



Connecticut Working Families Organization  
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March 5th, 2015

**Re: Testimony in favor of HB 6932, HB 6784, HB 6791, HB 6933, SB 858, SB 1037 and SB 914**

Senator Gomes, Representative Tercyak and Members of the Labor and Public Employees Committee, thank you for holding a hearing on these bills today.

My name is Ana María Rivera-Forastieri and I am the Political Director of the Connecticut Working Families Organization. Working Families organizes on behalf of working and middle class families on social and economic justice issues. We have historically advocated for laws and policies that improve the quality of life of workers and their families—good wages, affordable healthcare, workplace protections and the right to collectively bargain.

Despite the many victories that we have secured for workers in the state, women continue to face very serious disparities in a changing economy. The Census Bureau recently reported that the gender pay gap between men and women remains practically unchanged with women still making 78 percent of what men earn. For women of color, the gap is even larger—African American women make 64 percent and Latina women make 55 percent of what every white man makes.

Our economy is changing—more and more women are joining the workforce and becoming the breadwinners or co-breadwinners of their households. There are 179,335 households in Connecticut that are headed by women but unfortunately 25% of those households have incomes that fall below the poverty level.<sup>1</sup> We believe that there are many factors that contribute to the gender pay gap in our state and therefore closing it will actually require multiple policy changes that will ensure that women are guaranteed rights at the workplace, good wages and benefits.

For this reason, the Working Families Organization is supporting a number of bills that can start addressing the gender pay gap in Connecticut's economy:

**HB 6784, would expand Paid Sick Days to more workers.**

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<sup>1</sup>U.S. Census Bureau. (2012). American Community Survey 1-Year Estimates 2011, Geographies: All States within United States, Table DP02: Selected Social Characteristics in the United States. Retrieved 22 March 2013, from [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_11\\_1YR\\_DP02&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_11_1YR_DP02&prodType=table) (Calculation uses households headed by females living in a household with family and no husband.)

In 2011, the Connecticut General Assembly passed and our Governor signed a law establishing a Paid Sick Days program for workers in Connecticut. We were the first state to pass paid sick days legislation and we are incredibly proud of how successful the program has been. Over 250,000 workers in the service sector have benefited from the program since its inception and the industries that were covered by the law are growing at faster rate than many other industries in the state. In 2014, the Leisure and Hospitality industry and the Education and Health Services industry were the 2<sup>nd</sup> and 3<sup>rd</sup>, respectively, fastest growing industries of our economy.<sup>2</sup> This law has made a difference in the lives of hundreds of thousands of workers who no longer have to make the impossible decision of taking care of themselves or a loved one, or earning a paycheck. It has also paved the way for 17 additional jurisdictions, including Massachusetts and California, to pass their own version of paid sick days legislation.

### But now Connecticut is lagging behind.

While the law has been beneficial to many workers in Connecticut, many are still left out. The current law only applies to firms of 50 or more employees and the categories of employment covered by the law are too exclusive. This means that currently over 200,000 workers are prevented from earning any paid sick days.<sup>3</sup> Furthermore, there is a very long waiting period for part time workers to start using their paid sick days, because it is calculated in hours instead of days. For a full time worker, the waiting period is four months, but for a part time worker the waiting period can be between 8-12 months. Finally, the definition of family member is too narrow—only children and spouses are included.

### These restrictions are exclusive to Connecticut and must be changed.

The proposal before you will help address many of the issues that limit the usage of the program. It would reduce the threshold of employees from 50 to 10, it would eliminate the arbitrary categories of employment that are covered by the law, and it would change the waiting period from hours to days so that workers can get access to their earned sick leave more quickly. It would also expand the definition of family members to include parents, grandparents and siblings. This is especially important for women and their families, because women often assume caregiving responsibilities for their loved ones, which forces them to withdraw from the workforce.

## **HB 6932, which would create an income replacement Paid Family Leave Program**

While the Paid Sick Days legislation is a good short-term solution to an illness, like the flu or a cold, it is not enough to protect workers that need to take longer periods of times to take care of themselves or loved ones. Nearly every worker in his or her lifetime will have to take some period of time off to address a personal or family illness or to take care of a new child. Back in 1988, the Connecticut legislature recognized this need and became the first state to pass a Family and Medical Leave bill. The law provides job protection for hundreds of thousands of workers for specifically outlined reasons. It was an incredible step for the worker's rights movement and the law continues to be in the books today.

