Corporate Responsibility and Fair Compensation Act of 2027
H. R. ____

IN THE HOUSE OF REPRESENTATIVES

[Date]

Ms. Brothers introduced the following bill; which was referred to the Committees on Ways and Means, Education and the Workforce, and Oversight and Accountability

A BILL

To impose accountability measures on large employers that underpay or under-schedule workers, causing reliance on public assistance program, in an effort to promote fair compensation and reduce taxpayer subsidies for corporate labor practices, and for other purposes.

SECTION 1. SHORT TITLE.
This Act may be cited as the "Corporate Responsibility and Fair Compensation Act of 2027."

SECTION 2. FINDINGS AND PURPOSE.
(a) Findings. Congress finds the following:

- Millions of working Americans rely on federal assistance programs such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid despite being employed, due to inadequate wages or insufficient work hours.
- Large corporations have adopted employment practices that externalize labor costs onto taxpayers by underpaying workers or offering limited hours, creating a structure where public funds subsidize private profits.
- Fair compensation and adequate working hours are critical to restoring labor dignity, strengthening the economy, and reducing dependency on federal assistance.
- Taxpayers bear the burden of corporate cost-cutting while companies report record profits and increased executive compensation.
- Small businesses that pay fair wages and offer sufficient hours are placed at a competitive disadvantage.
- A legislative response is necessary to promote equitable labor practices and recover public funds used to offset corporate irresponsibility.

(b) Purpose. The purposes of this Act are to:

- Identify and fine large employers that rely on public subsidies to support underpaid employees.
- Prevent intentional underemployment practices that manipulate scheduling to reduce employer obligations.
- Encourage compensation practices that reduce reliance on public assistance programs.
- Protect small businesses from unfair competition due to exploitative labor practices.
- Address unfair compensation and scheduling that lead employees to depend on public support.

SECTION 3. DEFINITIONS.
Covered Employer.

An entity that:

1. Employs 1,000 or more employees nationwide, including subsidiaries, affiliates, and franchises under common ownership or control; and
2. Operates in any industry affecting interstate commerce.

Public Assistance Program.
Any federal or state program offering financial or in-kind support to low-income individuals, including but not limited to:

- SNAP
- Medicaid
- TANF
- Public housing assistance

Qualifying Employee.
An individual employed by a Covered Employer who:

1. Is paid at or below 150% of the federal poverty level for a household of one; or
2. Is scheduled, on average, fewer than 20 hours per week, despite being available for full-time work.

Exceptions.
An employee shall not be considered a Qualifying Employee if:

1. They voluntarily elect to work fewer than 30 hours per week; and
2. The employer verifies:
    a. The employee works at least 30 hours across multiple jobs, or

b. The employee has a documented medical condition requiring part-time work; and
3. The employer annually attests to the Department of Labor with proper documentation and employee-signed statements.

Exempt Employer.
Includes:

- Employers with fewer than 1,000 employees
- Nonprofit organizations under Section 501(c)
- Government agencies and public-school districts
- Seasonal agricultural employers under federal law (unless employing over 1,000 workers)

SECTION 4. CORPORATE RESPONSIBILITY FINE.
(a) Establishment.

Starting June 1, 2027, Covered Employers will be fined annually if a significant portion of their workforce relies on public assistance.

(b) Calculation.
The Secretary of Labor, with the Secretary of HHS, shall:

- Calculate the number of Qualifying Employees receiving public aid
- Impose a fine equal to the estimated annual public assistance cost for those employees, plus a 15% administrative fee
- Allow a 90-day grace period for compliance corrections

(c) Exclusions.
No fines will be imposed for properly exempted employees with timely documentation.

Late or missing documentation may result in a 15% fee.

(d) Use of Funds.
Fines will be deposited into the Public Assistance Protection Fund and used to:

- Offset public assistance costs
- Support Department of Labor enforcement
- Expand workforce training programs
- Support wage enforcement efforts

- Provide grants to small businesses with fair labor practices

SECTION 5. TRANSPARENCY AND REPORTING REQUIREMENTS.
(a) Annual Disclosure.
Covered Employers must report to the Department of Labor:

- Number of employees earning below 150% of the poverty level
- Average weekly hours for those employees
- Benefits offered (e.g., health, leave, retirement)

(b) Public Database.
The Department of Labor shall maintain a public online database.

(c) Part-Time Exemption Reporting.
To claim part-time exemptions, employers must:

- Submit annual reports of all exempt employees
- Provide verification of other employment hours or medical conditions
- Maintain employee-signed consent forms for verification

SECTION 6. WHISTLEBLOWER PROTECTIONS.
Employees who report violations or manipulative practices are protected under federal retaliation laws and may not be penalized for disclosures.

SECTION 7. SMALL BUSINESS PROTECTIONS.
This Act does not apply to employers with fewer than 1,000 employees.
The Department of Labor shall establish grants for small businesses that:

- Hire workers transitioning from Covered Employers
- Demonstrate exemplary wage and scheduling practices

SECTION 8. RULEMAKING.
Within 180 days of enactment, the Secretary of Labor shall issue rules covering:

- Audit procedures
- Fine disputes and appeals
- Employee data confidentiality
- Voluntary vs. involuntary part-time classifications

SECTION 9. ENFORCEMENT.
(a) Investigative Authority.

The Secretary of Labor may:

- Conduct audits (random or targeted)
- Subpoena records
- Investigate complaints or violations

SECTION 10. EFFECTIVE DATE.
This Act takes effect on June 1, 2027. The Secretary of Labor may take necessary pre-implementation steps.

SECTION 11. SEVERABILITY.
If any provision is held invalid, the remainder of the Act remains in effect.

END