## **SENATE BILL No. 369**

DIGEST OF INTRODUCED BILL

Citations Affected: IC 22-2-2.

**Synopsis:** Minimum wage for certain Indiana employees. After: (1) June 30, 2016, increases the minimum wage paid to certain employees in Indiana from \$7.25 to \$12.00; and (2) June 30, 2017, increases the minimum wage paid to certain employees in Indiana from \$12.00 to \$15.00; an hour. After June 30, 2018, and each successive June 30, increases the hourly minimum wage in the same percentage as any increase in the Consumer Price Index for the preceding calendar year. Makes technical corrections and corresponding changes. Removes outdated language.

Effective: July 1, 2016.

# Mrvan

January 11, 2016, read first time and referred to Committee on Pensions & Labor.



### Introduced

#### Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

### **SENATE BILL No. 369**

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 22-2-3 IS AMENDED TO READ AS FOLLOWS
2	[EFFECTIVE JULY 1, 2016]: Sec. 3. As used in this chapter:
3	"Commissioner" means the commissioner of labor or the
4	commissioner's authorized representative.
5	"Department" means the department of labor.
6	"Occupation" means an industry, trade, business, or class of work
7	in which employees are gainfully employed.
8	"Employer" means any individual, partnership, association, limited
9	liability company, corporation, business trust, the state, or other
10	governmental agency or political subdivision during any work week in
11	which they have two (2) or more employees. However, except as
12	provided in section 14 of this chapter, it shall not include any
13	employer who is subject to the minimum wage provisions of the federal
14	Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201-209).
15	201 et seq.).
16	"Employee" means any person employed or permitted to work or
17	perform any service for remuneration or under any contract of hire,



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1 written or oral, express or implied by an employer in any occupation, 2 but shall not include any of the following: 3 (a) Persons less than sixteen (16) years of age. 4 (b) Persons engaged in an independently established trade, 5 occupation, profession, or business who, in performing the 6 services in question, are free from control or direction both under 7 a contract of service and in fact. 8 (c) Persons performing services not in the course of the employing unit's trade or business. 9 10 (d) Persons employed on a commission basis. (e) Persons employed by their own parent, spouse, or child. 11 12 (f) Members of any religious order performing any service for that order, any ordained, commissioned, or licensed minister, priest, 13 14 rabbi, sexton, or Christian Science reader, and volunteers 15 performing services for any religious or charitable organization. 16 (g) Persons performing services as student nurses in the employ of a hospital or nurses training school while enrolled and 17 18 regularly attending classes in a nurses training school chartered 19 or approved under law, or students performing services in the 20 employ of persons licensed as both funeral directors and 21 embalmers as a part of their requirements for apprenticeship to 22 secure an embalmer's license or a funeral director's license from 23 the state, or during their attendance at any schools required by law 24 for securing an embalmer's or funeral director's license. 25 (h) Persons who have completed a four (4) year course in a 26 medical school approved by law when employed as interns or 27 resident physicians by any accredited hospital. 28 (i) Students performing services for any school, college, or 29 university in which they are enrolled and are regularly attending 30 classes. 31 (i) Persons with physical or mental disabilities performing 32 services for nonprofit organizations organized primarily for the 33 purpose of providing employment for persons with disabilities or 34 for assisting in their therapy and rehabilitation. 35 (k) Persons employed as insurance producers, insurance 36 solicitors, and outside salesmen, if all their services are performed 37 for remuneration solely by commission. 38 (1) Persons performing services for any camping, recreational, or 39 guidance facilities operated by a charitable, religious, or 40 educational nonprofit organization. 41 (m) Persons engaged in agricultural labor. The term shall include 42 only services performed:



