



General Assembly

**Substitute Bill No. 221**

February Session, 2024



**AN ACT CONCERNING THE MINIMUM FAIR WAGE AND SERVICE CHARGES.**

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

1 Section 1. Section 31-60 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2024*):

3 (a) [Except as provided in subdivision (5) of subsection (i) of section  
4 31-58, any] Any employer who pays or agrees to pay to an employee  
5 less than the minimum fair wage or overtime wage shall be deemed in  
6 violation of the provisions of this part.

7 (b) The Labor Commissioner shall adopt such regulations, in  
8 accordance with the provisions of chapter 54, as may be appropriate to  
9 carry out the purposes of this part. Such regulations may include, but  
10 are not limited to, regulations defining and governing an executive,  
11 administrative or professional employee and outside salesperson;  
12 [learners and apprentices, their number, proportion and length of  
13 service;] and piece rates in relation to time rates; and shall recognize, as  
14 part of the minimum fair wage, gratuities in an amount [(1)] equal to (1)  
15 [twenty-nine and three-tenths per cent, and effective January 1, 2009,  
16 equal to thirty-one per cent of the minimum fair wage per hour, and  
17 effective January 1, 2014, equal to thirty-four and six-tenths per cent of  
18 the minimum fair wage per hour, and effective January 1, 2015, and  
19 ending on June 30, 2019, equal to thirty-six and eight-tenths per cent of

20 the minimum fair wage per hour] effective July 1, 2024, thirty-four and  
21 two-tenths per cent of the minimum fair wage per hour, and effective  
22 July 1, 2025, twenty-two per cent of the minimum fair wage per hour,  
23 and effective July 1, 2026, and ending July 1, 2027, ten per cent of the  
24 minimum fair wage per hour for persons, other than bartenders, who  
25 are employed in the hotel and restaurant industry, including a hotel  
26 restaurant, who customarily and regularly receive gratuities, and (2)  
27 [equal to eight and two-tenths per cent, and effective January 1, 2009,  
28 equal to eleven per cent of the minimum fair wage per hour, and  
29 effective January 1, 2014, equal to fifteen and six-tenths per cent of the  
30 minimum fair wage per hour, and effective January 1, 2015, and ending  
31 on June 30, 2019, equal to eighteen and one-half per cent of the minimum  
32 fair wage per hour] effective July 1, 2024, twenty-one and eight-tenths  
33 per cent of the minimum fair wage per hour, and effective July 1, 2025,  
34 eleven per cent of the minimum fair wage per hour, and effective July 1,  
35 2026, and ending July 1, 2027, eight and two-tenths per cent of the  
36 minimum fair wage per hour for persons employed as bartenders who  
37 customarily and regularly receive gratuities. [, and (3) not to exceed  
38 thirty-five cents per hour in any other industry, and shall also recognize]  
39 On and after July 1, 2027, no gratuities shall be recognized by the Labor  
40 Commissioner as part of the minimum fair wage. The Labor  
41 Commissioner shall also recognize as part of the minimum fair wage  
42 deductions and allowances for the value of board, in the amount of  
43 eighty-five cents for a full meal and forty-five cents for a light meal,  
44 lodging, apparel or other items or services supplied by the employer;  
45 and other special conditions or circumstances which may be usual in a  
46 particular employer-employee relationship. The commissioner may  
47 provide, in such regulations, modifications of the minimum fair wage  
48 herein established [for learners and apprentices; persons under the age  
49 of eighteen years; and] for such special cases or classes of cases as the  
50 commissioner finds appropriate to prevent curtailment of employment  
51 opportunities, avoid undue hardship and safeguard the minimum fair  
52 wage herein established. Regulations in effect on July 1, 1973, providing  
53 for a board deduction and allowance in an amount differing from that  
54 provided in this section shall be construed to be amended consistent

55 with this section.

