

119TH CONGRESS
2D SESSION

H. R. 9458

To amend the Fair Labor Standards Act of 1938 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2026

Ms. DELAURO (for herself, Mr. SCOTT of Virginia, Mr. DESAULNIER, Mr. KHANNA, Mr. TAKANO, Mrs. HAYES, Ms. NORTON, Ms. BUDZINSKI, Mr. CARSON, Mr. MCGOVERN, Ms. OMAR, Mrs. MCIVER, Mrs. WATSON COLEMAN, Ms. BONAMICI, Ms. SALINAS, Ms. LEE of Pennsylvania, Mr. EVANS of Pennsylvania, and Mr. POCAN) 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 and the Portal-to-Portal Act of 1947 to prevent wage theft and assist in the recovery of stolen wages, to authorize the Secretary of Labor to administer grants to prevent wage and hour violations, 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 “Wage Theft Prevention
5 and Wage Recovery Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Wage theft occurs when an employer does
4 not pay an employee for work that the employee has
5 performed, depriving the worker of wages and earn-
6 ings to which the worker is legally entitled. This
7 theft occurs in many forms, including by employers
8 violating minimum wage requirements, failing to pay
9 overtime compensation, requiring off-the-clock work,
10 failing to provide final payments, misclassifying em-
11 ployees as being exempt from overtime compensation
12 or as independent contractors rather than as em-
13 ployees, and improperly withholding tips.

14 (2) Wage theft poses a serious and growing
15 problem across industries for working individuals of
16 the United States. Wage theft is widespread and is
17 estimated to cost workers more than
18 \$50,000,000,000 per year. In certain industries,
19 compliance with Federal wage and hour laws is less
20 than 50 percent.

21 (3) Wage theft is closely associated with em-
22 ployment discrimination, with women, immigrants,
23 and racial and ethnic minorities being disproportion-
24 ately affected. Women are significantly more likely
25 to experience minimum wage violations than men,
26 foreign-born workers are nearly 2 times as likely to

1 experience minimum wage violations as their coun-
2 terparts born in the United States, and African
3 Americans are 3 times more likely to experience
4 minimum wage violations than their White counter-
5 parts.

6 (4) Wage theft is closely associated with unsafe
7 working conditions.

8 (5) Wage theft—

9 (A) depresses the wages of working fami-
10 lies who are already struggling to make ends
11 meet;

12 (B) strains social services funds;

13 (C) diminishes consumer spending power
14 and hurts local economies;

15 (D) reduces vital State and Federal tax
16 revenues;

17 (E) places law-abiding employers at a com-
18 petitive disadvantage with noncompliant em-
19 ployers;

20 (F) burdens commerce and the free flow of
21 goods; and

22 (G) lowers labor standards throughout
23 labor markets.

24 (6) Low-wage workers are at the greatest risk
25 of suffering from wage theft. One report found that

1 in the 10 most populous States, nearly 20 percent
2 of low-wage workers reported being paid less than
3 the minimum wage: amounting to more than
4 \$8,000,000,000 lost for more than 2,000,000 work-
5 ers. Temporary workers experience these same chal-
6 lenges, with nearly 25 percent of them reporting
7 wage theft.

8 (7) In 2021, State and Federal authorities as
9 well as private attorneys recovered at least
10 \$3,240,000,000 in wage theft enforcement actions.

11 (8) Nationwide, between 2021 and 2023, State
12 officials recovered more than \$200,000,000 for
13 workers due to wage theft.

14 (9) Barriers to addressing wage theft continue
15 to exist decades after the enactment of the Fair
16 Labor Standards Act of 1938 (29 U.S.C. 201 et
17 seq.). These barriers have resulted, in significant
18 part, because enforcement of such Act has not
19 worked as Congress originally intended and because
20 many of the provisions of such Act do not include
21 sufficient penalties to discourage violations. Improve-
22 ments to enforcement and amendments to such Act
23 are necessary to ensure that such Act provides effec-
24 tive protection to individuals subject to wage theft.

1 (10) The lack of a Federal right for employees
2 to receive full compensation at the agreed upon wage
3 rate for all work performed by the employee has re-
4 sulted in workers being able to recover only the ap-
5 plicable minimum wage, or the overtime rate if ap-
6 plicable, when employers engage in wage theft.

7 (11) The lack of a Federal requirement to pro-
8 vide employees with paystubs indicating how their
9 pay is calculated or to allow employees to inspect
10 their employers' payroll records significantly impedes
11 efforts to identify and challenge wage theft.

12 (12) The lack of a Federal requirement to pay
13 employees their final payments in a timely manner
14 upon termination of the employment relationship be-
15 tween the employer and employee has led to unrea-
16 sonable, and sometimes indefinite, delays in com-
17 pensation after an employment relationship ends.

18 (13) While the Fair Labor Standards Act of
19 1938 and regulations promulgated by the Secretary
20 of Labor, as in effect on the day before the date of
21 enactment of this Act, require employers to com-
22 pensate employees at the minimum wage rate and to
23 provide overtime compensation when appropriate,
24 the lack of civil penalties for most violations of these
25 requirements has dampened their effectiveness.