Unfortunately, FMLA is not working for most people in Connecticut for a couple of reasons. The first reason is that only employees of firms of 50 or more employees are covered. The second, and perhaps the most important reason, is that FMLA provides job protection but does not provide any type of

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<sup>2</sup> Connecticut restaurants buoy December jobs at <http://www.greenwichtime.com/business/article/Connecticut-restaurants-buoy-December-jobs-report-6040566.php>

<sup>3</sup> Source: IWPR Analysis of the 2011-2013 National Health Interview Survey and the 2012-2014 Current Population Annual Social and Economic Supplement.

income replacement to the worker. Very few workers actually have access to some type of paid family leave or short-term disability program.<sup>4</sup> Taking a couple of unpaid days off is often a burden for most workers, taking an unpaid extended period of time off can be financially catastrophic.

We cannot continue to ignore that this is a policy that needs to be changed if we want to guarantee economic security for all workers, but especially women.

Like previously stated, more and more women are joining the workforce and becoming breadwinners in their households. Our economy and our workforce are changing but women continue to assume the role of caregivers for children, parents and other family members. Workplace policies have not kept up with these changes. Policies that will affect predominantly working women have not been a priority and this has left families in a vulnerable position, when one of the main breadwinners of the household is forced to either leave the workforce or make adjustments to their schedules like cutting back on hours or changing jobs.<sup>5</sup> Research shows that women's average lifetime earnings are almost half a million dollars less over than a comparable male counterpart over the course of her 35-year working life.<sup>6</sup>

We need to find a solution to the issue and we believe the best alternative is a publicly administered Paid Family and Medical Leave Program

The system that is being suggested by this bill would be funded by very minimal employee contributions and would provide up to twelve weeks of paid leave at 100% of a workers wages (up to 1K a week). It will have essentially no cost to employers because it is being funded completely by employee contributions. The system is modeled after programs that have been successfully implemented in three states—California, New Jersey and Rhode Island.

While we agree with the concept of creating this Program, we must urge the Committee to amend the bill to eliminate the "opt-in" requirement. As currently drafted, Section 8 of the bill creates a system that is opt-in only. It requires workers to submit an application to the DOL to enroll in the program and having to wait a year before becoming eligible for benefits. This would make it really difficult for low wage workers and workers that have minimal access to resource or education about the program to access it. It would also make a program that is otherwise minimal in cost more expensive for those who select it because no one ever expects a terrible illness or misfortune to befall them, so fewer people will adopt the plan.

Please support this bill with the suggested amendment.

## **HB 6791, AA Workers' Wages at Large Corporations**

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<sup>4</sup> U.S. Bureau of Labor Statistics (2014, September) National Compensation Survey: Employee Benefits in the United States, March 2014 available at <http://www.bls.gov/ncs/ebs/benefits/2014/ebb10055.pdf>

<sup>5</sup> "What Does Research Tell us About Family Caregiving and Work?" AARP Public Policy Institute, 2014

<sup>6</sup> "Graduating to a Pay Gap: The Earnings of Women and Men One Year After College Graduation" American Association of University Women, October 2012, available at <http://www.aauw.org/files/2013/02/graduating-to-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation.pdf>

Often the most exploitative employers in Connecticut are large, profitable corporations. Corporations like Walmart, McDonald's, and others have developed money-making models that rely on their employees receiving public subsidies like HUSKY, Food Stamps, Earned Income Tax Credits, Housing, child care, and others. A lot of these offenders are large chains with enormous power and influence and executives that get paid exorbitantly. For example, McDonald's made 5.4 billion dollars in 2012 and paid its CEO \$13.7 million.<sup>7</sup>

Meanwhile, these employers keep wages for their workers extremely low to maximize their profits. Not getting paid a living wage is hard enough on workers as is, but these large companies are actively and knowingly taking advantage of all Connecticut taxpayers when they outsource their business costs to the rest of us. From 2007 to 2011, the public benefits programs that many of these low-wage workers have to rely on spent \$243 billion on American working families living in poverty.<sup>8</sup> Nationally it costs American taxpayers nearly \$7 billion dollars each year to provide public assistance to fast-food workers and their families. Wal-Mart workers at one single Wal-Mart Supercenter rely on public benefits ranging from 904,000 to 1.7 million per year,<sup>9</sup> and there are over 40 Wal-Mart locations in Connecticut. According to an OLR report from 2011 nearly 28,000 workers and their family members who were employed at Wal-Mart, McDonald's, Dunkin Donuts and 22 other huge companies were enrolled in HUSKY. Those who work hard for a living should not have to rely on public subsidies to obtain health insurance. These costs are borne by taxpayers and are costing our state millions of dollars, while these corporations enjoy the benefits.

