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Daily Talking Points

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Congress has Opportunity to Beat the Clock on Minimum Wage and Health Care Portability

Friday, July 26, 1996

"[T]wo of the very big pieces of our action agenda, paycheck security and health security, are breathing new life again. We're very pleased with the development yesterday, and very hopeful that at some point in the not too-distant future, we will pass the minimum wage bill and the portability bill."

—Democratic Leader Tom Daschle, July 26, 1996.

As the clock continues to tick and the Congressional August recess approaches, a major impasse was broken last night paving the way for final Congressional action on minimum wage and health care portability bills. Thanks to Democratic efforts, these two important pieces of the Democratic Agenda for American families will become law before Labor Day.

Democrats' Determination Pays Off for Working Families. For nearly 18 months, Democrats in the Senate have been pushing to get a raise for American workers. Republicans began the 104th Congress with their "Contract" to provide tax breaks for the rich and special interests while cutting Medicare, education and the environment.

Health Care Portability on the Horizon. Another Democratic priority, making health insurance more portable and limiting exclusions on preexisting conditions, also appears attainable. Democrats, led by Senator Ted Kennedy, refused GOP demands to include special interest perks in an otherwise bi-partisan bill.

Again, Democratic efforts to provide help to working families is paying off: Democrats reached an agreement with Republicans to resolve controversial issues in a bipartisan manner—soon families will have peace of mind—they won't lose their health insurance even if they leave or lose their job.

Democratic Policy Committee
United States Senate
Washington, D.C. 20510-7050

Tom Daschle, Chairman
Harry Reid, Co-Chairman



IT'S TIME TO RAISE THE MINIMUM WAGE
THE SENATE REPUBLICAN LEADERSHIP SHOULD DROP THEIR POISON PILL AMENDMENT
July 3, 1996

IT'S TIME FOR SENATE REPUBLICANS TO JOIN THE MAINSTREAM AND RAISE THE MINIMUM WAGE. If we want to make work pay, we must make the minimum wage a living wage. President Clinton's minimum wage increase would ensure that -- along with his expanded Earned Income Tax Credit -- no parent who works full-time would have to raise their children in poverty. A bipartisan group in the House has done their part and voted to raise the minimum wage. The time for the Senate Republicans to do the same is long overdue.

MAIN STREET AMERICA DESERVES AN HONEST VOTE ON THE MINIMUM WAGE WITHOUT ANY POISON PILLS. The Senate should pass an increase in the minimum wage -- with no poison pills, no gimmicks, and no political games. That's the best way to help the American people make the most out of their own lives. As Republican Congressman Amo Houghton said: *"This is not a complicated issue. It should not be a partisan issue. It's timely. It's right, and I think we should do it."*

DON'T LET REPUBLICAN LEADERS FOOL YOU -- THEIR POISON PILL AMENDMENT TO A GOOD MINIMUM WAGE BILL WILL DENY A PAY RAISE TO MILLIONS OF WORKERS. The Senate Republican leadership offers the American people nothing more than a cruel shell game: claim that you are raising the minimum wage, but stick millions of first-rate workers with second-rate pay.

IF THE REPUBLICAN LEADERSHIP INSIST ON INCLUDING ANY OF THE FOLLOWING POISON PILL AMENDMENTS, THE PRESIDENT WILL VETO THE BILL:

- ▶ **Workers In Two-Thirds Of All Businesses Would Be Denied The Benefits Of A Higher Minimum Wage.** The Republican leadership would deny workers in two-thirds of all firms in the United States -- all business with revenues of less than \$500,000 annually -- an increase in the minimum wage. For these workers, this provision would lock in, for an indefinite period, a minimum wage that will be at a 40-year low in real terms. It doesn't matter the size of your employer, you can't raise a family on \$4.25 an hour.
- ▶ **Over 4 Million Hard-Working Americans Would Be Denied A Pay Raise.** The Republican's so-called "Opportunity Wage" provision would deny the opportunity of a higher minimum wage to the 4.1 million workers at or near the minimum wage who have been with their employer for less than six months. In industries with high turnover -- like retail -- this would create the opportunity for employers to drop workers after six months, so that they would never graduate from the sub-minimum wage.
- ▶ **Low-Wage Workers Would Have To Wait Until Next Year For Pay Hike.** As the real value of the minimum wage approaches a 40-year low, the Republican leadership wants to force America's lowest-paid workers to wait until next year to see any minimum wage increase. While President Clinton says now is the time to raise the minimum wage, the Republicans are telling America's workers to wait. The Republican's six-month delay will cost a full-time minimum wage worker \$878. When you're making only \$8,500 a year, \$878 makes a big difference.