1 (14) While the Fair Labor Standards Act of
2 1938 and regulations promulgated by the Secretary
3 of Labor, as in effect on the day before the date of
4 enactment of this Act, provide employees who are
5 subject to wage theft with the right to unpaid min-
6 imum wages or unpaid overtime compensation plus
7 an additional equal amount as liquidated damages,
8 this low level of damages has proved insufficient to
9 deter employers from stealing the wages of their em-
10 ployees.

11 (15) While the Fair Labor Standards Act of
12 1938 and regulations promulgated by the Secretary
13 of Labor, as in effect on the day before the date of
14 enactment of this Act, require employers to keep
15 records of employees' pay, the lack of remedies be-
16 yond injunctive relief for this requirement diminishes
17 the effectiveness of the requirement.

18 (16) While the Fair Labor Standards Act of
19 1938 and regulations promulgated by the Secretary
20 of Labor, as in effect on the day before the date of
21 enactment of this Act, provide for limited criminal
22 penalties when employers violate the provisions of
23 such Act, the Secretary of Labor rarely resorts to
24 these penalties, causing them to serve as a hollow
25 threat.

1 (17) The statute of limitations under section 6
2 of the Portal-to-Portal Act of 1947 (29 U.S.C. 255),
3 as in effect on the day before the date of enactment
4 of this Act, precludes employees from commencing a
5 claim for wage theft more than 2 years after the
6 cause of action accrued, or more than 3 years after
7 the cause of action accrued if the claim is with re-
8 spect to a willful violation by the employer. Addition-
9 ally, the statute of limitations is not automatically
10 suspended while the Secretary of Labor investigates
11 a complaint. These strict confines of the statute of
12 limitations sometimes result in employees being de-
13 prived of their ability to institute a private lawsuit
14 against their employer in order to recover their sto-
15 len wages.

16 (18) Section 16(b) of the Fair Labor Standards
17 Act of 1938 (29 U.S.C. 216(b)), as in effect on the
18 day before the date of enactment of this Act, re-
19 quires employees to affirmatively “opt-in” in order
20 to be a party plaintiff in a collective action brought
21 by another aggrieved employee seeking to recover
22 stolen wages in court. This provision limits the abil-
23 ity of employees to unite and pursue private lawsuits
24 against employers.

1 (19) Under the penalty structure of the Fair
2 Labor Standards Act of 1938, as in effect on the
3 day before the date of enactment of this Act, many
4 employers who are caught violating such Act con-
5 tinue to violate the Act. A Department of Labor in-
6 vestigation found that one-third of employers who
7 had previously engaged in wage theft continued to
8 do so.

9 (20) The Government Accountability Office and
10 the Department of Labor have recognized that when
11 employers are assessed civil penalties, they are more
12 likely to comply with the law in the future and other
13 employers in the same region—regardless of indus-
14 try—are also more likely to comply with the law.

15 (21) States that have enacted legislation to ad-
16 dress wage theft by increasing the damages to which
17 employees are entitled following violations of wage
18 and hour laws have positively impacted the workers
19 in such States. However, many States have not en-
20 acted such legislation and, worse still, some States
21 do not have any laws protecting workers from wage
22 theft or even agencies to enforce workers' rights to
23 compensation for work. This discrepancy in State
24 laws has resulted in a fragmentation of workers'
25 rights across the United States, with some workers

1 having a measure of protection from wage theft and
2 other workers being left extremely vulnerable to
3 wage theft.

4 (22) Effective enforcement of wage and hour
5 laws is critical to increasing compliance. Given the
6 limited resources available for enforcement, en-
7 hanced strategic enforcement of Federal wage and
8 hour laws is crucial.

9 (23) For enhanced strategic enforcement to be
10 effective, government regulators must work with
11 community stakeholders who have direct knowledge
12 of ongoing violations of Federal wage and hour re-
13 quirements and who are in a position to prevent
14 such violations.

15 (24) Partnerships between regulators, workers,
16 nonprofit organizations, and businesses can increase
17 compliance by educating workers about their rights,
18 collecting evidence, reporting violations, identifying
19 noncompliant employers, and modeling good prac-
20 tices.

21 (25) The Comptroller General of the United
22 States has recommended that the Department of
23 Labor identify ways to leverage its resources to bet-
24 ter combat wage theft by improving services pro-
25 vided through partnerships.

1 **SEC. 3. PURPOSES.**

2 The purposes of this Act are to prevent wage theft
3 and facilitate the recovery of stolen wages by—

4 (1) strengthening the penalties for engaging in
5 wage theft;

6 (2) giving workers the right to receive, in a
7 timely manner, full compensation for the work they
8 perform, certain disclosures, regular paystubs, and
9 final payments;

10 (3) providing workers with improved tools to re-
11 cover their stolen wages in court; and

12 (4) making assistance available to enhance en-
13 forcement of and compliance with Federal wage and
14 hour laws through—

15 (A) supporting initiatives that address and
16 prevent violations of such laws and assist work-
17 ers in wage recovery;

18 (B) supporting individual entities and de-
19 veloping community partnerships that expand
20 and improve cooperative efforts between en-
21 forcement agencies and community-based orga-
22 nizations in the prevention of wage and hour
23 violations and enforcement of wage and hour
24 laws;

25 (C) expanding outreach to workers in in-
26 dustries or geographic areas identified by the

1 Secretary of Labor as highly noncompliant with
2 Federal wage and hour laws;

3 (D) improving detection of employers who
4 are not complying with such laws and aiding in
5 the identification of violations of such laws; and

6 (E) facilitating the collection of evidence to
7 assist enforcement efforts.

