

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 525

Short Title: Living Wage Guarantee Act. (Public)

Sponsors: Senators Theodros, Waddell, and Applewhite (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A STATE MINIMUM WAGE OF FIFTEEN DOLLARS PER
HOUR, INCORPORATE AUTOMATIC INFLATION ADJUSTMENTS, AND ENSURE
ECONOMIC STABILITY FOR WORKERS IN NORTH CAROLINA.

Whereas, the current minimum wage in North Carolina has remained stagnant at \$7.25 per hour since 2009, failing to keep pace with rising living costs; and

Whereas, increasing the minimum wage to \$15 per hour will enhance financial security for low-income workers, reduce poverty, and boost consumer spending, benefiting the State's economy; and

Whereas, automatic inflation adjustments will prevent wage stagnation and ensure that earnings maintain their real value over time; and

Whereas, Article I, Section 1, of the North Carolina Constitution affirms the right of all citizens to enjoy the fruits of their labor, which includes fair compensation; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known and may be cited as the "Living Wage Guarantee Act."

SECTION 2.(a) G.S. 95-25.3 reads as rewritten:

"§ 95-25.3. Minimum wage; wages; automatic cost-of-living adjustments.

(a) Every ~~employer~~ employer, except a small business covered under subsection (a1) of this section, shall pay to each employee who in any workweek performs any work, wages of at least ~~six dollars and fifteen cents (\$6.15) per hour or the minimum wage~~ the amount set forth in paragraph 1 of section 6(a) of the Fair Labor Standards Act, 29 U.S.C. 206(a)(1), as that wage may change from time to time, ~~whichever is higher, except as otherwise provided in this section or wages of at least fifteen dollars (\$15.00) per hour, whichever is higher, effective January 1, 2026.~~

(a1) A small business shall pay to each employee who in any workweek performs any work, wages of at least the amount set forth in paragraph 1 of section 6(a) of the Fair Labor Standards Act, 29 U.S.C. § 206(a)(1), as that wage may change from time to time, or the wage set forth in this subsection, whichever is higher:

- (1) Effective January 1, 2026, wages of at least twelve dollars (\$12.00) per hour.
- (2) Effective January 1, 2027, wages of at least thirteen dollars and fifty cents (\$13.50) per hour.
- (3) Effective January 1, 2028, wages of at least fifteen dollars (\$15.00) per hour.
- (4) Effective January 1, 2028, and annually thereafter, the amount determined by the Commissioner of Labor under subsection (a2) of this section.



1 For the purposes of this section, a "small business" is defined as a person doing business in
2 this State having fewer than 10 employees.

3 (a2) Beginning October 1, 2028, and on each October 1 thereafter, the Commissioner of
4 Labor shall calculate an adjusted minimum wage rate indexed to the percentage increase in the
5 Consumer Price Index (All 29 Urban Consumers), CPI-U, or its successor index, as calculated
6 by the U.S. Department of Labor for the 12-month period preceding the previous October 1. Each
7 adjusted minimum wage rate calculated shall be published on October 1 and take effect on the
8 following January 1.

9 "

10 **SECTION 2.(b)** G.S. 95-25.22 is amended by adding new subsections to read:

11 "(a2) Any employer who violates the provisions of G.S. 95-25.13 or any rule adopted under
12 that section shall be:

13 (1) Liable to the employee or employees affected in the amount of their actual
14 damages, including, but not limited to, back pay and benefits plus interest and
15 reasonable attorneys' fees and costs.

16 (2) Subject to fines and other remedies as determined by the North Carolina
17 Department of Labor.

18 (a3) Employees shall have the right to file complaints with the Department of Labor
19 regarding noncompliance. Employers shall not retaliate against employees who assert their rights
20 under this section."

21 **SECTION 3.** Effective July 1, 2025, there is appropriated from the General Fund to
22 the Department of Labor the sum of ten million dollars (\$10,000,000) to establish a State-funded
23 Small Business Assistance Program (Program). The Program shall: (i) provide temporary
24 financial support to small businesses transitioning to the new wage requirements and (ii) engage
25 in outreach about the new minimum wage law. Federal workforce development funds may also
26 be used for this purpose. Financial support through the Program shall be made available for
27 businesses with 20 or fewer employees for a period of up to two years. The Department of Labor
28 shall develop rules for the administration of the Program.

29 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
30 law.