

119TH CONGRESS
1ST SESSION

H. R. 3438

To amend the Fair Labor Standards Act of 1938 to provide for a Federal, cost-of-living based minimum wage, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2025

Mr. FITZPATRICK (for himself and Ms. PEREZ) introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Fair Labor Standards Act of 1938 to provide for a Federal, cost-of-living based minimum wage, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Wage Act of
5 2025”.

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

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

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

6 (b) DETERMINATION OF REGIONAL MINIMUM
7 WAGE.—Section 6 of the Fair Labor Standards Act of
8 1938 (29 U.S.C. 206) is amended by adding at the end
9 the following:

10 “(h) DETERMINATION OF MINIMUM WAGE.—

11 “(1)(A) On the effective date of the Fair Wage
12 Act of 2025, the wage determined under this para-
13 graph for a metropolitan statistical area or non-
14 metropolitan portion shall be equal to the result ob-
15 tained—

16 “(i) by multiplying—

17 “(I) 40 percent of the national aver-
18 age hourly wage of private sector, non-su-
19 pervisory workers (as reported by the Bu-
20 reau of Labor Statistics of the Department
21 of Labor for the most recent month for
22 which data are available); by

23 “(II) the adjustment percentage speci-
24 fied in paragraph (2) for the area or por-
25 tion; and

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

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

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

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

14 “(i) the result obtained under subpara-
15 graph (C); or

16 “(ii) the wage determined under this para-
17 graph for such area or portion for the preceding
18 three-year period.

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

22 “(A) 87.5 percent, for a metropolitan sta-
23 tistical area or nonmetropolitan portion with a
24 regional price parity of less than 90;

1 “(B) 92.5 percent, for a metropolitan sta-
2 tistical area or nonmetropolitan portion with a
3 regional price parity of less than 95, but not
4 less than 90;

5 “(C) 100 percent, for a metropolitan sta-
6 tistical area or nonmetropolitan portion with a
7 regional price parity of less than 105, but not
8 less than 95;

9 “(D) 107.5 percent, for a metropolitan sta-
10 tistical area or nonmetropolitan portion with a
11 regional price parity of less than 110, but not
12 less than 105; and

13 “(E) 115 percent, for a metropolitan sta-
14 tistical area or nonmetropolitan portion with a
15 regional price parity of not less than 110.

16 “(3) In this subsection:

17 “(A) The term ‘metropolitan statistical
18 area’ means a geographic area, defined by the
19 Office of Management and Budget for statis-
20 tical purposes, containing a large population
21 nucleus and adjacent communities having a
22 high degree of social and economic integration
23 with that nucleus.

24 “(B) The term ‘nonmetropolitan portion’
25 means any county (or portion thereof) which is

1 not within a metropolitan statistical area. All
2 nonmetropolitan portions of a State shall be
3 treated, in aggregate, as a single nonmetropoli-
4 tan portion for the State.

5 “(C) The term ‘regional price parity’
6 means the regional price parity for a metropoli-
7 tan statistical area or nonmetropolitan portion
8 determined by the Bureau of Economic Anal-
9 ysis of the Department of Commerce for the
10 most recent year for which data are available.
11 In determining regional price parities for pur-
12 poses of this subsection, the Bureau of Eco-
13 nomic Analysis shall use the same methodology
14 used to determine such parities for the most re-
15 cent year for which such parities were reported
16 by the Bureau before the date of the enactment
17 of this subsection.”.

18 **SEC. 3. MINIMUM CASH WAGE FOR TIPPED EMPLOYEES.**

19 Clause (i) of section 3(m)(2)(A) of the Fair Labor
20 Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)) is
21 amended by striking “the cash wage required to be paid
22 such an employee on the date of the enactment of this
23 paragraph” and inserting “an amount equal to 30 percent
24 of the wage determined under section 6(a)(1) for the met-

1 ropolitan statistical area or the nonmetropolitan portion
2 in which the employer resides”.

3 **SEC. 4. MINIMUM WAGE FOR NEWLY HIRED EMPLOYEES**
4 **WHO ARE 18 YEARS OLD OR YOUNGER.**

5 Section 6(g) of the Fair Labor Standards Act of
6 1938 (29 U.S.C. 206(g)) is amended—

7 (1) in paragraph (1), by striking “a wage which
8 is not less than \$4.25 an hour” and inserting “a
9 wage which is not less than 2/3 of the wage deter-
10 mined under subsection (a)(1) for the metropolitan
11 statistical area or the nonmetropolitan portion in
12 which the employer resides”; and

13 (2) in paragraph (5)—

14 (A) by striking “has not attained the age
15 of 20 years” and inserting “is the age of 18
16 years or younger”; and

17 (B) by striking “25 years” and inserting
18 “24 years or younger”.

19 **SEC. 5. EFFECTIVE DATE.**

20 The amendments and repeals made by this Act shall
21 take effect on the first day of the third month that begins
22 after the date of the enactment of this Act.

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