8 **TITLE I—AMENDMENTS TO THE**
9 **FAIR LABOR STANDARDS ACT**
10 **OF 1938**

11 **SEC. 101. REQUIREMENTS TO PROVIDE CERTAIN DISCLO-**
12 **SURES, REGULAR PAYSTUBS, AND FINAL PAY-**
13 **MENTS.**

14 The Fair Labor Standards Act of 1938 is amended
15 by inserting after section 4 (29 U.S.C. 204) the following:

16 **“SEC. 5. REQUIREMENTS TO PROVIDE CERTAIN DISCLO-**
17 **SURES, REGULAR PAYSTUBS, AND FINAL PAY-**
18 **MENTS.**

19 “(a) DISCLOSURES.—

20 “(1) INITIAL DISCLOSURES.—Not later than 15
21 days after the date on which an employer hires an
22 employee who in any workweek is engaged in com-
23 merce or in the production of goods for commerce,
24 or is employed in an enterprise engaged in commerce
25 or in the production of goods for commerce, the em-

1 ployer of such employee shall provide such employee
2 with an initial disclosure containing the information
3 described in paragraph (3). Such initial disclosure
4 shall be—

5 “(A) provided as a written statement or, if
6 the employee so chooses, as a digital document
7 provided through electronic communication; and

8 “(B) made available in the employee’s pri-
9 mary language.

10 “(2) MODIFICATION DISCLOSURES.—Not later
11 than the earlier of 5 days after the date on which
12 any of the information described in paragraph (3)
13 changes with respect to an employee described in
14 paragraph (1) or the date of the next paystub fol-
15 lowing the date on which such information changes,
16 the employer of such employee shall provide the em-
17 ployee with a modification disclosure containing all
18 the information described in paragraph (3).

19 “(3) INFORMATION.—The information de-
20 scribed in this paragraph shall include—

21 “(A) the rate of pay and whether the em-
22 ployee is paid by the hour, shift, day, week, or
23 job, or by salary, piece rate, commission, or
24 other form of compensation;

1 “(B)(i) an indication of whether the em-
2 ployee is being classified by the employer as an
3 employee subject to the minimum wage require-
4 ments of section 6 or as an employee that is ex-
5 empt from (or otherwise not subject to) such
6 requirements as provided under section
7 3(m)(2), 6, 13, or 14; and

8 “(ii) in the case that such employee is not
9 classified as being an employee subject to such
10 minimum wage requirements, an identification
11 of the section described in clause (i) providing
12 for such classification;

13 “(C)(i) an indication of whether the em-
14 ployee is being classified by the employer as an
15 employee subject to the overtime compensation
16 requirements of section 7 or as an employee ex-
17 empt from such requirements as provided under
18 section 7 or 13; and

19 “(ii) in the case that such employee is not
20 classified as being an employee subject to such
21 overtime compensation requirements, an identi-
22 fication of the section described in clause (i)
23 providing for such classification;

1 “(D) the name of the employer and any
2 other name used by the employer to conduct
3 business; and

4 “(E) the physical address of and telephone
5 number for the employer’s main office or prin-
6 cipal place of business, and a mailing address
7 for such office or place of business if the mail-
8 ing address is different than the physical ad-
9 dress.

10 “(b) PAYSTUBS.—

11 “(1) IN GENERAL.—Every employer shall pro-
12 vide each employee of such employer who in any
13 workweek is engaged in commerce or in the produc-
14 tion of goods for commerce, or is employed in an en-
15 terprise engaged in commerce or in the production
16 of goods for commerce, a paystub that corresponds
17 to work performed by the employee during the appli-
18 cable pay period and contains the information re-
19 quired under paragraph (3) in any form provided
20 under paragraph (2).

21 “(2) FORMS.—A paystub required under this
22 subsection shall be a written statement and may be
23 provided in any of the following forms:

1 “(A) As a separate document accom-
2 panying any payment to an employee for work
3 performed during the applicable pay period.

4 “(B) In the case of an employee who re-
5 ceives paychecks from the employer, as a de-
6 tachable statement accompanying each pay-
7 check.

8 “(C) As a digital document provided
9 through electronic communication, subject to
10 the employee affirmatively consenting to receive
11 the paystubs in this form.

12 “(3) CONTENTS.—Each paystub shall contain
13 all of the following information:

14 “(A) The name of the employee.

15 “(B) Except in the case of an employee
16 who is exclusively paid a salary and is exempt
17 from the overtime requirements of section 7,
18 the total number of hours worked by the em-
19 ployee, including the number of hours worked
20 per workweek, during the applicable pay period.

