AMENDMENT TO H.R. 582, AS REPORTED
OFFERED BY MR. SCHRADER OF OREGON

Strike sections 2 through 8 and insert the following:

SEC. 2. COST-OF-LIVING BASED MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than the amount determined by the Secretary under subsection (h) for the metropolitan statistical area or the nonmetropolitan portion in which the employer resides;”.

(b) DETERMINATION OF REGIONAL MINIMUM WAGE.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h) DETERMINATION OF MINIMUM WAGE.—

“(1)(A) On the effective date of the Paying Hourly Americans Stronger Earnings (PHASE) in $15 Wage Act, the wage determined under this paragraph for a metropolitan statistical area or non-metropolitan portion shall be equal to the result obtained—
“(i) by multiplying—

“(I) 40 percent of the national average hourly wage of private sector, non-supervisory workers (as reported by the Bureau of Labor Statistics of the Department of Labor for the most recent month for which data are available); by

“(II) the adjustment percentage specified in paragraph (2) for the area or portion; and

“(ii) by rounding the result obtained under clause (i) to the nearest tenth of a dollar.

“(B) Not later than 1 year after such effective date, subparagraph (A)(i)(I) shall be applied by substituting ‘45 percent’ for ‘40 percent’.

“(C) Not later than 2 years after such effective date, subparagraph (A)(i)(I) shall be applied by substituting ‘50 percent’ for ‘40 percent’.

“(D) Not later than 5 years after such effective date, and for each 3-year period thereafter, the wage determined under this paragraph for a metropolitan statistical area or nonmetropolitan portion shall be equal to the greater of—

“(i) the result obtained under subparagraph (C); or
“(ii) the wage determined under this paragraph for such area or portion for the preceding three-year period.

“(2) The adjustment percentage specified in this paragraph for a metropolitan statistical area or nonmetropolitan portion shall be—

“(A) 87.5 percent, for a metropolitan statistical area or nonmetropolitan portion with a regional price parity of less than 90;

“(B) 92.5 percent, for a metropolitan statistical area or nonmetropolitan portion with a regional price parity of less than 95, but not less than 90;

“(C) 100 percent, for a metropolitan statistical area or nonmetropolitan portion with a regional price parity of less than 105, but not less than 95;

“(D) 107.5 percent, for a metropolitan statistical area or nonmetropolitan portion with a regional price parity of less than 110, but not less than 105; and

“(E) 115 percent, for a metropolitan statistical area or nonmetropolitan portion with a regional price parity of not less than 110.

“(3) In this subsection:
“(A) The term ‘metropolitan statistical area’ means a geographic area, defined by the Office of Management and Budget for statistical purposes, containing a large population nucleus and adjacent communities having a high degree of social and economic integration with that nucleus.

“(B) The term ‘nonmetropolitan portion’ means any county (or portion thereof) which is not within a metropolitan statistical area. All nonmetropolitan portions of a State shall be treated, in aggregate, as a single nonmetropolitan portion for the State.

“(C) The term ‘regional price parity’ means the regional price parity for a metropolitan statistical area or nonmetropolitan portion determined by the Bureau of Economic Analysis of the Department of Commerce for the most recent year for which data are available. In determining regional price parities for purposes of this subsection, the Bureau of Economic Analysis shall use the same methodology used to determine such parities for the most recent year for which such parities were reported.
by the Bureau before the date of the enactment
of this subsection.”.

SEC. 3. REPEAL OF SEPARATE MINIMUM WAGE FOR TIPPED EMPLOYEES.
Subparagraph (A) of section 3(m)(2) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)) is amended to read as follows: “(A) The wage required to be paid to a tipped employee shall be the wage set forth in section 6(a)(1).”.

SEC. 4. REPEAL OF SEPARATE MINIMUM WAGE FOR NEWLY HIRED EMPLOYEES WHO ARE LESS THAN 20 YEARS OLD.
Section 6(g)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(g)(1)) is repealed.

SEC. 5. EFFECTIVE DATE.
The amendments and repeals made by this Act shall take effect on the first day of the third month that begins after the date of the enactment of this Act.