

FIRST REGULAR SESSION

# HOUSE BILL NO. 958

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MILLER.

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JOSEPH ENGLER, Chief Clerk

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## AN ACT

To amend chapter 290, RSMo, by adding thereto one new section relating to exemptions from minimum compensation requirements for certain employees.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 290, RSMo, is amended by adding thereto one new section, to be known as section 290.509, to read as follows:

**290.509. 1. Except where otherwise required by federal law, beginning on and after January 1, 2026, an employer may pay an employee wages at a rate that is lower than the state minimum wage and such employer may be exempt from overtime obligations for such employee required under the provisions of sections 290.500 to 290.530 under any of the following circumstances:**

(1) Any employee who is under twenty-one years of age at the start of a pay period;

(2) Any employee of a business that employs forty-nine or fewer full- or part-time FLSA nonexempt employees;

(3) Any employee who voluntarily terminates employment without providing and completing a two-week notice period; or

(4) Any employee who:

(a) a. Was put on notice of a company policy through an employee handbook or company standard policy during the employee's on-boarding or provided to employees annually, evidenced by the employee's signature acknowledging receipt and understanding of the handbook or company standard policy and compliance with the wage-reduction policy; and

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18           **b. Received one written notice, including notice provided on or included with the**  
19 **employee's current or previous payroll stub, of violation of a company policy contained**  
20 **within the employee handbook or company standard policy; or**

21           **(b) Was not put on notice through an employee handbook or company standard**  
22 **policy but received two written notices, including notice provided on or included with**  
23 **the employee's current or previous payroll stub, of the same violation of a company**  
24 **policy.**

25           **2. Employers shall maintain records of written notices provided to employees for**  
26 **the policy violations and exemptions provided under subsection 1 of this section.**

27           **3. An employer shall not be exempt from paying an employee in accordance with**  
28 **the state minimum wage and overtime obligations for more than two pay periods under**  
29 **the provisions of subdivision (4) of subsection 1 of this section, including the pay period**  
30 **for which the original violation occurred, provided the employee has not incurred**  
31 **additional violations of the company policy during such time period.**

32           **4. For the purposes of this section, co-employment providers, such as a private**  
33 **employer organization, shall not factor into the employee count of the client company as**  
34 **the employer and where co-employment exists, such as between a company and a**  
35 **private employer organization, the term "employer" shall mean only the entity**  
36 **providing regular and direct supervision and management of an employee. A co-**  
37 **employment provider shall not be considered the employer in lieu of the client company.**

38           **5. The exemption provided under this section shall apply only to employment**  
39 **compensation paid or accrued on or after the effective date of this section and shall not**  
40 **be retroactive in effect.**

41           **6. The provisions of this section shall apply only to employees meeting the**  
42 **circumstances under subsection 1 of this section and not to all employees of the**  
43 **employer, notwithstanding any other exemptions, lower wage rates, prevailing wage**  
44 **rates, or other exceptions or preemptions of the state minimum wage and overtime laws**  
45 **that are allowed under this chapter, general law, or federal law.**

46           **7. The department shall be responsible for the implementation and enforcement**  
47 **of this section. The department may promulgate all necessary rules and regulations for**  
48 **the administration of this section. Any rule or portion of a rule, as that term is defined**  
49 **in section 536.010, that is created under the authority delegated in this section shall**  
50 **become effective only if it complies with and is subject to all of the provisions of chapter**  
51 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**  
52 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**  
53 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**

54 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
55 **adopted after August 28, 2025, shall be invalid and void.**

56 **8. If any provision of this section or its application to any person or circumstance**  
57 **is held invalid, such determination shall not affect the provisions or applications of this**  
58 **section which may be given effect without the invalid provision or application, and to**  
59 **that end the provisions of this section are severable.**

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