

Legislative Document

BILL TITLE: The Fair Work and Pay Act (FWPA)

DRAFT VERSION

Section 1: Minimum Wage Reform

1. The federal minimum wage shall be increased to \$13.00 per hour beginning January 1, 2026.
2. States may set higher minimum wages but not lower.
3. Tipped workers shall receive a base pay of \$6.00 per hour plus tips.

Section 2: Worker Classification Transparency

1. Employers must clearly classify all workers as employees or independent contractors.
2. Misclassification penalties include a fine of up to \$5,000 per affected worker.
3. Employers must provide workers with classification justification upon request.

Section 3: Small Business Support

1. Businesses with fewer than 25 employees will be eligible for federal tax credits to offset wage increases.
2. The tax credit will cover 30% of the increase in payroll costs due to the new minimum wage.
3. This credit shall expire on December 31, 2028.