A healthy safety net should be protected and it should be available to those who need it but it should not be exploited to subsidize corporate profits. This bill gives these large employers a choice, they can either pay their workers \$15 an hour or they can pay a fee of \$1 back to the state for the costs they are responsible for due to paying poverty wages. We believe this is a reasonable approach to the issue—one that will incentivize these corporations to pay their workers a decent hourly wage and hold them accountable to the workers and the public when they do not.

The only change that we would like to suggest to this bill is that the revenue collected from this fee should be earmarked to directly fill the needs of low-wage workers and their families. Please consider that funds go to the Department of Social Services to support and improve consumer-directed services for the elderly and disabled, and to the Office of Early Childhood to increase access to and to support and improve childcare and early learning programs for the children of low-wage workers. Every year more and more services for families are cut, we need to make sure that the revenue we collect is actually used to help the people that this bill is intending to protect.

### **HB 6933, AA Concerning Predictable Scheduling for Employees**

Today, more and more workers are paid by the hour, often at one or more part-time jobs. Many of these workers are juggling personal responsibilities and scattered work hours, and have little to no opportunity

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<sup>7</sup> "Super-sizing Public Costs: How Low Wages at Top Fast Food Chains Leave Taxpayers Footing the Bill" NELP, October 2013

<sup>8</sup> Allegretto SA, Doussard M, Graham-Squire D, Jacobs K, Thompson D, and Thompson J. Fast Food, Poverty Wages: The Public Cost of Low-Wage Jobs in the Fast-Food Industry. Berkeley, CA. UC Berkeley Center for Labor Research and Education, October 2013.

<sup>9</sup> The Low-Wage Drag on Our Economy: Wal-Mart's Low Wages and Their Effect on Taxpayers and Economic Growth, Democratic Staff of the U.S. House Committee on Education and the Workforce, May 2013

to discuss what their schedules will be for the foreseeable future. They are in essence workers “on-demand,” waiting for that call or that email that tells them they are needed at the worksite. This practice has become more and more common, especially in large retail and chain corporations that employ low-wage workers.<sup>10</sup>

Unpredictable scheduling is taking a toll on working families. Because workers often cannot get more than a moments notice about what their schedule will be it is hard for them to plan their lives. Responsibilities such as arranging child care, planning for transportation, budgeting to pay for bills and rent are constant but income fluctuates from day to day and from week to week. Women, especially women of color, are more likely to work at these low-wage jobs and thus are more exposed to this practice. The workplace dignity that we have been attempting to guarantee by passing workplace benefits and better wages for workers seems to be eroded by this growing phenomenon and we must put an end to it.

This bill will create reasonable workplace standards and give workers some stability so they can plan ahead and meet their responsibilities. There are many details in the bill but the most important elements to note are:

- The bill requires employers to provide a schedule to a worker at least 3 weeks in advance and give the worker the right to decline to work without retaliation any shifts that are scheduled without notice. Currently, an employee can to decline to work any unscheduled shifts but there is nothing in the law that protects them for being fired for doing so. This is especially hard on working parents who have to arrange childcare before coming in to work and risk losing their jobs if they are unable make the necessary arrangements.
- The bill also asks the employers for reasonable compensation of one-hour predictability pay, for each scheduled change, 4 hours of pay when a shift is cancelled. We believe this will encourage employers to create stable schedules for all workers; and
- The bill protects workers from unhealthy schedules that do not allow a worker to take a reasonable rest period. This will help end the unhealthy and now famously known “clo-pen” shifts, where workers are closing stores late at night and opening a few hours later.<sup>11</sup> In the United States there is no law that regulates intervals between shifts, except for very specific jobs.