21 “(C) The total gross and net wages paid,
22 and, except in the case of an employee who is
23 exclusively paid a salary and is exempt from the
24 overtime requirements of section 7, the rate of

1 pay for each hour worked during the applicable
2 pay period.

3 “(D) In the case of an employee who is
4 paid any salary, the amount of any salary paid
5 during the applicable pay period.

6 “(E) In the case of an employee employed
7 at piece rates, the number of piece rate units
8 earned, the applicable piece rates, and the total
9 amount paid to the employee per workweek for
10 the applicable pay period in accordance with
11 such piece rates.

12 “(F) The rate of pay per workweek of the
13 employee during the applicable pay period and
14 an explanation of the basis for such rate.

15 “(G) The number of overtime hours per
16 workweek worked by the employee during the
17 applicable pay period and the compensation re-
18 quired under section 7 that is provided to the
19 employee for such hours.

20 “(H) Any additional compensation pro-
21 vided to the employee during the applicable pay
22 period, with an explanation of each type of com-
23 pensation, including any allowances or reim-
24 bursements such as amounts related to meals,
25 clothing, lodging, or any other item, and any

1 cost to the employee associated with such allow-
2 ance or reimbursements.

3 “(I) Itemized deductions from the gross in-
4 come of the employee during the applicable pay
5 period, and an explanation for each deduction.

6 “(J) The date that is the beginning of the
7 applicable pay period and the date that is the
8 end of such applicable pay period.

9 “(K) The name of the employer and any
10 other name used by the employer to conduct
11 business.

12 “(L) The name and phone number of a
13 representative of the employer for contact pur-
14 poses.

15 “(M) Any additional information that the
16 Secretary reasonably requires to be included
17 through notice and comment rulemaking.

18 “(c) FINAL PAYMENTS.—

19 “(1) IN GENERAL.—Not later than 14 days
20 after an individual described in paragraph (4) termi-
21 nates employment with an employer (by action of
22 the employer or the individual), or on the date on
23 which such employer pays other employees for the
24 pay period during which the individual so terminates
25 such employment, whichever date is earlier, the em-

1 ployer shall provide the individual with a final pay-
2 ment, which includes all compensation due to such
3 individual for all time worked and benefits incurred
4 (including retirement, health, leave, fringe, and
5 other benefits) by the individual as an employee for
6 the employer.

7 “(2) CONTINUING WAGES.—An employer who
8 violates the requirement under paragraph (1) shall,
9 for each day, not to exceed 30 days, of such violation
10 provide the individual described in paragraph (4)
11 with compensation at a rate that is equal to the reg-
12 ular rate of compensation, as determined under this
13 Act, to which such individual was entitled when such
14 individual was an employee of such employer.

15 “(3) LIMITATION.—Notwithstanding para-
16 graphs (1) and (2), any individual described in para-
17 graph (4) who intentionally avoids receiving a final
18 payment described in paragraph (1), or who refuses
19 to receive the final payment when fully tendered, re-
20 sulting in the employer violating the requirement
21 under such paragraph, shall not be entitled to the
22 compensation provided under paragraph (2) for the
23 time during which the individual so avoids final pay-
24 ment or refuses to receive the final payment.

1 “(4) INDIVIDUAL.—An individual described in
2 this paragraph is an individual who was employed by
3 the employer, and through such employment, in any
4 workweek, was engaged in commerce or in the pro-
5 duction of goods for commerce, or was employed in
6 an enterprise engaged in commerce or in the produc-
7 tion of goods for commerce.”.

8 **SEC. 102. RIGHT TO FULL COMPENSATION.**

9 (a) IN GENERAL.—The Fair Labor Standards Act of
10 1938 is amended by inserting after section 7 (29 U.S.C.
11 207) the following:

12 **“SEC. 8. RIGHT TO FULL COMPENSATION.**

13 “(a) IN GENERAL.—In the case of an employment
14 contract or other employment agreement, including a col-
15 lective bargaining agreement, that specifies that an em-
16 ployer shall compensate an employee (who is described in
17 subsection (b)) at a rate that is higher than the rate other-
18 wise required under this Act, the employer shall com-
19 pensate such employee at the rate specified in such con-
20 tract or other employment agreement.

21 “(b) EMPLOYEE ENGAGED IN COMMERCE.—The re-
22 quirement under subsection (a) shall apply with respect
23 to any employee who in any workweek is engaged in com-
24 merce or in the production of goods for commerce, or is

1 employed in an enterprise engaged in commerce or in the
2 production of goods for commerce.”.

3 (b) CONFORMING AMENDMENT.—The Fair Labor
4 Standards Act of 1938 is amended by repealing section
5 10 (29 U.S.C. 210).

6 **SEC. 103. CIVIL AND CRIMINAL ENFORCEMENT.**

7 (a) PROHIBITED ACTS.—Section 15(a) of the Fair
8 Labor Standards Act of 1938 (29 U.S.C. 215(a)) is
9 amended—

10 (1) in paragraph (1), by striking “section 6 or
11 section 7” and inserting “section 6, 7, or 8”; and

12 (2) in paragraph (2), by striking “section 6 or
13 section 7” and inserting “section 5, 6, 7, or 8”.