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

62 (d) (1) Effective July 1, 2019, and ending July 1, 2024, the Labor  
63 Commissioner shall recognize, as part of the minimum fair wage,  
64 gratuities in an amount equal to the difference between the minimum  
65 fair wage and the employer's share per hour for persons, other than  
66 bartenders, who are employed in the hotel and restaurant industry,  
67 including a hotel restaurant, who customarily and regularly receive  
68 gratuities. [The Labor Commissioner shall also recognize, as part of the  
69 subminimum wage established in subdivision (5) of subsection (i) of  
70 section 31-58, gratuities in an amount equal to the difference between  
71 such subminimum wage and the employer's share per hour for persons,  
72 other than bartenders, who are employed in the hotel and restaurant  
73 industry, including a hotel restaurant, who customarily and regularly  
74 receive gratuities.]

75 (2) Effective July 1, 2019, and ending July 1, 2024, the Labor  
76 Commissioner shall recognize, as part of the minimum fair wage,  
77 gratuities in an amount equal to the difference between the minimum  
78 fair wage and the employer's share per hour for persons employed as  
79 bartenders who customarily and regularly receive gratuities.

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

86 (4) Notwithstanding any other law or regulation, any claim brought

87 under this subsection, section 31-68 as it relates to gratuities as part of  
88 the minimum wage or section 31-62-E3 of the regulations of Connecticut  
89 state agencies filed after September 24, 2022, shall be adjudicated, solely,  
90 under section 31-60-2 of the regulations of Connecticut state agencies  
91 effective on September 24, 2020, and any amendments thereto.

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

101 Sec. 2. Subsection (i) of section 31-58 of the general statutes is repealed  
102 and the following is substituted in lieu thereof (*Effective July 1, 2024*):

103 (i) "Minimum fair wage" in any industry or occupation in this state  
104 means:

105 (1) A wage of not less than six dollars and seventy cents per hour, and  
106 effective January 1, 2003, not less than six dollars and ninety cents per  
107 hour, and effective January 1, 2004, not less than seven dollars and ten  
108 cents per hour, and effective January 1, 2006, not less than seven dollars  
109 and forty cents per hour, and effective January 1, 2007, not less than  
110 seven dollars and sixty-five cents per hour, and effective January 1, 2009,  
111 not less than eight dollars per hour, and effective January 1, 2010, not  
112 less than eight dollars and twenty-five cents per hour, and effective  
113 January 1, 2014, not less than eight dollars and seventy cents per hour,  
114 and effective January 1, 2015, not less than nine dollars and fifteen cents  
115 per hour, and effective January 1, 2016, not less than nine dollars and  
116 sixty cents per hour, and effective January 1, 2017, not less than ten  
117 dollars and ten cents per hour, and effective October 1, 2019, not less  
118 than eleven dollars per hour, and effective September 1, 2020, not less

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

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

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

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

148 [(5) The rates for all persons under the age of eighteen years, except  
149 emancipated minors, shall be not less than eighty-five per cent of the  
150 minimum fair wage for the first ninety days of such employment, or ten

151 dollars and ten cents per hour, whichever is greater, and shall be equal  
152 to the minimum fair wage thereafter, except in institutional training  
153 programs specifically exempted by the commissioner.]

154 [(6)] (5) After two consecutive quarters of negative growth in the  
155 state's real gross domestic product, as reported by the Bureau of  
156 Economic Analysis of the United States Department of Commerce, the  
157 Labor Commissioner shall report his or her recommendations, in  
158 writing, to the Governor regarding whether any scheduled increases in  
159 the minimum fair wage pursuant to this section should be suspended.  
160 Upon receiving the report, the Governor may submit his or her  
161 recommendations regarding the suspension of such minimum fair wage  
162 increases to the General Assembly.

163 Sec. 3. (NEW) (*Effective July 1, 2024*) It shall be an unfair or deceptive  
164 trade practice, in violation of chapter 735a of the general statutes, for  
165 any restaurant to charge a service fee to a customer without disclosing  
166 the existence, amount and purpose of such service fee to the customer  
167 prior to such customer ordering from the restaurant.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	31-60
Sec. 2	<i>July 1, 2024</i>	31-58(i)
Sec. 3	<i>July 1, 2024</i>	New section

**LAB**      *Joint Favorable Subst.*