

FIRST REGULAR SESSION

HOUSE BILL NO. 758

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CATON.

0785H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 290.502 and 290.600, RSMo, and to enact in lieu thereof two new sections relating to employee compensation.

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

Section A. Sections 290.502 and 290.600, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 290.502 and 290.600, to read as follows: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 increase or decrease rounded to the nearest five cents.~~

3.] Except as may be otherwise provided pursuant to sections 290.500 to 290.530 **and under subdivision (2) of this subsection**, and notwithstanding subsection 1 of this section, effective January 1, 2025, every employer shall pay to each employee wages at the rate of not less than \$13.75 per hour, or wages at the same rate or rates set under the provisions of federal

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 law as the prevailing federal minimum wage applicable to those covered jobs in interstate
19 commerce, whichever rate per hour is higher. Thereafter, the minimum wage established by
20 this subsection shall be increased by \$1.25 per hour, to \$15.00 per hour, effective January 1,
21 2026. ~~[Thereafter, the minimum wage established by this subsection shall be increased or~~
22 ~~decreased on January 1, 2027, and on January 1 of successive years, per the method set forth~~
23 ~~in subsection 2 of this section.]~~ If at any time the federal minimum wage rate is above or is
24 thereafter increased above the minimum wage then in effect under this subsection, ~~the~~
25 ~~minimum wage required by this subsection shall continue to be increased pursuant to this~~
26 ~~subsection, but] the higher federal rate shall immediately become the minimum wage required~~
27 ~~by this subsection [and shall be increased or decreased per the method set forth in subsection~~
28 ~~2] for so long as it remains higher than the state minimum wage required [and increased]~~
29 pursuant to this subsection.

30 **3. (1) Except where otherwise required by federal law, beginning on and after**
31 **the effective date of this section, the state minimum wage under this section shall not**
32 **apply to any employee who is under twenty years of age, notwithstanding any other**
33 **exemptions, lower wage rates, prevailing wage rates, or other exceptions or preemptions**
34 **of the state minimum wage law that are allowed under this chapter, general law, or**
35 **federal law.**

36 **(2) Employers employing employees under twenty years of age who are exempt**
37 **under this subdivision shall still be subject to the remaining applicable provisions of**
38 **sections 290.500 to 290.530.**

39 **(3) The exemption provided under this subdivision shall apply only to**
40 **employment compensation paid or accrued on or after the effective date of this**
41 **section and shall not be retroactive in effect.**

42 4. For purposes of this section, the term "public employer" means an employer that is
43 the state or a political subdivision of the state, including a department, agency, officer, bureau,
44 division, board, commission, or instrumentality of the state, or a city, county, town, village,
45 school district, or other political subdivision of the state. ~~[Subsection 3 of this section]~~
46 **Beginning on the effective date of this section, the provisions of this section shall [not]**
47 **apply to a public employer with respect to its employees. [Any public employer that is**
48 **subject to subsections 1 and 2 of this section shall continue to be subject to those subsections.]**

290.600. As used in sections 290.600 through 290.642:

2 (1) "Department", department of labor and industrial relations;

3 (2) "Director", director of the department of labor and industrial relations;

4 (3) "Domestic violence", as such term is defined in section 455.010;

5 (4) "Earned paid sick time", time that is compensated at the same hourly rate and with
6 the same benefits, including health care benefits, as the employee normally earns during

7 hours worked and is provided by an employer to an employee for the purposes described in
8 section 290.606, but in no case shall this hourly amount be less than that provided under
9 section 290.502;

10 (5) "Employee", any individual employed in this state by an employer, but does not
11 include:

12 (a) Any individual engaged in the activities of an educational, charitable, religious, or
13 nonprofit organization where the employer-employee relationship does not, in fact, exist or
14 where the services rendered to the organization are on a voluntary basis;

15 (b) Any individual standing in loco parentis to foster children in their care;

16 (c) Any individual employed for less than four months in any year in a resident or day
17 camp for children or youth, or any individual employed by an educational conference center
18 operated by an educational, charitable or not-for-profit organization;

19 (d) Any individual engaged in the activities of an educational organization where
20 employment by the organization is in lieu of the requirement that the individual pay the cost
21 of tuition, housing or other educational fees of the organization or where earnings of the
22 individual employed by the organization are credited toward the payment of the cost of
23 tuition, housing or other educational fees of the organization;

24 (e) Any individual employed on or about a private residence on an occasional basis
25 for six hours or less on each occasion;

26 (f) Any individual employed on a casual basis to provide baby-sitting services;

27 (g) Any individual employed by an employer subject to the provisions of Part A of
28 Subtitle IV of Title 49, United States Code, 49 U.S.C. §§ 10101 et seq.;

29 (h) Any individual employed on a casual or intermittent basis as a golf caddy,
30 newsboy, or in a similar occupation;

31 (i) Any individual who is employed in any government position defined in 29 U.S.C.
32 §§ 203(e)(2)(C)(i)-(ii);

