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A  
BILL  
FOR AN ACT

To amend Title 16, Chapter 4 of the Minimum Wage Act of 1986 in order to increase the minimum wage; to remove the exception for employment on skills training and impose minimum wage thereof.

**BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF MARSHALL ISLANDS:**

**Section 1. Short Title**

This Act may be cited as the Minimum Wage (Amendment) Act 2016.

**Section 2. Amendment**

(1) Section 403 is hereby amended as follows:

**“§403. Minimum wage.**

(1) The minimum wage for every employee of the Government of the Marshall Islands or any private employer shall be ~~two dollars (\$2.00)~~ three dollars (\$3.00) per hour for every hour of work performed by such employee.

~~(2) Non-citizen employees who are employed by a private employer who has been authorized by the Government to invest and conduct any industry or business in the Republic of the Marshall Islands, and Marshallese trainees and apprentices learning any trade or skill under such employer, shall be exempt from the application of the minimum wage. The minimum wage for every trainee of the Government of the Marshall Islands or any private employer shall be two dollars (\$2.00) two (\$2.00) per hour for every hour of work performed by such apprentice or~~

1 trainee. For the purposes of this Section, trainee does not include a person who after finishing his  
2 or her education, is employed on probation period at the initial stage of employment.

3 (3) Qualified export oriented projects may be exempted from the application of the  
4 minimum wage by the Cabinet. This exemption shall apply only to qualified export oriented  
5 projects commenced after the date of certification of this Chapter.

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7 **Section 3. Effective Date**

8 This Act shall take effect in accordance with the Constitution and the Rules of Procedures for the  
9 Nitijela.

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12 Dated: 3-17-16

Introduced by: Wilbur Heine

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**BILL SUMMARY**

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The purpose of this Bill is to amend the Minimum Wage Act of 1986 to increase the minimum wage for every employee of the Government or any private employer to three dollars (\$3.00) per hour for every work performed. It proposes to remove the exception given to private sector that engages trainees and apprentices learning any trade or skill under such employer, and impose minimum wage of two dollars (\$2.00).

The Minimum Wage Act legislation was enacted in 1986 which set the minimum wage for every worker at \$1.50 per hour. In 1999, it was increased to \$2.00 and which exists till today. With the increasing cost of living and inflation in the Marshall Islands, the minimum wage of \$2.00 per hour is generally considered insufficient, particularly for those lower wage earning workers. The proposal to increasing the minimum wage to \$3.00 would translate into real terms enough money especially for the lowered paid workers to afford the high cost of electricity, foodstuff, transportation and etc. It is envisage that it will encourages, attracts and motivates workers to perform better, and have good retaining of workforce in the Marshall Islands. The Bill also proposes to impose \$2.00 to every person who is on job training. It removes the exception given to persons on training not to be considered for minimum wage but sets it on \$2.00 per hour.