part of the subminimum wage established in subdivision (5) of subsection (i) of section 31-58, as amended by this act, gratuities in an amount equal to the difference between such subminimum wage and the employer's share per hour for persons, other than bartenders, who are employed in the hotel and restaurant industry, including a hotel restaurant, who customarily and regularly receive gratuities.

(2) Effective July 1, 2019, the Labor Commissioner shall recognize, as part of the minimum fair wage, gratuities in an amount equal to the difference between the minimum fair wage and the employer's share per hour for persons employed as bartenders who customarily and regularly receive gratuities.

(3) As used in this subsection "employer's share" means (A) six dollars and thirty-eight cents per hour for persons, other than bartenders, who are employed in the hotel and restaurant industry, including a hotel restaurant, who customarily and regularly receive gratuities, and (B) eight dollars and twenty-three cents per hour for persons employed as bartenders who customarily and regularly receive gratuities.

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(e) On and after October 1, 2020, no employer may take any action to displace an employee, including, but not limited to, a partial displacement of an employee, such as reducing the employee's hours, wages or employment benefits, for purposes of hiring persons under the age of eighteen years at a rate below the minimum fair wage. If the Labor Commissioner determines that an employer has violated this subsection, the commissioner shall suspend the employer's right to pay the reduced rate for employees for a period of time specified in regulations adopted pursuant to subsection (b) of this section.

Sec. 3. (*Effective from passage*) (a) The Labor Commissioner shall conduct a study regarding workers in this state who receive gratuities. The commissioner may consult with any individuals or entities the commissioner deems relevant to the purposes of the study. When the study is concluded, the commissioner shall make recommendations regarding the optimal methods of obtaining the following information: (1) Which groups of workers in this state receive compensation in the form of gratuities, (2) the demographics of such workers, (3) the amount of gratuities received by such workers, and (4) any difference in wage growth between workers who receive gratuities and workers who do not receive gratuities. Such study shall include an estimate of the potential costs associated with the commissioner's recommendations.

(b) Not later than January 17, 2020, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to labor of the findings of such study.