14 (b) DAMAGES.—The Fair Labor Standards Act of
15 1938 (29 U.S.C. 201 et seq.) is amended—

16 (1) in section 4(f) (29 U.S.C. 204(f)), in the
17 third sentence, by striking “for unpaid minimum
18 wages, or unpaid overtime compensation, and liq-
19 uidated damages” and inserting “for unpaid wages,
20 or unpaid overtime compensation, as well as interest
21 and liquidated damages,”;

22 (2) in section 6(d)(3) (29 U.S.C. 206(d)(3)), by
23 striking “minimum”;

24 (3) in section 16 (29 U.S.C. 216)—

25 (A) in subsection (b)—

- 1 (i) by striking “section 6 or section 7”
2 each place it appears and inserting “sec-
3 tion 6, 7, or 8”;
- 4 (ii) by striking “minimum” each place
5 it appears;
- 6 (iii) in the first sentence, by striking
7 “and in an additional equal amount as liq-
8 uidated damages” and inserting “the
9 amount of any interest on such unpaid
10 wages or unpaid overtime compensation ac-
11 crued at the prevailing rate, and an addi-
12 tional amount as liquidated damages that
13 is equal to (subject to the second sentence
14 of this subsection) 2 times such amount of
15 unpaid wages or unpaid overtime com-
16 pensation”;
- 17 (iv) in the second sentence, by strik-
18 ing “wages lost and an additional equal
19 amount as liquidated damages” and insert-
20 ing “wages lost, including any unpaid
21 wages or any unpaid overtime compensa-
22 tion, the amount of any interest on such
23 wages lost accrued at the prevailing rate,
24 and an additional amount as liquidated

1 damages that is equal to 3 times the
2 amount of such wages lost”;

3 (v) by striking the fifth sentence; and

4 (vi) by adding at the end the fol-
5 lowing: “Notwithstanding chapter 1 of title
6 9, United States Code (commonly known
7 as the ‘Federal Arbitration Act’), or any
8 other law, the right to bring an action, in-
9 cluding a joint, class, or collective claim, in
10 court under this section cannot be waived
11 by an employee as a condition of employ-
12 ment or in a predispute arbitration agree-
13 ment.”; and

14 (B) in subsection (c)—

15 (i) by striking “minimum” each place
16 the term appears;

17 (ii) in the first sentence—

18 (I) by striking “section 6 or 7”
19 and inserting “section 6, 7, or 8”; and

20 (II) by striking “and an addi-
21 tional equal amount as liquidated
22 damages” and inserting “, any inter-
23 est on such unpaid wages or unpaid
24 overtime compensation accrued at the
25 prevailing rate, and an additional

1 amount as liquidated damages that is
2 equal to (subject to the third sentence
3 of this subsection) 2 times such
4 amount of unpaid wages or unpaid
5 overtime compensation”;

6 (iii) in the second sentence, by strik-
7 ing “and an equal amount as liquidated
8 damages.” and inserting “, any interest on
9 such unpaid wages or unpaid overtime
10 compensation accrued at the prevailing
11 rate, and an additional amount as liq-
12 uidated damages that is equal to (subject
13 to the third sentence of this subsection) 2
14 times such amount of unpaid wages or un-
15 paid overtime compensation. In the event
16 that the employer violates section 15(a)(3),
17 the Secretary may bring an action in any
18 court of competent jurisdiction to recover
19 the amount of any wages lost, including
20 any unpaid wages or any unpaid overtime
21 compensation, any interest on such wages
22 lost accrued at the prevailing rate, an addi-
23 tional amount as liquidated damages that
24 is equal to 3 times the amount of such

1 wages lost, and any such legal or equitable
2 relief as may be appropriate.”; and

3 (iv) in the fourth sentence, by striking
4 “sections 6 and 7” and inserting “section
5 6, 7, or 8”; and

6 (4) in section 17 (29 U.S.C. 217), by striking
7 “minimum”.

8 (c) CIVIL FINES.—Section 16(e) of the Fair Labor
9 Standards Act of 1938 (29 U.S.C. 216(e)) is amended—
10 (1) by striking paragraph (2) and inserting the
11 following:

12 “(2)(A) Subject to subparagraph (B), any person
13 who violates section 6, 7, or 8, relating to wages, shall
14 be subject to a civil fine that is not to exceed \$25,150
15 per each employee affected for each initial violation of
16 such section.

17 “(B) Any person who repeatedly or willfully violates
18 section 6, 7, or 8, relating to wages, shall be subject to
19 a civil fine that is not to exceed \$250,150 per each em-
20 ployee affected for each such violation.