One suggestion we want to make is that the bill should include language that allows a worker the right to request scheduling accommodations without retaliation. Currently, workers are not protected from retaliation if they make specific scheduling requests. If a worker asks for a change of schedule or if they simply ask to work certain days or certain hours, nothing protects them from being fired, having their hours cut, being demoted or some other form of punishment. We absolutely need to make sure that workers are able to request flexibility without jeopardizing their job.

**SB 858, would eliminate the tip credit system in Connecticut and create additional protections for tipped workers.**

Please refer to testimony submitted on behalf of the Working Families Organization by the Jerome N. Frank Legal Services Organization at Yale Law School. We have attached it to this testimony.

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<sup>10</sup> Working Anything but 9 to 5: Scheduling Technology Leaves Low-Income Parents with Hours of Chaos, NY Times 2014 available at: [http://www.nytimes.com/interactive/2014/08/13/us/starbucks-workers-scheduling-hours.html?\\_r=0](http://www.nytimes.com/interactive/2014/08/13/us/starbucks-workers-scheduling-hours.html?_r=0)

<sup>11</sup> “In service sector, no rest for the working” Telegram, 2015 available at <http://www.telegram.com/article/20150222/NEWS/302229941/1052>

**SB 1037 and SB 914, AA Concerning Employee Liens Against Employers for Unpaid Wages and AA Concerning an Employer's Failure to Pay Wages**

Wage theft is rampant in our country and too often employers get away with it. Often employers just consider the risk of not getting caught or having to pay back wages a business decision. The Stamford Day Laborer clinic reported that only about 30 % of judgments won in the wage theft cases they pursue are able to be collected. This is because many employers disappear and dissolve or hide their assets, making it very difficult for workers to collect their unpaid wages. Furthermore, the Connecticut statutes that protect workers from wage theft and allow for double damages in those types of cases places the burden of proving bad faith by the employer on the workers in order to collect double damages. This makes it very difficult for workers in Connecticut to collect double damages in cases of unpaid wages, and is inadequate as an incentive for employers to just comply with wage laws.

SB 1037 would allow workers to place a temporary hold on the property of the employer until the worker can collect their unpaid wages. SB 914 would mandate double damages in non-payment in cases where employers do not pay wages and would shift the burden to the employer to show that he, she or they acted in good faith when they failed to pay workers their wages.

Our current system does not do enough to discourage employers from this practice, since employers calculate that the benefits far outweigh the risks of being caught and penalized. These bills will create a higher standard of accountability for employers and a stronger chance of recovery for those workers that have been wronged.

Thank you for your time and consideration.

# The Jerome N. Frank Legal Services Organization

YALE LAW SCHOOL

## Testimony Concerning S.B. 858: *An Act Concerning Employees Who Customarily and Regularly Receive Gratuities and the Fair Minimum Wage*

TESTIMONY OF JACOB C. GOLDBERG, LAW STUDENT INTERN,  
WORKER & IMMIGRANT RIGHTS ADVOCACY CLINIC, YALE LAW SCHOOL,  
ON BEHALF OF CONNECTICUT WORKING FAMILIES ORGANIZATION

March 5, 2015

Chairman Gomes, Chairman Tercyak, and distinguished members of the Committee:

My name is Jacob Goldberg, and I am here on behalf of the Connecticut Working Families Organization (“WFO”). I am a student at Yale Law School and a member of the Worker and Immigrant Rights Advocacy Clinic, working under the supervision of attorney Michael Wishnie to represent WFO.<sup>1</sup>

WFO strongly supports the passage of SB 858. As currently phrased, this bill will reduce Connecticut’s “tipped credit” to 35 cents per hour. While WFO believes that this version is timely and necessary, WFO supports a stronger, simpler version of the bill. WFO believes the bill should eliminate the “tip credit” from Connecticut’s minimum wage—ending the practice of paying waiters, waitresses, bartenders, and other tipped workers a sub-minimum wage. WFO believes that the bill should stipulate that gratuities are the property of the employees for whom they are intended, protecting these workers’ earnings. Finally, WFO believes that the bill should ensure that employers do not take credit card fees out of tipped workers’ wages.

WFO believes that a strong version of SB 858 will provide clarity to the Connecticut Minimum Wage Act and protect many low-wage service workers in Connecticut, especially women, who are the significant majority of tipped workers.

