

LATE TESTIMONY

From: Kelsey Riegert [kelsey.riegert@icloud.com]
Sent: Tuesday, March 12, 2013 9:26 AM
To: LABtestimony
Subject: Senate Bill 331 sd2

LATE TESTIMONY

Categories: Green Category

my name is kelsey riegert. i am a Sociology senior at HPU, and I rise in support the bill as a private citizen, but I believe that it's weakness is the timeline for implementing such small increments.

I believe that minimum wage will be better for people, families, society; as well as businesses and consumers. Single mothers raising leaders of the future making minimum wage would have more choices if they didn't have to work 3-4 jobs. Single working parents could opt to go to school to increase their employability and create more value for the community

2. We need to increase minimum wage in order to restore the purchasing power of Hawaii's hard workers.

Cost of living is obviously high in Hawaii I dont think anyone would disagree \$7.25 is not a living wage

I am in favor of sustaining the minimum wage for tipped employees at \$7.00/hr for the near future.

Very Respectfully,

Kel sey J. Ri egert

--

Sent from my iPad 4 (W\ Retina Display)

LATE TESTIMONY

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 \$5.00 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.

Tip Credit Proposal

§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 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 \$5.00 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 3 times the Tip Credit taken. ~~more than the applicable minimum wage.~~



LATE TESTIMONY

LATE TESTIMONY

To: Committee on Labor and Public Employment

From: Melanie Bailey
T S Restaurants Hawaii
Human Resources Manager

Hearing: March 12, 2013 9am

RE: SB331 SD2 RELATING TO LABOR (**MINIMUM WAGE – INCREASE THE TIP CREDIT**)

We are in support of the intention to increase wages for low wage earners but request the following amendments. As minimum wage increases correspondingly increase the tip credit. An increase in the tip credit will enable restaurants to raise pay for non-tipped employees creating more equity in wages.

T S Restaurants is a family owned company with eight locations on Hawaii employing 1400 Hawaii residents.

Our minimum wage Front of the House employees, are tipped and with tips average over \$21 an hour, many make more than our managers do. Our non-tipped Kitchen employees average between \$12-14 an hour.

If minimum wage increases, all of the increase would go to the tipped Front of the House employees. None of our Kitchen employees are paid minimum wage. The increase will not increase kitchen wages and in fact may prevent increases in the future because if we increase the wages of our tipped employees, we will be hard pressed to continue to raise the rates of our back of the house support staff and wages for new hires may be reduced.

We feel this has the opposite effect of the intent of this bill, which we understand to be to increase the income of the lowest wage earners.

Restaurants pay taxes on every dollar an employee makes as tips. This can be anywhere from 7-15% per dollar. The tip credit is meant to assist in offsetting this expense.

Creating Equity:

If minimum wage is increased, correspondingly increase the tip credit. This way, restaurants can increase wages for the non-tipped employees who would benefit the most. The following suggested language maintains our tipped employees at the same rate of pay.

Thank you for your time.

SUGGESTED LANGUAGE-MIRRORS SB331

(b)

(1) Beginning January 1, 2014; a tip credit may be used in the amount of \$1.25 by the employee's employer as long as the combined amount the employee receives from the employee's employer and in tips is at least 50 cents more than the applicable minimum wage.

(2) Beginning January 1, 2015; a tip credit may be used in the amount of \$1.75 by the employee's employer as long as the combined amount the employee receives from the employee's employer and in tips is at least 50 cents more than the applicable minimum wage.

(3) Beginning January 1, 2016, and ending on June 30, 2016; a tip credit may be used in the amount of \$2.25 by the employee's employer as long as the combined amount the employee receives from the employee's employer and in tips is at least 50 cents more than the applicable minimum wage.

(4) An amount adjusted in accordance with subsection (c) beginning July 1, 2016, and a tip credit may be used in the amount of 30% of the applicable minimum wage.

SUGGESTED LANGUAGE-BASED ON PERCENTAGE (MAINE)

(b) **Tip credit.** An employer may consider tips as part of the wages of a service employee, but such a tip credit may not exceed ~~50%~~ 30% of the minimum hourly wage established in this section. An employer who elects to use the tip credit must inform the affected employee in advance and must be able to show that the employee receives at least the minimum hourly wage when direct wages and the tip credit are combined. Upon a satisfactory showing by the employee or the employee's representative that the actual tips received were less than the tip credit, the employer shall increase the direct wages by the difference.

