

## **Tip Credit Proposal**

**LATE TESTIMONY**

§387-2 Minimum wages. Except as provided in section 387-9 and this section, every employer shall pay to each employee employed by the employer, wages at the rate of not less than:

- (1) \$6.25 per hour beginning January 1, 2003;
- (2) \$6.75 per hour beginning January 1, 2006; and
- (3) \$7.25 per hour beginning January 1, 2007.

The hourly wage of a tipped employee may be deemed to be increased on account of tips “Tip Credit” if the employee is paid not less than 25 percent of the average hourly tip income claimed by the employee below the applicable minimum wage by the employee's employer “Cash Wage”, but not less than \$6.00 per hour and the combined amount the employee receives from the Cash Wage and in tips is at least the minimum wage plus 3 times the Tip Credit taken.

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- (2) \$6.75 per hour beginning January 1, 2006; and**
- (3) \$7.25 per hour beginning January 1, 2007.**

The hourly wage of a tipped employee may be deemed to be increased on account of tips “Tip Credit” if the employee is paid not less than 25 percents of the average hourly tip income claimed by the employee- below the applicable minimum wage by the employee's employer- “Cash Wage”, but not less than \$6.00 per hour and the combined amount the employee receives from the employee's employer- Cash Wage and in tips is at least the minimum wage plus 50 cents<sup>3</sup> times the Tip Credit taken.  
~~more than the applicable minimum wage~~

# Wage & Tip Income Analysis Typical Restaurant December 2012