1	(1) on a farm, in connection with cultivating the soil, or in
2	connection with raising or harvesting any agricultural or
3	horticultural commodity, including the raising, shearing,
4	feeding, caring for, training, and management of livestock,
5	bees, poultry, and furbearing animals and wildlife;
6	(2) in the employ of the owner or tenant or other operator of a
7	farm, in connection with the operation, management,
8	conservation, improvement, or maintenance of the farm and its
9	tools and equipment if the major part of the service is
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	performed on a farm;
11	(3) in connection with:
12	(A) the production or harvesting of maple sugar or maple
13	syrup or any commodity defined as an agricultural
14	commodity in the Agricultural Marketing Act, as amended
15	(12 U.S.C. 1141j);
16	(B) the raising or harvesting of mushrooms;
17	(C) the hatching of poultry; or
18	(D) the operation or maintenance of ditches, canals,
19	reservoirs, or waterways used exclusively for supplying and
20	storing water for farming purposes; and
21	(4) in handling, planting, drying, packing, packaging,
22	processing, freezing, grading, storing, or delivering to storage,
23	to market, or to a carrier for transportation to market, any
24	agricultural or horticultural commodity, but only if service is
25	performed as an incident to ordinary farming operation or, in
26	the case of fruits and vegetables, as an incident to the
27	preparation of fruits and vegetables for market. However, this
28	exception shall not apply to services performed in connection
29	with any agricultural or horticultural commodity after its
30	delivery to a terminal market or processor for preparation or
31	distribution for consumption.
32	As used in this subdivision, "farm" includes stock, dairy, poultry,
33	fruit, furbearing animals, and truck farms, nurseries, orchards, or
34	greenhouses or other similar structures used primarily for the
35	raising of agricultural or horticultural commodities.
36	(n) Those persons employed in executive, administrative, or
37	professional occupations who have the authority to employ or
38	discharge and who earn one hundred fifty dollars (\$150) or more
39	a week, and outside salesmen.
40	(o) Any person not employed for more than four (4) weeks in any
40 41	four (4) consecutive three (3) month periods.
41 42	• • • •
42	(p) Any employee with respect to whom the Interstate Commerce



1 Commission has power to establish qualifications and maximum 2 hours of service under the federal Motor Carrier Act of 1935 (49 3 U.S.C. 304(3)) or any employee of a carrier subject to IC 8-2.1. 4 SECTION 2. IC 22-2-2-4, AS AMENDED BY P.L.165-2007, 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE 6 JULY 1, 2016]: Sec. 4. (a) Every employer employing four (4) or more 7 employees during a work week shall: 8 (1) in any work week beginning on or after July 1, 1968, in which 9 the employer is subject to the provisions of this chapter, pay each 10 of the employer's employees wages of not less than one dollar and twenty-five cents (\$1.25) per hour; 11 12 (2) in any work week beginning on or after July 1, 1977, in which 13 the employer is subject to this chapter, pay each of the employer's 14 employees wages of not less than one dollar and fifty cents 15 (\$1.50) per hour; 16 (3) in any work week beginning on or after January 1, 1978, in which the employer is subject to this chapter, pay each of the 17 18 employer's employees wages of not less than one dollar and 19 seventy-five cents (\$1.75) per hour; and 20 (4) in any work week beginning on or after January 1, 1979, in 21 which the employer is subject to this chapter, pay each of the 22 employer's employees wages of not less than two dollars (\$2) per 23 hour. 24 (b) Except as provided in subsection (c), every employer employing 25 at least two (2) employees during a work week shall, in any work week 26 in which the employer is subject to this chapter, pay each of the 27 employees in any work week beginning on and after July 1, 1990, and 28 before October 1, 1998, wages of not less than three dollars and 29 thirty-five cents (\$3.35) per hour. 30 (c) An employer subject to subsection (b) is permitted to apply a "tip 31 credit" in determining the amount of cash wage paid to tipped 32 employees. In determining the wage an employer is required to pay a 33 tipped employee, the amount paid the employee by the employee's 34 employer shall be an amount equal to: 35 (1) the cash wage paid the employee, which for purposes of the 36 determination shall be not less than the cash wage required to be 37 paid to employees covered under the federal Fair Labor Standards 38 Act of 1938, as amended (29 U.S.C. 203(m)(1)) on August 20, 39 1996, which amount is two dollars and thirteen cents (\$2.13) an 40 hour: and 41 (2) an additional amount on account of the tips received by the 42 employee, which amount is equal to the difference between the



