

A BILL FOR AN ACT

To amend 30 PNC § 125 to increase the minimum wage in the Republic of Palau, to modify the exemptions to the minimum wage law, and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1 **Section 1. Amendment.** 30 PNC § 125 is hereby amended to read as follows:

2 “§ 125. Minimum wage.

3 (a) Upon enactment of this Act, Eevery employer in the Republic shall pay
4 a minimum wage of ~~\$2.50~~ \$3.00 per hour. Every six months following enactment
5 of this Act, the minimum wage shall increase by \$0.25 per hour until it reaches
6 \$3.50 per hour. Except as provided in subsection (b) of this Section, all employers
7 shall pay the minimum wage to their employees, including employers in the hotel,
8 motel, tourist, restaurant, or other industries whose employees may customarily and
9 regularly receive tips for direct and personal customer service. This minimum
10 wage shall not apply to non-profit organizations or to businesses whose annual
11 gross revenue income is not more than \$100,000, nor to the employment of
12 students, or other employees hired on a probationary basis, for a period not to
13 exceed 90 days, nor to the employment of any employee employed pursuant to a
14 work permit.

15 (b) The minimum wage established in subsection (a) of this section shall
16 not apply to the following:

17 (1) Up to two individuals employed as fishermen by a single
18 employer.

19 (2) Up to two individuals employed as farmers by a single employer.

20 (3) Up to two individuals employed as domestic helpers.

21 (4) Employees who are students.

22 (5) Employees hired on a probationary basis, for a period not to
23 exceed 90 days.

24 (6) Employees of non-profit organizations.

1 (c) An employer required to pay minimum wage pursuant to this Section
2 shall not be obligated to pay for the employee's travel, food, housing or other
3 living expenses.

4 (bd) Penalties. Any employer who violates the requirements of this
5 sSection shall be subject to a civil penalty of \$500.00 and a penalty of the
6 equivalent of all unpaid taxes and social security contributions plus interest on the
7 wages not paid to the employee, for each violation.

8 (e) Civil cause of action.

9 (1) Any employee entitled to the minimum wage established in
10 subsection (a) of this section who does not receive it shall have a civil cause
11 of action in any court of appropriate jurisdiction, either through the Office
12 of Attorney General or Special Prosecutor at their discretion, or through the
13 aggrieved employee's choice of private representation or self-
14 representation.

15 (2) The aggrieved employee must notify the Attorney General or
16 Special Prosecutor in writing of the alleged violation. If the Attorney
17 General or Special Prosecutor does not take action within 30 days of the
18 date of the notice, the aggrieved employee may initiate his or her own court
19 action.

20 (3) An employee who does not receive minimum wage shall be
21 entitled to receive damages and such other remedies as may be appropriate,
22 including punitive damages from the employer in an amount not to exceed
23 \$1,500.00 in the court's discretion."

24 **Section 3.** Effective date. This act shall take effect upon its approval by the
25 President, or upon becoming law without such approval, except as otherwise provided by
26 law.

Date: 1-27-09

Introduced by: /s/
Surangel Whipps, Jr., Senator