



April 10th, 2014

State Senator Osten
State Representative Tercyak
Labor and Public Employees Committee
Room 3800, Legislative Office Building
Hartford, CT 06106

Re: Testimony in Support of SB 60: An Act Concerning Employee Gratuities

Dear Senator Osten, Representative Tercyak, and Members of the Labor and Public Employees Committee:

My name is Ana María Rivera Forastieri and I am the Legal and Policy Analyst at Junta for Progressive Action, the oldest Latino community based non-profit organization in the City of New Haven. On behalf of our Agency, and the 6,000 individuals and their families that we serve each year, we want to express our support to raise the minimum wage for tipped workers to 70% of the full minimum wage. We had previously testified on this matter when the minimum wage bill (SB 32) was discussed but in light of the joint substitute language addressing tipped workers through SB 60, we would like to restate our position.

Tipped workers are some of the most vulnerable low-wage workers in our state and they are continuously denied a fair increase in their wages. Unlike other workers, the fate of a tipped worker's earnings is influenced by the shift, the day and the restaurant. These workers are for the most part adults with real responsibilities whose lives are affected by a customer's decision to leave or not to leave a tip. Despite the need for further protection, at the urging of the Restaurant Association, last year the Connecticut Legislature expanded the tip credit which froze wages of tipped workers at \$5.69. With the new minimum wage increase to \$10.10, tipped workers will receive a modest increase but not what they should have received had the tip credit remained the same.

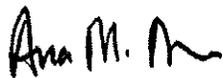
The Restaurant Association suggests that tipped workers make a decent living after tips--they argue that workers make on average \$20, \$25, \$30 an hour. Yet Connecticut DOL data shows that on average a tipped worker in Connecticut makes about \$9.26.ⁱ That is less than the new minimum wage law passed in our state. Another argument that is frequently used by the Restaurant Association is that employers are required to make up the difference when tips do not cover the minimum wage and therefore these employees are protected and will receive at the very least the full minimum wage. However, the US Department of Labor reports that there is widespread non-compliance with this regulation.ⁱⁱ Without an increased effort to crack down on employers that fail to follow the law, tipped workers are left at the mercy of customers.

Junta for Progressive Action

We believe the Connecticut legislature can help tipped workers by setting a tipped minimum wage of at least 70% of the full minimum wage, which would be \$7.07. Before the increase in the legislature last year, Connecticut was one of ten states that had set a higher minimum wage for tipped workers. Unfortunately, this progress was completely thwarted and we are no longer a leader on this issue. While states are moving toward higher tipped wages or eliminating the tip credit system all together, we have moved backwards and denied our workers a fair, predictable and living wage.

Once again, we strongly urge you to pass S.B. 60 and give this group of workers the raise that they need.

In solidarity,



Ana María Rivera-Forastieri

¹ Connecticut Dept' of Labor, *Labor Market Information, Waiters & Waitresses* (Nov. 30, 2013)

² Allegretto, S 2013. *Waiting for Change: is it Time to Increase the \$2.13 Subminimum Wage?*, Institute for Research on Labor and Employment, UC Berkley