33 (j) Any individual employed by a retail or service business whose annual gross
34 volume sales made or business done ~~is~~ **in the prior calendar year was less than [five**
35 ~~hundred thousand]~~ **ten million** dollars;

36 (k) Any individual who is an offender, as defined in section 217.010, who is
37 incarcerated in any correctional facility operated by the department of corrections, including
38 offenders who provide labor or services on the grounds of such correctional facility pursuant
39 to section 217.550; or,

40 (l) Any individual described by the provisions of section 29 U.S.C. 213(a)(8);

41 (6) "Employer", any person acting directly or indirectly in the interest of an employer
42 in relation to an employee; provided, however, that for the purposes of sections 290.600
43 through 290.642 "employer" does not include the United States government, the state, or a

44 political subdivision of the state, including a department, agency, officer, bureau, division,
45 board, commission, or instrumentality of the state, or a city, county, town, village, school
46 district, public higher education institution, or other political subdivision of the state;

47 (7) "Family member", any of the following individuals:

48 (a) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a
49 child of a domestic partner, a child to whom the employee stands in loco parentis, or an
50 individual to whom the employee stood in loco parentis when the individual was a minor;

51 (b) A biological, foster, stepparent or adoptive parent or legal guardian of an
52 employee or an employee's spouse or domestic partner or an individual who stood in loco
53 parentis when the employee or employee's spouse or domestic partner was a minor child;

54 (c) An individual to whom the employee is legally married under the laws of any
55 state, or a domestic partner who is registered as such under the laws of any state or political
56 subdivision, or an individual with whom the employee is in a continuing social relationship of
57 a romantic or intimate nature;

58 (d) A grandparent, grandchild, or sibling (whether of a biological, foster, adoptive or
59 step relationship) of the employee or the employee's spouse or domestic partner; or

60 (e) A person for whom the employee is responsible for providing or arranging health
61 or safety-related care, including but not limited to helping that individual obtain diagnostic,
62 preventative, routine, or therapeutic health treatment or ensuring the person is safe following
63 domestic violence, sexual assault, or stalking;

64 (8) "Health care professional", any individual licensed under federal or any state law
65 to provide medical or emergency services, including but not limited to doctors, nurses,
66 certified nurse midwives, mental health professionals, and emergency room personnel;

67 (9) "Person", any individual, partnership, association, corporation, business, business
68 trust, legal representative, or any organized group of persons;

69 (10) "Retaliatory personnel action", denial of any right guaranteed under sections
70 290.600 through 290.642, or any threat, discharge, suspension, demotion, reduction of hours,
71 or any other adverse action against an employee for the exercise of any right guaranteed
72 herein. "Retaliatory personnel action" shall also include interference with or punishment for
73 in any manner participating in or assisting an investigation, proceeding, or hearing under
74 sections 290.600 through 290.642;

75 (11) "Same hourly rate", means the following:

76 (a) For employees paid on the basis of a single hourly rate, the same hourly rate shall
77 be the employee's regular hourly rate;

78 (b) For employees who are paid multiple hourly rates of pay from the same employer,
79 the same hourly rate shall be either:

80 a. The wages the employee would have been paid for the hours absent during use of
81 earned paid sick time if the employee had worked; or,

82 b. The weighted average of all hourly rates of pay during the previous pay period.

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84 Whatever method the employer uses, the employer must use a consistent method for each
85 employee throughout a year;

86 (c) For employees who are paid a salary, the same hourly rate shall be determined by
87 dividing the wages the employee earns in the previous pay period by the total number of
88 hours worked during the previous pay period. For determining total number of hours worked
89 during the previous pay period, employees who are exempt from overtime requirements under
90 29 U.S.C. § 213(a)(1), the Fair Labor Standards Act, shall be assumed to work forty hours in
91 each work week unless their normal work week is less than forty hours, in which case earned
92 paid sick time shall accrue and the same hourly rate shall be calculated based on the
93 employee's normal work week. Regardless of the basis used, the same hourly rate shall not be
94 less than the effective minimum wage specified in section 290.502;

95 (d) For employees paid on a piece rate or a fee-for-service basis, the same hourly rate
96 shall be a reasonable calculation of the wages or fees the employee would have received for
97 the piece work, service, or part thereof, if the employee had worked. Regardless of the basis
98 used, the same hourly rate shall not be less than the effective minimum wage specified in
99 section 290.502;

100 (e) For employees who are paid on a commission basis (whether base wage plus
101 commission or commission only), the same hourly rate shall be the greater of the base wage
102 or the effective minimum wage specified in section 290.502;

103 (f) For employees who receive and retain compensation in the form of gratuities in
104 addition to wages, the same hourly rate shall be the greater of the employee's regular hourly
105 rate or one hundred percent of the effective minimum wage specified in section 290.502
106 without deduction of any tips as a credit;

107 (12) "Sexual assault", as such term is defined in section 455.010;

108 (13) "Stalking", as such term is defined in section 455.010;

109 (14) "Year", a regular and consecutive twelve-month period as determined by the
110 employer; except that for the purposes of section 290.615 and section 290.627, "year" shall
111 mean a calendar year.

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