

2026 -- H 7490

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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES--OVERTIME

Introduced By: Representatives Potter, Bennett, Read, Shanley, Edwards, Messier, Furtado, and Giraldo

Date Introduced: February 04, 2026

Referred To: House Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 28-12-4.3 of the General Laws in Chapter 28-12 entitled "Minimum
2 Wages" is hereby amended to read as follows:

3 **28-12-4.3. Exemptions.**

4 (a) The provisions of §§ 28-12-4.1 and 28-12-4.2 do not apply to the following employees:

5 (1) Any employee of a summer camp when it is open no more than six (6) months of the
6 year;

7 (2) Police officer;

8 (3) Employees of the state or political subdivision of the state who may elect through a
9 collective bargaining agreement, memorandum of understanding, or any other agreement between
10 the employer and representatives of the employees, or if the employees are not represented by an
11 exclusive bargaining agent, through an agreement or understanding arrived at between the
12 employer and the employee prior to the performance of work, to receive compensatory time off for
13 hours worked in excess of forty (40) in a week. The compensatory hours shall at least equal one
14 and one-half (1½) times the hours worked over forty (40) in a week. If compensation is paid to an
15 employee for accrued compensatory time, the compensation shall be paid at the regular rate earned
16 by the employee at the time of payment. At the time of termination, unused accrued compensatory
17 time shall be paid at a rate not less than:

18 (i) The average regular rate received by the employee during the last three (3) years of the
19 employee's employment; or

(ii) The final regular rate received by the employee, whichever is higher;

(4) Any employee employed in a bona fide executive, administrative, or professional capacity, as defined by the Fair Labor Standards Act of 1938, 29 U.S.C. § 201 et seq., compensated wholly or in part for services on a salary basis of not less than two hundred dollars (\$200) per week;

(5) Any employee as defined in subsection (a)(4) of this section unless the wages of the employee, if computed on an hourly basis, would violate the applicable minimum wage law;

(4)(i) Through December 31, 2026, any employee employed in a bona fide executive, administrative, or professional capacity, as defined by the Fair Labor Standards Act of 1938, 29 U.S.C. § 201 et seq., unless the wages of the employee, if computed on an hourly basis, would violate the applicable minimum wage law, as defined by § 28-12-3;

1 wage established by § 28-12-3;

2 ~~(6)~~(5) Any salaried employee of a nonprofit national voluntary health agency who elects
3 to receive compensatory time off for hours worked in excess of forty (40) hours per week;

4 ~~(7)~~(6) Any employee, including drivers, driver's helpers, mechanics, and loaders of any
5 motor carrier, including private carriers, with respect to whom the United States Secretary of
6 Transportation has power to establish qualifications and maximum hours of service pursuant to the
7 provisions of 49 U.S.C. § 31502;

8 ~~(8)~~(7) Any employee who is a salesperson, parts person, or mechanic primarily engaged in
9 the sale and/or servicing of automobiles, trucks, or farm implements, and is employed by a non-
10 manufacturing employer primarily engaged in the business of selling vehicles or farm implements
11 to ultimate purchasers, to the extent that the employers are exempt under the Fair Labor Standards
12 Act of 1938, 29 U.S.C. § 213(b)(10); provided, that the employee's weekly, biweekly, or monthly
13 actual earnings exceed an amount equal to the employee's basic contractual hourly rate of pay times
14 the number of hours actually worked plus the employee's basic contractual hourly rate of pay times
15 one-half (½) the number of hours actually worked in excess of forty (40) hours per week;

16 ~~(9)~~(8) Any employee employed in agriculture; however, this exemption applies to all
17 agricultural enterprises that produce greenhouse crops, fruit and vegetable crops, herbaceous crops,
18 sod crops, viticulture, viniculture, floriculture, feed for livestock, forestry, dairy farming,
19 aquaculture, the raising of livestock, furbearing animals, poultry and eggs, bees and honey,
20 mushrooms, and nursery stock. This exemption also applies to nursery workers; and

21 ~~(10)~~(9) Any employee of an air carrier subject to the provisions of 45 U.S.C. § 181 et seq.,
22 of the Railway Labor Act when the hours worked by that employee in excess of forty (40) in a
23 workweek are not required by the air carrier, but are arranged through a voluntary agreement among
24 employees to trade scheduled work hours.

25 (b) Nothing in this section exempts any employee who under applicable federal law is
26 entitled to overtime pay or benefits related to overtime pay.

27 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES--OVERTIME

1 Under current law, employers are not obligated to pay overtime to their executive,
2 administrative, and professional employees who are compensated through salary rather than hourly
3 wages, unless the salary of such employees would, if calculated according to a 40-hour work week,
4 fall below the state's current minimum wage. This act would raise that cut-off and make additional
5 salaried employees non-exempt and therefore eligible for overtime pay, by requiring small
6 employers with one to fifty (1-50) employees and large employers with fifty (50) or more
7 employees, to pay overtime wages to currently exempt workers, if their salary falls below a
8 threshold based upon multipliers of minimum hourly wage, for a forty (40) hour workweek. For
9 example, for the year 2027, the multiplier would be one and one-half (1½) times the minimum
10 hourly wage for a forty (40) hour workweek for small employers with less than fifty (50) employees
11 and two (2) times the minimum hourly wage for a forty (40) hour workweek for large employers
12 with more than fifty (50) employees, resulting in overtime entitlement for more employees.
13 This act would take effect upon passage.

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