1 wage specified in subdivision (1) and the wage in effect under 2 subsections (b), (f), (g), and (h), (i), (j), and (k). 3 An employer is responsible for supporting the amount of tip credit 4 taken through reported tips by the employees. 5 (d) No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which 6 7 employees are employed, between employees on the basis of sex by 8 paying to employees in such establishment a rate less than the rate at 9 which the employer pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which 10 11 requires equal skill, effort, and responsibility, and which are performed 12 under similar working conditions, except where such payment is made 13 pursuant to: 14 (1) a seniority system; 15 (2) a merit system; 16 (3) a system which measures earnings by quantity or quality of 17 production; or 18 (4) a differential based on any other factor other than sex. 19 (e) An employer who is paying a wage rate differential in violation 20 of subsection (d) shall not, in order to comply with subsection (d), 21 reduce the wage rate of any employee, and no labor organization, or its 22 agents, representing employees of an employer having employees 23 subject to subsection (d) shall cause or attempt to cause such an 24 employer to discriminate against an employee in violation of 25 subsection (d). 26 (f) Except as provided in subsection (c), every employer employing 27 at least two (2) employees during a work week shall, in any work week 28 in which the employer is subject to this chapter, pay each of the 29 employees in any work week beginning on or after October 1, 1998, 30 and before March 1, 1999, wages of not less than four dollars and 31 twenty-five cents (\$4.25) per hour. 32 (g) Except as provided in subsections (c) and (i), (m), every 33 employer employing at least two (2) employees during a work week 34 shall, in any work week in which the employer is subject to this 35 chapter, pay each of the employees in any work week beginning on or after March 1, 1999, and before July 1, 2007, wages of not less than 36 37 five dollars and fifteen cents (\$5.15) an hour. 38 (h) Except as provided in subsections (c) and (i), (m), every 39 employer employing at least two (2) employees during a work week 40 shall, in any work week in which the employer is subject to this 41 chapter, pay each of the employees in any work week beginning on or 42 after June 30, 2007, and before July 1, 2016, wages of not less than



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1	the minimum wage payable under the federal Fair Labor Standards Act
2	of 1938, as amended (29 U.S.C. 201 et seq.).
3	(i) Except as provided in subsections (c) and (m), every
4	employer shall, in any work week in which the employer is subject
5	to this chapter, pay each of the employees in any work week
6	beginning after June 30, 2016, and before July 1, 2017, wages of
7	not less than twelve dollars (\$12) an hour.
8	(j) Except as provided in subsections (c) and (m), every
9	employer shall, in any work week in which the employer is subject
10	to this chapter, pay each of the employees in any work week
11	beginning after June 30, 2017, and before July 1, 2018, wages of
12	not less than fifteen dollars (\$15) an hour.
13	(k) Except as provided in subsections (c) and (m), every
14	employer shall, in any work week in which the employer is subject
15	to this chapter, pay each of the employees in any work week
16	beginning after June 30, 2018, and continuing for each subsequent
17	June 30, an increase in the hourly minimum wage set by this
18	section in the same percentage as any increase in the Consumer
19 20	Price Index for Urban Wage Earners and Clerical Workers for the
20 21	preceding calendar year.
21	(i) This section does not apply if an employee:
	(1) provides companionship services to the aged and infirm (as
23 24	defined in 29 CFR 552.6); and
	(2) is employed by an employer or agency other than the family
25 26	or household using the companionship services, as provided in 29
	CFR 552.109 (a).
27	$(\mathbf{j})$ (m) This subsection applies only to an employee who has not
28	attained the age of twenty (20) years. Instead of the rates prescribed by $(2) = (2$
29	subsections (c), (f), (g), $\frac{\text{and}}{\text{h}}$ (h), (j), and (k), an employer may pay
30	an employee of the employer, during the first ninety (90) consecutive
31	calendar days after the employee is initially employed by the employer,
32	a wage which is not less than
33	(1) four dollars and twenty-five cents (\$4.25) per hour, effective
34	March 1, 1999; and
35	$\frac{(2)}{(2)}$ the amount payable under the federal Fair Labor Standards
36	Act of 1938, as amended (29 U.S.C. 201 et seq.), during the first
37	ninety (90) consecutive calendar days after initial employment to
38	an employee who has not attained twenty (20) years of age.
39	effective July 1, 2007.
40	However, no employer may take any action to displace employees
41	(including partial displacements such as reduction in hours, wages, or
42	employment benefits) for purposes of hiring individuals at the wage



1 authorized in this subsection.

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(k) (n) Except as otherwise provided in this section, no employer shall employ any employee for a work week longer than forty (40) hours unless the employee receives compensation for employment in excess of the hours above specified at a rate not less than one and one-half (1.5) times the regular rate at which the employee is employed.

(1) (o) For purposes of this section the following apply:

(1) "Overtime compensation" means the compensation required by subsection (k): (n).

(2) "Compensatory time" and "compensatory time off" mean hours during which an employee is not working, which are not counted as hours worked during the applicable work week or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate.

