

Subject Subminimum wage task force

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Overview

Establishes a task force to develop a phase out plan to eliminate subminimum wage. Starting August 1, 2025, employers will be prohibited from paying workers with disabilities less than minimum wage through permits issued by the state and federal government.

Summary

Section	Description
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| 1 | <p>Subminimum wage [§ 177.24].</p> <p>Prohibits employers from paying workers with disabilities less than minimum wage starting August 1, 2025.</p> |
| 2 | <p>Task force on eliminating subminimum wage.</p> <p>Subd. 1. Purpose. Establishes a task force to develop and implement a phase out plan to eliminate subminimum wage by August 1, 2025.</p> <p>Subd. 2. Membership. Lists members of the interagency task force including: legislators; agency commissioners; disability rights organizations representing the three highest percentages of disabled individuals using sheltered workshops; employers paying subminimum wage; employees with a disability or learners or apprentices being paid subminimum wage; and vocational rehabilitation representatives. Members should come from throughout the state.</p> <p>Subd. 3. Appointment deadline; first meeting; chair. Requires selection of task force members by July 15, 2021, and selection of a chair at the task force's first meeting by August 17, 2021.</p> <p>Subd. 4. Compensation. Provides compensation for certain task force members per day and for authorized expenses, as provided in existing law.</p> |

Section **Description**

Subd. 5. Duties. Requires the task force to work with employees, employers, agencies, businesses, and stakeholder organizations to develop a plan to phase out subminimum wage by August 1, 2025. The task force must: identify benefits and barriers to eliminating subminimum wage; identify costs, funding, training, and resources; and make recommendations for compliance and ongoing support and services. The task force must propose a plan to establish benchmarks for the phase out; to provide sustainable work opportunities for individuals with disabilities; and to track outcomes for individuals with disabilities, including unemployment rates and wages during and after the phase out.

Subd. 6. Report. Requires the task force to issue a report by January 14, 2023, to the legislative committees with jurisdiction over employment, wages, and health and human services. The report must include its recommendations for eliminating subminimum wage and any proposed legislation or rules.

Subd. 7. Administrative support. Requires administrative support for the task force from the commissioner of labor and industry.

Subd. 8. Sunset. The task force ends as of August 31, 2023.

3 **Appropriation.**

Provides for general fund appropriations in fiscal year 2022.

4 **Repealer [§ 177.28, subd. 5, Minnesota Rules, parts 5200.0030 and 5200.0040].**

As of August 1, 2025, repeals current law and rules allowing employers to pay workers with disabilities less than state minimum wage if they receive a permit from the state Labor Standards Division or from the U.S. Department of Labor.



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