

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 10
100TH GENERAL ASSEMBLY

Reported from the Committee on Small Business and Industry, February 21, 2019, with recommendation that the Senate Committee Substitute do pass.

0409S.04C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 290.502 and 290.512, RSMo, and to enact in lieu thereof two new sections relating to the minimum wage rates required to be paid to employees.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 290.502 and 290.512, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 290.502 and 290.512, to read as follows:

290.502. 1. Except as may be otherwise provided pursuant to sections 290.500 to 290.530, effective January 1, 2007, every employer shall pay to each employee wages at the rate of \$6.50 per hour, or wages at the same rate or rates set under the provisions of federal law as the prevailing federal minimum wage applicable to those covered jobs in interstate commerce, whichever rate per hour is higher.

2. The minimum wage shall be increased or decreased on January 1, 2008, and on January 1 of successive years, by the increase or decrease in the cost of living. On September 30, 2007, and on each September 30 of each successive year, the director shall measure the increase or decrease in the cost of living by the percentage increase or decrease as of the preceding July over the level as of July of the immediately preceding year of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) or successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage **rate** increase or decrease rounded to the nearest five cents.

3. **(1)** Except as may be otherwise provided pursuant to sections 290.500 to 290.530, and notwithstanding subsection 1 of this section, effective January 1,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 2019, every employer shall pay to each employee wages at the rate of not less
19 than \$8.60 per hour, or wages at the same rate or rates set under the provisions
20 of federal law as the prevailing federal minimum wage applicable to those covered
21 jobs in interstate commerce, whichever rate per hour is higher. Thereafter, the
22 minimum wage [established by this subsection] **rate described in this**
23 **subdivision** shall be increased each year by \$.85 per hour, effective January 1
24 of each of the next four years, until it reaches \$12.00 per hour, effective January
25 1, 2023. [Thereafter,]

26 **(2)** The minimum wage [established by] **rate described in subdivision**
27 **(1)** of this subsection shall be increased or decreased on January 1, 2024, and on
28 January 1 of successive years, [per the method set forth in subsection 2] **in the**
29 **same manner described in subsection 2** of this section. If at any time the
30 federal minimum wage rate is above or is thereafter increased above the
31 minimum wage **rate** then in effect [under] **pursuant to** this subsection, the
32 minimum wage **rate** required by this subsection shall continue to be increased
33 pursuant to this subsection, but the higher federal rate shall immediately become
34 the minimum wage **rate** required by this subsection and shall be increased or
35 decreased [per the method set forth in subsection 2] **in the same manner**
36 **described in subsection 2 of this section** for so long as it remains higher
37 than the state minimum wage **rate** required and increased pursuant to this
38 subsection.

39 **(3)** Notwithstanding subdivision **(1)** of this subsection to the
40 contrary, any employer may pay any minor employee a rate of wage
41 equal to eighty-five percent of the wage rate required for employees
42 pursuant to subdivision **(1)** of this subsection, or wages at the same rate
43 or rates set under the provisions of federal law as the prevailing
44 federal minimum wage applicable to those covered jobs in interstate
45 commerce, whichever rate per hour is higher. For purposes of this
46 subdivision, the term "minor employee" shall mean any employee who
47 is less than eighteen years of age.

48 4. For purposes of this section, the term "public employer" means an
49 employer that is the state or a political subdivision of the state, including a
50 department, agency, officer, bureau, division, board, commission, or
51 instrumentality of the state, or a city, county, town, village, school district, or
52 other political subdivision of the state. Subsection 3 of this section shall not
53 apply to a public employer with respect to its employees. Any public employer

54 that is subject to subsections 1 and 2 of this section shall continue to be subject
55 to those subsections.

290.512. 1. No employer of any employee who receives and retains
2 compensation in the form of gratuities in addition to wages is required to pay
3 wages in excess of fifty percent of the [minimum] wage rate **for employees as**
4 specified [in sections 290.500 to 290.530] **by the director as of January 1,**
5 **2019**, however, total compensation for such employee shall total at least the
6 [minimum] wage **rate for employees as** specified [in sections 290.500 to
7 290.530] **by the director as of January 1, 2019**, the difference being made up
8 by the employer.

9 2. If an employee receives and retains compensation in the form of goods
10 or services as an incident of his **or her** employment and if he **or she** is not
11 required to exercise any discretion in order to receive the goods or services, the
12 employer [is required to] **shall** pay only the difference between the fair market
13 value of the goods and services and the [minimum] wage [otherwise required to
14 be paid by sections 290.500 to 290.530] **rate for employees as specified by**
15 **the director as of January 1, 2019**. The fair market value of the goods and
16 services shall be computed on a weekly basis. The director shall provide by
17 regulation a method of valuing the goods and services received by any employee
18 [in lieu of the wages otherwise required to be paid under the provisions of
19 sections 290.500 to 290.530]. [He] **The director** shall also provide by regulation
20 a method of determining those types of goods and services that are an incident
21 of employment the receipt of which does not require any discretion on the part of
22 the employee.

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