17 (3) "Regular rate" means the rate at which an employee is
18 employed is considered to include all remuneration for
19 employment paid to, or on behalf of, the employee, but is not
20 considered to include the following:

(A) Sums paid as gifts, payments in the nature of gifts made at
Christmas time or on other special occasions, as a reward for
service, the amounts of which are not measured by or
dependent on hours worked, production, or efficiency.

25 (B) Payments made for occasional periods when no work is 26 performed due to vacation, holiday, illness, failure of the 27 employer to provide sufficient work, or other similar cause, 28 reasonable payments for traveling expenses, or other expenses, 29 incurred by an employee in the furtherance of the employer's 30 interests and properly reimbursable by the employer, and other 31 similar payments to an employee which are not made as 32 compensation for the employee's hours of employment.

33 (C) Sums paid in recognition of services performed during a
34 given period if:

(i) both the fact that payment is to be made and the amount
of the payment are determined at the sole discretion of the
employer at or near the end of the period and not pursuant
to any prior contract, agreement, or promise causing the
employee to expect the payments regularly;

40 (ii) the payments are made pursuant to a bona fide profit
41 sharing plan or trust or bona fide thrift or savings plan,
42 meeting the requirements of the administrator set forth in



1	appropriately issued regulations, having due regard among
2	other relevant factors, to the extent to which the amounts
3	paid to the employee are determined without regard to hours
4	of work, production, or efficiency; or
5	(iii) the payments are talent fees paid to performers,
6	including announcers, on radio and television programs.
7	(D) Contributions irrevocably made by an employer to a
8	trustee or third person pursuant to a bona fide plan for
9	providing old age, retirement, life, accident, or health
10	insurance or similar benefits for employees.
11	(E) Extra compensation provided by a premium rate paid for
12	certain hours worked by the employee in any day or work
13	week because those hours are hours worked in excess of eight
14	(8) in a day or in excess of the maximum work week
15	applicable to the employee under subsection (k) (n) or in
16	excess of the employee's normal working hours or regular
17	working hours, as the case may be.
18	(F) Extra compensation provided by a premium rate paid for
19	work by the employee on Saturdays, Sundays, holidays, or
20	regular days of rest, or on the sixth or seventh day of the work
21	week, where the premium rate is not less than one and one-half
22	(1.5) times the rate established in good faith for like work
23	performed in nonovertime hours on other days.
24	(G) Extra compensation provided by a premium rate paid to
25	the employee, in pursuance of an applicable employment
26	contract or collective bargaining agreement, for work outside
27	of the hours established in good faith by the contract or
28	agreement as the basic, normal, or regular workday (not
29	exceeding eight (8) hours) or work week (not exceeding the
30	maximum work week applicable to the employee under
31	subsection $\frac{(k)}{(k)}$ (n) where the premium rate is not less than
32	one and one-half (1.5) times the rate established in good faith
33	by the contract or agreement for like work performed during
34	the workday or work week.
35	(m) (p) No employer shall be considered to have violated subsection
36	(h) (b) the employer small be considered to have violated subsection (k) (n) by employing any employee for a work week in excess of that
37	specified in subsection $\frac{(k)}{(n)}$ (n) without paying the compensation for
38	overtime employment prescribed therein if the employee is so
39	employed:
40	(1) in pursuance of an agreement, made as a result of collective
40	bargaining by representatives of employees certified as bona fide
42	by the National Labor Relations Board, which provides that no
74	by the reactional Labor relations board, which provides that no



