

of 1938 shall receive, in accordance with the provisions of this Act, a minimum wage equivalency refund (hereafter in this Act referred to as the "refund") consisting of a portion of the wages paid.

PAYMENT OF REFUND

SEC. 4. (a) The refund shall be paid quarterly to those employers who—

- (1) have applied for and been issued employer certificates, as provided in section 8 of this Act;
- (2) employ workers holding employee certificates, as provided in section 6 of this Act, at least forty hours per week;
- (3) pay certified employees the minimum wage applicable under section 6 of the Fair Labor Standards Act of 1938 in addition to fringe benefits received by comparable noncertified employees; and
- (4) report quarterly to the Administrator of the Wage and Hour and Public Contracts Division of the Department of Labor (hereafter in this Act referred to as the "Administrator") on the status, number, and total hours worked of employees holding employee certificates.

(b) The refund shall be an amount equal to—

- (1) 40 per centum of the wages paid at the rate referred to in section 4(a)(3) to all employees certified pursuant to sections 5 and 6 for the first half of the period of such certification for each such employee; and
- (2) 20 per centum of the wages paid at the rate referred to in section 4(a)(3) to all employees certified pursuant to sections 5 and 6 for the remainder of the period of certification for each such employee.

DETERMINATION OF ELIGIBILITY FOR EMPLOYEE CERTIFICATE

SEC. 5. An individual shall be eligible to receive an employee certificate if—

- (1) his skill, training, education, or job experience is below that normally required for steady employment at or above the minimum wage, as determined by his local United States Employment Service office, and
- (2) if unemployed, he or she has sought but has not been able to obtain employment at the minimum wage or above after a period of unemployment of five weeks or longer.

EMPLOYEE CERTIFICATE

SEC. 6. Upon application, the appropriate local office of the United States Employment Service may issue an employee certificate to any individual who meets the requirements set forth in section 5. The form of such certificate shall be prescribed by the Director.

DETERMINATION OF EMPLOYER ELIGIBILITY FOR CERTIFICATE

SEC. 7. An employer shall receive a certificate of eligibility to receive the refund for the employment of employees certified under sections 5 and 6 upon application, if the Administrator determines that—

- (1) the employer is covered by the provisions of section 6 of the Fair Labor Standards Act of 1938;
- (2) the employer applying for a certificate has not raised his hiring requirements following or in expectation of the enactment of this Act;
- (3) an adequate supply of qualified workers is not available despite reasonable efforts by the employer to recruit them;
- (4) the refund will not have the effect of impairing or depressing the wages, working standards, or opportunities for full employment of existing employees;
- (5) abnormal labor conditions, such as a strike, lockout, or similar condition, do not exist at the firm;
- (6) the employer will afford certified employees full opportunity for continued employment at the minimum wage or above after the expiration of the employee's certificate; and
- (7) the employer has a formal or on-the-job training program to upgrade the skills and enhance the productivity of certified employees.

EMPLOYER CERTIFICATE

SEC. 8. (a) An employer may apply for a certificate as soon as it decides to hire an individual eligible to be a certified employee under this Act. If the employer hires such an individual before its application is accepted, and the