

**TITLE 16 – LABOR AND INDUSTRIAL RELATIONS
CHAPTER 4 - MINIMUM WAGE**



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MINIMUM WAGE ACT 1986

Arrangement of Sections

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MINIMUM WAGE ACT 1986

AN ACT to prescribe a minimum wage for all employees of the Government of the Marshall Islands and of the private sector, and to provide for matters connected therewith or incidental thereto.

<i>Commencement:</i>	<i>March 6, 1986</i>
<i>Source:</i>	<i>P.L. 1986-15</i>
<i>Amended By:</i>	<i>P.L. 1989-3 8 P.L. 1995-121 P.L. 1996-11</i>
	<i>P.L. 2016-12 P.L. 2018-77 P.L. 2024-13</i>

§401. Short title.

This Chapter may be cited as the “Minimum Wage Act 1986”. [P.L. 1986-15, §1.]

§402. Interpretation.

In this Chapter:

- (a) **“employee”** means any person who performs any type of work under contract with an employer, but does not include a casual worker or family employee, or employees who are employed by the United States Army Kwajalein Atoll (USAKA) or by its contractors or their agents or other employees employed by the U.S. Government;
- (b) **“employer”** means any person, corporation or organization licensed under the laws of the Republic to provide goods and services to the public, who engages the services of an employee for a wage, and includes the Government of the Marshall Islands;

- (c) **“minimum wage”** means the hourly rate paid to an employee by his employer;
- (d) **“private employer”** means any employer other than the Government of the Marshall Islands and includes any statutory or public corporation to which Article VII of the Constitution of the Marshall Islands does not apply. [P.L. 1986-15, §2.]

§403. Minimum wage.

- (1) The minimum wage for every employee of the Government of the Marshall Islands or any private employer shall be four dollars (\$4.00) effective on October 1, 2024 per hour of work performed by such employee. Subsequent increase shall take effect on October 1, 2025 to four dollars and fifty cents (\$4.50), October 1, 2026 to five dollars (\$5.00), and October 1, 2027 to five dollars and twenty-five (\$5.25).
- (2) In the event the assessment submitted to the Cabinet is not favourable pursuant to Subsection (1) above, Cabinet shall request to the Nitijela by resolution to halt any subsequent increase.
- (3) Qualified export oriented projects may be exempted from the application of the minimum wage by the Cabinet. This exemption shall apply only to qualified export oriented projects commenced after the date of certification of this Chapter. [subsection (3) added by P.L. 1996-11, certified on 11 March 1996]. [P.L. 1986-15 §3; amended by P.L. 1989-38, §2, amended in its entirety by P.L. 1995-121; subsection (3) added by P.L. 1996-11.] [previous §2 deleted by P.L. 2016-12 and amended §1] [amended by P.L. 2018-77][Minimum wage increased by P.L. 2024-13][Amended by P.L.2024-13]

§404. Penalty.

Any private employer who pays any of his employees a wage which is below the minimum wage prescribed by Section 402 of this Chapter shall be guilty of an offense and shall, upon conviction before the High Court, (i) for a first offender be liable to a fine not exceeding \$1,000 or in default, to a term of imprisonment not exceeding six (6) months. (ii) for a second offender, be liable to a fine not exceeding \$2,000, suspension of license, or imprisonment not exceeding 1 year. In addition, the Court shall recover and pay to the said employee all wages in arrears as prescribed by Section 402 of this Chapter, as though such arrears were a fine imposed by that Court. For the purpose of suspension of local business license, the Secretary of Finance shall request

the responsible local government for suspension of such business license.
[P.L. 1986-15, §4.]

§405. Regulation.

The Minister of Resources and Development shall promulgate regulations in respect of matters relating to:

- (a) maximum period of employment of Marshallese workers as trainees or apprentices,(b) the number of Marshallese workers who could be employed as trainees or apprentices at one particular time, and
- (c) such other matters that may be necessary to give effect to the exemption in Section 403 of this Chapter.[P.L 1989-38, §3.]