1employee shall be employed more than one thousand forty (1,040)2hours during any period of twenty-six (26) consecutive weeks; or3(2) in pursuance of an agreement, made as a result of collective4bargaining by representatives of employees certified as bona fide5by the National Labor Relations Board, which provides that6during a specified period of fifty-two (52) consecutive weeks the7employee shall be employed not more than two thousand two8hundred forty (2,240) hours and shall be guaranteed not less than9one thousand eight hundred forty (1,840) hours (or not less than10forty-six (46) weeks at the normal number of hours worked per11week, but not less than thirty (30) hours per week) and not more12than two thousand eighty (2,080) hours of employment for which13the employee shall receive compensation for all hours in excess of14or worked at rates not less than those applicable under the15agreement to the work performed and for all hours in excess of16the guaranty which are also in excess of the maximum work week17applicable to the employee under subsection (k) (n) or two18thousand eighty (2,080) in that period at rates not less than one19and one-half (1.5) times the regular rate at which the employee is20employed.21(n) if the employee is employed pursuant to a bona fide individual25contract, or pursuant to an agreement made as a result of collective26bargaining by representatives of employees, if the duties
<ul> <li>(2) in pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that during a specified period of fifty-two (52) consecutive weeks the employee shall be employed not more than two thousand two hundred forty (2,240) hours and shall be guaranteed not less than one thousand eight hundred forty (1,840) hours (or not less than forty-six (46) weeks at the normal number of hours worked per week, but not less than thirty (30) hours per week) and not more than two thousand eighty (2,080) hours of employment for which the employee shall receive compensation for all hours in excess of the guaranty which are also in excess of the maximum work week applicable to the employee under subsection (k) (n) or two thousand eighty (2,080) in that period at rates not less than one and one-half (1.5) times the regular rate at which the employee is employed.</li> <li>(m) (q) No employer shall be considered to have violated subsection (k) (n) by employing any employee for a work week in excess of the maximum work week applicable to the employee under subsection (k) (n) if the employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of the employee necessitate irregular hours of work, and the contract or agreement includes the following:</li> <li>(1) Specifies a regular rate of pay of not less than the minimum hourly rate provided in subsections (c), (th); (i), and (j), (k), and (m) (whichever is applicable) and compensation at not less than one and one-half (1.5) times that rate for all hours worked in</li> </ul>
<ul> <li>bargaining by representatives of employees certified as bona fide</li> <li>by the National Labor Relations Board, which provides that</li> <li>during a specified period of fifty-two (52) consecutive weeks the</li> <li>employee shall be employed not more than two thousand two</li> <li>hundred forty (2,240) hours and shall be guaranteed not less than</li> <li>one thousand eight hundred forty (1,840) hours (or not less than</li> <li>forty-six (46) weeks at the normal number of hours worked per</li> <li>week, but not less than thirty (30) hours per week) and not more</li> <li>than two thousand eighty (2,080) hours of employment for which</li> <li>the employee shall receive compensation for all hours guaranteed</li> <li>or worked at rates not less than those applicable under the</li> <li>agreement to the work performed and for all hours in excess of</li> <li>the guaranty which are also in excess of the maximum work week</li> <li>applicable to the employee under subsection (k) (n) or two</li> <li>thousand eighty (2,080) in that period at rates not less than one</li> <li>and one-half (1.5) times the regular rate at which the employee is</li> <li>employed.</li> <li>(n) (q) No employer shall be considered to have violated subsection</li> <li>(k) (n) by employing any employee for a work week in excess of the</li> <li>maximum work week applicable to the employee under subsection (k)</li> <li>(n) if the employee is employed pursuant to a bona fide individual</li> <li>contract, or pursuant to an agreement made as a result of collective</li> <li>bargaining by representatives of employees, if the duties of the</li> <li>employee necessitate irregular rate of pay of not less than the minimum</li> <li>hourly rate provided in subsections (c), (h); (i), and (j), (k), and</li> <li>(m) (whichever is applicable) and compensation at not less than</li> </ul>
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32 one and one-half (1.5) times that rate for all hours worked in
33 excess of the maximum work week.
34 (2) Provides a weekly guaranty of pay for not more than sixty (60)
35 hours based on the rates so specified.
$(\mathbf{o})$ ( <b>r</b> ) No employer shall be considered to have violated subsection
$\frac{37}{(k)}$ (n) by employing any employee for a work week in excess of the
38 maximum work week applicable to the employee under that subsection
39 if, pursuant to an agreement or understanding arrived at between the
40 employer and the employee before performance of the work, the
41 amount paid to the employee for the number of hours worked by the
42 employee in the work week in excess of the maximum work week