SUGGESTED LANGUAGE-BASED ON FEDERAL LANGUAGE

Employers of "tipped employees" must pay a cash wage of at least ~~\$2.13~~ \$7.00 an hour if they claim a tip credit against their minimum wage obligation. If an employee's tips combined with the employer's cash wage of at least ~~\$2.13~~ \$7.00 per hour do not equal the minimum hourly wage, the employer must make up the difference.

Mahalo!

	Basic Combined Cash & Tip Minimum Wage Rate	Maximum Tip Credit	Maximum Wage for Tipped Employee	Definition of Tipped Employee by Minimum Tips received (monthly unless otherwise specified)
FEDERAL: Fair Labor Standards Act	\$7.25	\$5.12	\$2.13	More than \$30
STATE LAW WITH TIP CREDIT				
Hawaii	\$7.25	\$0.25	\$7.00	More than \$20, combined amount the employee receives from tips is at least 50 cents more than the applicable minimum wage.
West Virginia	\$7.25	20%	\$5.80	
Connecticut	\$8.25	31%	\$5.69	
New York	\$7.25	\$2.25	\$5.00	
Illinois	\$8.25	40%	\$4.95	\$20
North Dakota	\$7.25	33%	\$4.86	More than \$30
Arizona	\$7.80	\$3.00	\$4.80	
Florida	\$7.79	\$3.02	\$4.77	
Colorado	\$7.78	\$3.02	\$4.76	More than \$30
Iowa	\$7.25	\$2.90	\$4.35	More than \$30
Vermont	\$8.60	\$4.43	\$4.17	More than \$120
Ohio	\$7.85	\$3.92	\$3.93	More than \$30
Maine	\$7.50	50%	\$3.75	More than \$20
Missouri	\$7.35	\$3.68	\$3.68	
Maryland	\$7.25	\$3.62	\$3.63	More than \$30
Idaho	\$7.25	\$3.90	\$3.35	More than \$30
Rhode Island	\$7.75	\$4.86	\$2.89	
Pennsylvania	\$7.25	\$4.42	\$2.83	More than \$30
District of Columbia	\$8.25	\$5.48	\$2.77	
Michigan	\$7.40	\$4.75	\$2.65	
Arkansas	\$6.25	\$3.62	\$2.63	More than \$20
Oklahoma		\$3.62 or 50%		
Massachusetts	\$8.00	\$5.37	\$2.63	More than \$20
Wisconsin	\$7.25	\$4.92	\$2.33	
Delaware	\$7.25	\$5.02	\$2.23	More than \$30
Wyoming	\$5.15	\$3.02	\$2.13	More than \$30
New Hampshire	\$7.25	55%	45%	More than \$30
Alabama	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Georgia	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Indiana	\$7.25	\$5.12	\$2.13	
Kansas	\$7.25	\$5.12	\$2.13	More than \$20
Kentucky	\$7.25	\$5.12	\$2.13	More than \$30
Mississippi	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Nebraska	\$7.25	\$5.12	\$2.13	
New Jersey	\$7.25	\$5.12	\$2.13	
North Carolina	\$7.25	\$5.12	\$2.13	More than \$20
South Carolina	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
South Dakota	\$7.25	\$5.12	\$2.13	More than \$35
Tennessee	\$7.25	\$5.12	\$2.13	No minimum wage, follows Federal
Texas	\$7.25	\$5.12	\$2.13	More than \$20
Utah	\$7.25	\$5.12	\$2.13	More than \$30
Virginia	\$7.25	\$5.12	\$2.13	
New Mexico	\$7.50	\$5.37	\$2.13	More than \$30

from: <http://dol.gov/whd/state/tipped2012.htm>

LATE TESTIMONY

LATE TESTIMONY

Testimony for: SB331, SD2

From: Victor Lim [<mailto:victor.lim@partners.mcd.com>]
Sent: Monday, March 11, 2013 9:34 AM
To: Rep. Mark Hashem
Subject: Please do not pass the Senate Minimum Wage Bill

Dear Representative Hashem,

I respectfully ask that the committee does not pass SB 331 SD1 relating to the Minimum Wage. The increase will hurt my business at a time when the economy is slowly recovering. This Senate bill is way too rich for small businesses to absorb. The CPI portion of the bill is also bad because the issue is too important to not have the legislature not address it at a future interval.

Sincerely,

Victor Lim
1751 Laukahi St
Honolulu, HI 96821