LEGAL UPDATE RHODE ISLAND

Rhode Island Repeals Subminimum Wages for Employees With Disabilities

On June 15, 2022, Rhode Island adopted House Bill (HB) <u>7511</u> and HB <u>2242</u>. This legislation effectively repeals the state provision that allowed employers to pay subminimum wages to employees with disabilities. HB 7511 and HB 2242 became effective on the day they were adopted.

State Minimum Wage Requirements

State law requires employers to compensate their employees with wages that are at least equal to the state minimum wage rate. The current minimum wage rate in Rhode Island is \$12.25 per hour. This rate is set to increase to \$15 per hour by Jan. 1, 2025.

Subminimum Wage Exemptions

State law also provides exemptions that allow employers to pay wages to some employees below the state minimum wage rate, including certain minors, tipped employees, federal workers and domestic service workers employed in or around private homes.

Beginning June 15, 2022, Rhode Island employers will no longer be allowed to pay wages below the state minimum wage rate to individuals "whose earning capacity is impaired by physical or mental disability," even when this practice is still allowed under the federal Fair Labor Standards Act (FLSA).

Although federal law takes precedence over state and local laws in most cases, the FLSA specifically requires employers to apply laws that provide greater benefits or protections to employees. Because HB 7511 and HB 2242 provide higher wages to employees with disabilities, employers are prohibited from paying these employees subminimum wages.

Provided to you by Hotaling Insurance Services

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Important Dates

June 15, 2022

On this date, HB 7511 and HB 2242 were adopted and became effective, prohibiting Rhode Island employers from paying subminimum wages to employees with disabilities.

Beginning June 15, 2022, Rhode Island employers will no longer be allowed to pay wages below the state minimum wage rate to individuals with disabilities.