1 applicable to the employee under that subsection: 2 (1) in the case of an employee employed at piece rates, is 3 computed at piece rates not less than one and one-half (1.5) times 4 the bona fide piece rates applicable to the same work when 5 performed during nonovertime hours; 6 (2) in the case of an employee performing two (2) or more kinds 7 of work for which different hourly or piece rates have been 8 established, is computed at rates not less than one and one-half 9 (1.5) times those bona fide rates applicable to the same work when performed during nonovertime hours; or 10 (3) is computed at a rate not less than one and one-half (1.5) times 11 12 the rate established by the agreement or understanding as the 13 basic rate to be used in computing overtime compensation 14 thereunder, provided that the rate so established shall be 15 substantially equivalent to the average hourly earnings of the employee, exclusive of overtime premiums, in the particular work 16 17 over a representative period of time; 18 and if the employee's average hourly earnings for the work week 19 exclusive of payments described in this section are not less than the 20 minimum hourly rate required by applicable law, and extra overtime 21 compensation is properly computed and paid on other forms of 22 additional pay required to be included in computing the regular rate. 23 (p) (s) Extra compensation paid as described in this section shall be 24 creditable toward overtime compensation payable pursuant to this 25 section. 26 (q) (t) No employer shall be considered to have violated subsection 27  $(\mathbf{k})$  (n) by employing any employee of a retail or service establishment 28 for a work week in excess of the applicable work week specified 29 therein, if: 30 (1) the regular rate of pay of the employee is in excess of one and 31 one-half (1.5) times the minimum hourly rate applicable to the 32 employee under section 2 of this chapter; and 33 (2) more than half of the employee's compensation for a 34 representative period (not less than one (1) month) represents 35 commissions on goods or services. In determining the proportion of compensation representing 36 37 commissions, all earnings resulting from the application of a bona fide 38 commission rate shall be considered commissions on goods or services 39 without regard to whether the computed commissions exceed the draw 40 or guarantee. 41 (r) (u) No employer engaged in the operation of a hospital or an 42 establishment which is an institution primarily engaged in the care of



1 the sick, the aged, or individuals with a mental illness or defect who 2 reside on the premises shall be considered to have violated subsection 3  $(\mathbf{k})$  (n) if, pursuant to an agreement or understanding arrived at between 4 the employer and the employee before performance of the work, a work 5 period of fourteen (14) consecutive days is accepted in lieu of the work 6 week of seven (7) consecutive days for purposes of overtime 7 computation and if, for the employee's employment in excess of eight 8 (8) hours in any workday and in excess of eighty (80) hours in that 9 fourteen (14) day period, the employee receives compensation at a rate 10 not less than one and one-half (1.5) times the regular rate at which the 11 employee is employed.

12 (s) (v) No employer shall employ any employee in domestic service 13 in one (1) or more households for a work week longer than forty (40) 14 hours unless the employee receives compensation for that employment 15 in accordance with subsection (k). (n).

16 (t) (w) In the case of an employee of an employer engaged in the 17 business of operating a street, a suburban or interurban electric railway, 18 or a local trolley or motorbus carrier (regardless of whether or not the 19 railway or carrier is public or private or operated for profit or not for 20 profit), in determining the hours of employment of such an employee 21 to which the rate prescribed by subsection (k) (n) applies, there shall 22 be excluded the hours the employee was employed in charter activities 23 by the employer if both of the following apply: 24

(1) The employee's employment in the charter activities was pursuant to an agreement or understanding with the employer arrived at before engaging in that employment.

(2) If employment in the charter activities is not part of the employee's regular employment.

(u) (x) Any employer may employ any employee for a period or periods of not more than ten (10) hours in the aggregate in any work week in excess of the maximum work week specified in subsection (k) (n) without paying the compensation for overtime employment prescribed in subsection (k), (n), if during that period or periods the employee is receiving remedial education that:

(1) is provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

37 (2) is designed to provide reading and other basic skills at an 38 eighth grade level or below; and 39

(3) does not include job specific training.

 $(\mathbf{v})$  (y) Subsection  $(\mathbf{k})$  (n) does not apply to an employee of a motion picture theater.

(w) (z) Subsection (k) (n) does not apply to an employee of a



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1 2	seasonal amusement or recreational establishment, an organized camp, or a religious or nonprofit educational conference center that is exempt
3	under the federal Fair Labor Standards Act of 1938, as amended (29
4	U.S.C. 213).
5	SECTION 3. IC 22-2-2-14 IS ADDED TO THE INDIANA CODE
6	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7	1, 2016]: Sec. 14. (a) This section applies to an employer that is
8	subject to the minimum wage provisions of the federal Fair Labor
9	Standards Act of 1938, as amended (29 U.S.C. 201 et seq.).
10	(b) Except as provided in subsection (c), if the minimum hourly
11	wage required under section 4 of this chapter is higher than the
12	minimum wage provisions of the federal Fair Labor Standards Act
13	of 1938, as amended (29 U.S.C. 201 et seq.), an employer shall pay
14	the minimum hourly wage required under section 4 of this chapter.
15	(c) The exception to payment of the minimum wage as required
16	in subsection (b) does not apply to an employee subject to 29 U.S.C.
17	206 (g) or 29 U.S.C. 213.