EVERY DAY THE SENATE REPUBLICAN LEADERSHIP DELAYS A HONEST MINIMUM WAGE INCREASE, ITS REAL VALUE MOVES CLOSER TO A 40-YEAR LOW. The American people want the minimum wage increased. A bipartisan majority in the Senate wants the minimum wage increased. If we truly value work and family, we should raise the value of the minimum wage now.

**DON'T LET REPUBLICAN LEADERS FOOL YOU:
THEIR POISON PILL MINIMUM WAGE AMENDMENT WILL STICK MILLIONS
OF FIRST-RATE WORKERS WITH SECOND-RATE PAY**

INSTEAD OF JUST PASSING A CLEAN, SIMPLE MINIMUM WAGE INCREASE, THE SENATE REPUBLICAN LEADERSHIP WANTS A POISON PILL AMENDMENT THAT WILL DENY MILLIONS OF WORKERS A PAY RAISE. President Clinton is determined to raise the minimum wage for all workers who deserve and need it. If they send him a bill with poison pills, he will veto it:

- ▶ **Workers In Two-Thirds Of All Businesses Would Be Denied The Benefits Of A Higher Minimum Wage.**
 - The Senate Republican leadership's amendment would deny workers in two-thirds of all firms in the United States -- all business with revenues of less than \$500,000 annually -- an increase in the minimum wage.
 - This provision is *far more extreme* than any previous small business exemption. It is true that prior to 1989 there was an exemption for employees in small retail and service establishments. But the Republican's current proposal would not only exempt workers in small retail and service firms, but would deny a higher minimum wage to *all* workers in two-thirds of America's businesses, including many garment industry sweatshop workers, farmworkers, and janitorial workers.
 - For workers in small businesses, this provision would lock in, for an indefinite period, a minimum wage that will be at a 40-year low in real terms. It doesn't matter the size of your employer, you can't raise a family on \$4.25 an hour.
- ▶ **Over 4 Million Hard-Working Americans Would Be Denied A Pay Raise:**
 - The Senate Republican's so-called "Opportunity Wage" provision could deny a higher minimum wage to the 4.1 million workers at or near the minimum wage who have been with their employer for less than six months. Under this provision any new hire of any employer, regardless of prior work experience, could be paid a sub-minimum wage for the first sixth months of employment.
 - This is a more extreme provision than the House-passed minimum wage increase. The House-passed bill -- which the Administration strongly opposes -- applied a sub-minimum wage for workers under age 20 for their first 90 days with an employer. This amendment, by contrast, would deny a higher minimum wage to all workers for the first 180 days of employment.
 - In industries with high turnover -- like retail -- this would create the opportunity for employers to drop workers after six months, so that they would never graduate from the sub-minimum wage. And the anti-displacement provisions, intended to prohibit employers from dropping workers in a perpetual "churning" fashion, will prove to be extremely difficult to enforce.
- ▶ **Low-Wage Workers Would Have To Wait Until Next Year For Pay Hike.**
 - The Republican leadership would put off the first stage of a minimum wage increase until January 1, 1997. As the real value of the minimum wage approaches a 40-year low, the Republican leadership wants to force our lowest-paid workers to wait until next year to see any minimum wage increase. President Clinton is determined to not let the minimum wage reach a 40-year low and will veto any bill that will let that happen.

PRESIDENT CLINTON ALSO STRONGLY OPPOSES REPUBLICAN MEASURES TO DENY PAY INCREASES TO OTHER WORKERS:

► **"Tipped Employees" Such As Waiters and Waitresses Would Be Denied A Pay Raise.**

- The Republican leadership would freeze the minimum wage for "tipped employees" such as waiters, waitresses, and delivery people at \$2.13 an hour, thus denying any current or future minimum wage increase to these workers.
- The impact of this tip credit amendment hits women particularly hard; about 80 percent of tipped workers are women.
- Tipped workers would receive a 45-cents an hour pay increase with the President's proposal. To many of these workers struggling to make ends meet, this small sum can make the difference between getting by and slipping through the cracks.