21 “(C) Any person who violates section 3(m)(2)(B)
22 shall be subject to a civil penalty not to exceed \$14,090
23 for each such violation, as the Secretary determines appro-
24 priate, in addition to being liable to the employee or em-
25 ployees affected for all tips unlawfully kept, any interest

1 on such wages lost accrued at the prevailing rate, and an
2 additional amount as liquidated damages that is equal to
3 2 times the amount of such wages lost, as described in
4 subsection (b).”;

5 (2) by redesignating paragraphs (3), (4), and
6 (5) as paragraphs (5), (6), and (7), respectively; and

7 (3) by inserting after paragraph (2) the fol-
8 lowing:

9 “(3) Any person who violates subsection (a) or (b)
10 of section 5 shall—

11 “(A) for the initial violation of such subsection,
12 be subject to a civil fine that is not to exceed \$50
13 per each employee affected; and

14 “(B) for each repeated or willful violation of
15 such subsection, be subject to a civil fine that is not
16 to exceed \$100 per each employee affected.

17 “(4) Any person who violates section 11(c) shall—

18 “(A) for the initial violation, be subject to a
19 civil fine that is not to exceed \$1,000 per each em-
20 ployee affected; and

21 “(B) for each repeated or willful violation, be
22 subject to a civil fine that is not to exceed \$5,000
23 per each employee affected.”.

1 (d) CRIMINAL PENALTIES.—Section 16(a) of the
2 Fair Labor Standards Act of 1938 (29 U.S.C. 216(a)) is
3 amended—

4 (1) by striking “Any person” and inserting “(1)
5 Any person”;

6 (2) in the first sentence, by striking “\$10,000”
7 and inserting “\$100,000 per each employee af-
8 fected”;

9 (3) in the second sentence, by striking “No per-
10 son” and inserting “Subject to paragraph (2), no
11 person”; and

12 (4) by adding at the end the following:

13 “(2)(A) Notwithstanding any other provision of this
14 Act, the Secretary shall refer any case involving a covered
15 offender described in subparagraph (B) to the Department
16 of Justice for prosecution.

17 “(B) A covered offender described in this subpara-
18 graph is a person who willfully violates each of the fol-
19 lowing:

20 (i) Section 11(c) by falsifying any records de-
21 scribed in such section.

22 (ii) Section 6, 7, or 8, relating to wages.

23 (iii) Section 15(a)(3).”

1 **SEC. 104. RECORDKEEPING.**

2 (a) IN GENERAL.—Section 11(c) of the Fair Labor
3 Standards Act of 1938 (29 U.S.C. 211(c)) is amended by
4 adding at the end the following: “In the event that an em-
5 ployee requests an inspection of the records described in
6 this subsection that pertain to such employee from the em-
7 ployer, orally or in writing, the employer shall provide the
8 employee with a copy of the records for a period of up
9 to 5 years prior to such request being made. Not later
10 than 21 days after an employee requests such an inspec-
11 tion, the employer shall comply with the request.

12 (b) REBUTTABLE PRESUMPTION.—Section 15 of the
13 Fair Labor Standards Act of 1938 (29 U.S.C. 215) is
14 amended by adding at the end the following:

15 “(c) In the event that an employer violates section
16 11(c) and any regulations issued pursuant to such section,
17 resulting in a lack of a complete record of an employee’s
18 hours worked or wages owed, the employee’s production
19 of credible evidence and testimony regarding the amount
20 or extent of the work for which the employee was not com-
21 pensated in compliance with the requirements under this
22 Act shall be sufficient to create a rebuttable presumption
23 that the employee’s records are accurate. Such presump-
24 tion shall be rebutted only if the employer produces evi-
25 dence of the precise amount or extent of work performed

1 or evidence to show that the inference drawn from the em-
2 ployee's evidence is not reasonable.”.

3 **TITLE II—AMENDMENTS TO THE**
4 **PORTAL-TO-PORTAL ACT OF 1947**

5 **SEC. 201. INCREASING AND TOLLING STATUTE OF LIMITA-**
6 **TIONS.**

7 Section 6 of the Portal-to-Portal Act of 1947 (29
8 U.S.C. 255) is amended—

9 (1) in the matter preceding subsection (a), by
10 striking “minimum”;

11 (2) in subsection (a)—

12 (A) by striking “may be commenced within
13 two years” and inserting “may be commenced
14 within 4 years”;

15 (B) by striking “unless commenced within
16 two years” and inserting “unless commenced
17 within 4 years”; and

18 (C) by striking “may be commenced within
19 three years” and inserting “may be commenced
20 within 5 years”;

21 (3) in subsection (d), by striking the period and
22 inserting “; and”; and

23 (4) by adding at the end the following:

24 “(e) with respect to the running of any statutory pe-
25 riod of limitation described in this section, the running

1 of such statutory period shall be deemed suspended during
2 the period beginning on the date on which the Secretary
3 of Labor notifies an employer of an initiation of an inves-
4 tigation or enforcement action and ending on the date on
5 which the Secretary notifies the employer that the matter
6 has been officially resolved by the Secretary.”.

7 **TITLE III—WAGE THEFT PRE-**
8 **VENTION AND WAGE RECOV-**
9 **ERY GRANT PROGRAM**

10 **SEC. 301. DEFINITIONS.**

11 In this title:

12 (1) ADMINISTRATOR.—The term the “Adminis-
13 trator” means the Administrator of the Wage and
14 Hour Division of the Department of Labor.

