

The Virgin Islands Consortium

Minimum Wage Increase From \$7.25 To \$8.35 Takes Effect June 21

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ST. CROIX -- The minimum wage increase from \$7.25 to \$8.35 will take effect on June 21, Department of Labor said this afternoon, as it reminded businesses of their lawful duty to increase the salaries of their minimum wage employees -- totaling over 14,000 -- on the aforementioned date.

D.O.L. also included in its press release a section of the new law pertinent to the wage hike. Title 24, Chapter 1 §4(a), (b), and (c) of the V.I. Code, reads as follows:

- (a) Except as otherwise provided in this chapter, every employer shall pay to each of his employees including employees who are less than 18 years of age or full-

time high school students at a rate not less than \$8.35 per hour beginning 90 days immediately following the effective date of this subsection, not less than \$9.50 per hour beginning June 1, 2017, not less than \$10.50 an hour during the year beginning June 1, 2018, and beginning June 1, 2019, not less than the minimum wage determined in accordance with subsection (b) of this section; but tourist service and restaurant employees who are tipped employees, must be paid a minimum wage set in this subsection or in accordance with subsection (b) at a rate not less than 40% of the minimum wage. After 2020, the Virgin Islands Wage Board may, based on verifiable economic data, adjust the minimum wage for tourist service and restaurant employees who are tipped employees to a rate not greater than 45% of the minimum wage or less than the federal minimum wage for tipped employees; and

- (b) After December 31, 2018, and in each succeeding year thereafter, the minimum wage rate in effect under subsection (a) of this section will be reviewed by the Virgin Islands Wage Board in accordance with the provisions set forth at Title 24, chapter 1, Virgin Islands Code. The Wage Board may determine a minimum wage rate equal to not more than 50 percent of the average private, nonsupervisory, nonagricultural hourly wage as determined by the Wage Board for the previous November, rounded to the nearest multiple of five (5) cents, but at no time less than the effective Federal Minimum Wage.
- (c) In complying with Title 24, section 8, subsection (b), Virgin Islands Code, the Commissioner of Labor shall direct the Virgin Islands Department of Labor, Bureau of Labor Statistics, to submit data inclusive of the minimum wage rate in effect under subsection (a), together with the average, private, nonsupervisory, nonagricultural hourly wage and the Federal Minimum Wage Guidelines, to the Wage Board within 30 days of the request thereof.

"This is a good bill for the territory and it is consistent with my administration's efforts to increase pay to public employees," Governor Mapp said after [signing the Senator Jean Forde-sponsored measure into law](#) in March. "I sincerely commend the sponsors of this legislation." The bill additionally increases the base wage of tipped service workers from 30 percent to 40 percent of the minimum wage.

"This is a tremendous victory for working people, as the plain fact is that the minimum wage of \$7.25 is simply not enough to live on," said Mr. Forde. "It is heartbreaking to see people going out and working hard every day, only to find that their paychecks cannot meet even their most basic needs."

Mr. Forde said the bill was a long time in the making, as he submitted a drafting request on the first day of the 31st Legislature. "From day one, I have been committed to struggling on behalf of working people, and I understand that increasing the minimum wage will improve the quality of life for thousands of workers and provide a boost to the economy, as they will have more money to spend with local businesses," Mr. Forde said.

He added: "This measure is based on solid analysis. In fact, a study just released by the Bureau of Economic Research states that this minimum wage bill will stimulate the creation of additional jobs in the economy. Additionally, I spoke with representatives of both labor and businesses, particularly small businesses, to ensure that the needs of all were taken into account."