15 (2) COMMUNITY PARTNER.—The term “com-
16 munity partner” means any stakeholder with a com-
17 mitment to enforcing wage and hour laws and pre-
18 venting abuses of such laws, including any—

19 (A) State department of labor;

20 (B) attorney general of a State, or other
21 similar authorized official of a political subdivi-
22 sion thereof;

23 (C) law enforcement agency;

24 (D) consulate;

1 (E) employee or advocate of employees, in-
2 cluding a labor organization, community- and
3 faith-based organization, business association,
4 or nonprofit legal aid organization;

5 (F) academic institution that plans, coordi-
6 nates, and implements programs and activities
7 to prevent wage and hour violations and recover
8 unpaid wages, damages, and penalties; or

9 (G) any municipal agency responsible for
10 the enforcement of local wage and hour laws.

11 (3) COMMUNITY PARTNERSHIP.—The term
12 “community partnership” means a partnership be-
13 tween—

14 (A) a working group consisting of commu-
15 nity partners; and

16 (B) the Department of Labor.

17 (4) ELIGIBLE ENTITY.—The term “eligible enti-
18 ty” means an entity that is any of the following:

19 (A) A nonprofit organization, including
20 such an organization that is a community-based
21 organization, faith-based organization, or labor
22 organization, that provides services and support
23 to employees, including assisting such employ-
24 ees in recovering unpaid wages.

25 (B) An employer.

1 (C) A business association.

2 (D) An institution of higher education, as
3 defined by section 101 of the Higher Education
4 Act of 1965 (20 U.S.C. 1001).

5 (E) A partnership between any of the enti-
6 ties described in subparagraphs (A) through
7 (D).

8 (5) EMPLOY; EMPLOYEE; EMPLOYER.—The
9 terms “employ”, “employee”, and “employer” have
10 the meanings given such terms in section 3 of the
11 Fair Labor Standards Act of 1938 (29 U.S.C. 203).

12 (6) SECRETARY.—The term “Secretary” means
13 the Secretary of Labor.

14 (7) STRATEGIC ENFORCEMENT.—The term
15 “strategic enforcement” means the process by which
16 the Secretary—

17 (A) targets highly noncompliant industries,
18 as identified by the Secretary, using industry-
19 specific structures to influence, and ultimately
20 reform, networks of interconnected employers;

21 (B) analyzes regulatory regimes under
22 which specific industries operate; and

23 (C) modifies the enforcement approach of
24 such regulatory regimes in order to ensure the
25 greatest impact.

1 (A) prevent and reduce wage and hour vio-
2 lations; and

3 (B) assist employees in recovering back
4 pay for any such violations.

5 (c) USE OF FUNDS.—

6 (1) PERMISSIBLE ACTIVITIES.—The grants de-
7 scribed in this section shall assist eligible entities in
8 establishing and supporting activities that include—

9 (A) disseminating information and con-
10 ducting outreach and training to educate em-
11 ployees about their rights under wage and hour
12 laws;

13 (B) conducting educational training for
14 employers about their obligations under wage
15 and hour laws;

16 (C) conducting orientations and trainings
17 jointly with officials of the Wage and Hour Di-
18 vision of the Department of Labor;

19 (D) providing assistance to employees in
20 filing claims of wage and hour violations;

21 (E) assisting enforcement agencies in con-
22 ducting investigations, including in the collec-
23 tion of evidence and recovering back pay;

24 (F) monitoring compliance with wage and
25 hour laws;

1 (G) performing joint visitations to work-
2 sites that violate wage and hour laws with offi-
3 cials from the Wage and Hour Division of the
4 Department of Labor;

5 (H) establishing networks for education,
6 communication, and participation in the work-
7 place and community;

8 (I) evaluating the effectiveness of pro-
9 grams designed to prevent wage and hour viola-
10 tions and enforce wage and hour laws;

11 (J) recruiting and hiring of staff and vol-
12 unteers;

13 (K) production and dissemination of out-
14 reach and training materials; and

15 (L) any other activities as the Secretary
16 may reasonably prescribe through notice and
17 comment rulemaking.

18 (2) PROHIBITED ACTIVITIES.—Notwithstanding
19 paragraph (1), an eligible entity receiving a grant
20 under this section may not use the grant funds for
21 any purpose reasonably prohibited by the Secretary
22 through notice and comment rulemaking.

23 (d) TERM OF GRANTS.—Each grant made under this
24 section shall be available for expenditure for a period that
25 is not to exceed 3 years.

1 (e) APPLICATIONS.—

2 (1) IN GENERAL.—An eligible entity seeking a
3 grant under this section shall submit an application
4 for such grant to the Secretary in accordance with
5 this subsection.

6 (2) PARTNERSHIPS.—In the case of an eligible
7 entity that is a partnership described in section
8 301(4)(E), the eligible entity may submit a joint ap-
9 plication that designates a single entity as the lead
10 entity for purposes of receiving and disbursing
11 funds.

12 (3) CONTENTS.—An application under this sub-
13 section shall include—

14 (A) a description of a plan for the program
15 that the eligible entity proposes to carry out
16 with a grant under this section, including a
17 long-term strategy and detailed implementation
18 plan that reflects expected participation of, and
19 partnership with, community partners;

20 (B) information on the prevalence of wage
21 and hour violations in each community or State
22 of the eligible entity;

23 (C) information on any industry or geo-
24 graphic area targeted by the plan for such pro-
25 gram;

1 (D) information on the type of outreach
2 and relationship building that will be conducted
3 under such program;

4 (E) information on the training and edu-
5 cation that will be provided to employees and
6 employers under such program; and

7 (F) the method by which the eligible entity
8 will measure results of such program.

9 (f) SELECTION.—

10 (1) COMPETITIVE BASIS.—In accordance with
11 this subsection, the Secretary shall, on a competitive
12 basis, select grant recipients from among eligible en-
13 tities that have submitted an application under sub-
14 section (e).

15 (2) PRIORITY.—In selecting grant recipients
16 under paragraph (1), the Secretary shall give pri-
17 ority to eligible entities that—

18 (A) serve employees in any industry or ge-
19 ographic area that is most highly at risk for
20 noncompliance with wage and hour violations,
21 as identified by the Secretary; and

22 (B) demonstrate past and ongoing work to
23 prevent wage and hour violations or to recover
24 unpaid wages.

1 (3) OTHER CONSIDERATIONS.—In selecting
2 grant recipients under paragraph (1), the Secretary
3 shall also consider—

4 (A) the prevalence of ongoing community
5 support for each eligible entity, including finan-
6 cial and other contributions; and

7 (B) the eligible entity’s past and ongoing
8 partnerships with other organizations.

9 (g) MEMORANDA OF UNDERSTANDING.—

10 (1) IN GENERAL.—Not later than 60 days after
11 receiving a grant under this section, the grant recipi-
12 ent shall negotiate and finalize with the Secretary a
13 memorandum of understanding that sets forth spe-
14 cific goals, objectives, strategies, and activities that
15 will be carried out under the grant by such recipient
16 through a community partnership.

17 (2) SIGNATURES.—A representative of the
18 grant recipient (or, in the case of a grant recipient
19 that is an eligible entity described in section
20 301(4)(E), a representative of each entity that
21 composes the grant recipient) and the Secretary
22 shall sign the memorandum of understanding under
23 this subsection.

24 (3) REVISIONS.—The memorandum of under-
25 standing under this subsection shall be reviewed and

1 revised by the grant recipient and the Secretary each
2 year of the duration of the grant.

3 (h) PERFORMANCE EVALUATIONS.—

4 (1) IN GENERAL.—Each grant recipient under
5 this section shall develop procedures for reporting,
6 monitoring, measuring, and evaluating the activities
7 of each program or project funded under this sec-
8 tion.

9 (2) GUIDELINES.—The procedures required
10 under paragraph (1) shall be in accordance with
11 guidelines established by the Secretary.

12 (i) REVOCATION OR SUSPENSION OF FUNDING.—If
13 the Secretary determines that a recipient of a grant under
14 this section is not in compliance with the terms and re-
15 quirements of the memorandum of understanding under
16 subsection (g), the Secretary may revoke or suspend (in
17 whole or in part) the funding of the grant.

18 (j) USE OF COMPONENTS.—In addition to the Wage
19 and Hour Division, the Secretary (acting through the Ad-
20 ministrator) may use any division or agency of the Depart-
21 ment of Labor in carrying out this title.

22 **SEC. 303. GAO STUDY.**

23 (a) IN GENERAL.—The Comptroller General of the
24 United States shall conduct a study to identify successful
25 programs carried out by grants under section 302, and

1 the elements, policies, or procedures of such programs that
2 can be replicated by other programs carried out by grants
3 under such section.

4 (b) REPORT.—Not later than 3 years after the date
5 of enactment of this Act, the Comptroller General of the
6 United States shall submit a report to the Secretary and
7 Congress containing the results of the study conducted
8 under subsection (a).

9 (c) USE OF INFORMATION.—The Secretary shall use
10 information contained in the report submitted under sub-
11 section (b)—

12 (1) to improve the quality of community part-
13 nership programs assisted or carried out under this
14 title that are in existence as of the publication of the
15 report; and

16 (2) to develop models for new community part-
17 nership programs to be assisted or carried out under
18 this title.

19 **SEC. 304. AUTHORIZATION OF APPROPRIATIONS.**

20 There is authorized to be appropriated such sums as
21 may be necessary for fiscal year 2027 and for each subse-
22 quent fiscal year through fiscal year 2030, to remain avail-
23 able until expended, to carry out the grant program under
24 section 302.

1 **TITLE IV—REGULATIONS AND**
2 **EFFECTIVE DATE**

3 **SEC. 401. REGULATIONS.**

4 Not later than 18 months after the date of enactment
5 of this Act, the Secretary of Labor shall promulgate such
6 regulations as are necessary to carry out this Act, and
7 the amendments made by this Act.

8 **SEC. 402. EFFECTIVE DATE.**

9 The amendments made by titles I and II shall take
10 effect on the date that is the earlier of—

11 (1) the date that is 6 months after the date on
12 which the final regulations are promulgated by the
13 Secretary of Labor under section 401; and

14 (2) the date that is 18 months after the date
15 of enactment of this Act.

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