### **Which Workers Will Benefit from SB 858?**

SB 858 should ensure that service workers who rely on tips are not paid a sub-minimum wage. Tipped workers make up a large part of the state’s workforce, and they are overwhelmingly low-wage workers. In the first quarter of 2014, there were nearly 27,000 waiters and waitresses and over 7,000 bartenders in Connecticut.<sup>2</sup> In the same period, the median wage was \$9.23 for Connecticut waitstaff and \$9.17 for bartenders.<sup>3</sup> The median annual wage for Connecticut waitstaff was \$19,206; for bartenders, it was \$19,065.<sup>4</sup>

Tipped workers are mostly adults supporting families. Nationally, 88% of tipped workers are older than 20.<sup>5</sup> The majority of tipped workers depend on a stable wage to meet real-world responsibilities, including rent, utilities, and childcare expenses.

Tipped workers are disproportionately female. Nationally, 72% of all tipped workers are women.<sup>6</sup> The typical full-time, year-round, female restaurant or hotel worker is paid only

79% of what her male counterpart earns. Female servers are paid only 68% of what their male counterparts earn, which results in average annual incomes of \$17,000 versus \$25,000.<sup>7</sup> A lower tipped wage contributes to gender inequities in pay.

Tipped workers are struggling. The poverty rate for servers is three times the national average, and they are twice as likely to depend on food stamps.<sup>8</sup> This higher poverty rate places a burden on taxpayers in the form of government benefits.<sup>9</sup>

### **Why Should Tipped Workers Receive the Minimum Wage?**

For low-wage workers like waiters and waitresses, every dollar counts. In the restaurant industry, where tips fluctuate, a fair base wage guarantees workers a predictable income every week, regardless of how much they receive in tips. While tips change from week to week, rents and bills remain constant. SB 858 will ensure that tipped workers receive the same wage protections as all other Connecticut workers.

A minimum wage for tipped workers is also necessary to protect consumers. Many customers don't know that there is a lower minimum wage for tipped workers, or that their tips make up part of a worker's core wage, rather than a bonus on top of it.<sup>10</sup> Customers believe they are rewarding the worker for good service, but the first portion of their tips go straight to employers without raising workers' pay. SB 858 will ensure that consumers who tip are providing extra pay to their servers, not subsidizing employers who have undercut wages.

Finally, a separate tipped minimum wage causes confusion for employers and employees because tracking wages earned from tips is difficult, and employer violations are common. While employers are required to make up the difference when tipped earnings fall short of the full minimum wage, this rule is largely ignored.<sup>11</sup> A recent White House report found that more than 1 in 10 workers in predominantly tipped occupations report hourly wages below the full federal minimum wage, including tips.<sup>12</sup>

### **A Sub-Minimum Wage Threatens Labor Standards for All Connecticut Workers**

A lower minimum wage for tipped workers undermines the fair minimum wage for all workers. In recent years, employers have tried to use the tip credit as a tool to chisel away at the fair minimum wage. For example, in 2013, food delivery employers petitioned the Department of Labor, asking that delivery workers be re-classified as tipped workers and therefore be subject to the tip credit.<sup>13</sup> Other employers may unlawfully attempt to pay their workers the tipped sub-minimum wage rather than Connecticut Minimum Wage.

Employer efforts to pay a sub-minimum wage are part of a national strategy by the restaurant industry. Across the country, lobbyists for the restaurant and hotel industry have attempted to freeze or cut the tipped minimum wage when a minimum wage increase had been proposed, as they did in 2014 in Hawaii, Minnesota, and New York.<sup>14</sup> In most states, restaurant industry lobbyists have not succeeded.

The industry has used this tactic successfully in Connecticut, however, in the past. In



Connecticut in 2013, the industry succeeded in expanding the tip credit and widening the gap between tipped workers and the rest of the workforce. Before 2013, employers had to pay tipped workers 69% of the state minimum wage. Now, after aggressive industry lobbying, employers have to pay tipped workers only 63.2% of the minimum wage. At best, this change shifted the burden of paying tipped workers from employers to customers. At worst, it lowered tipped workers' fixed wages without improving enforcement of the law that requires employers to make up the difference when tips fall short, leading to more widespread violations of the minimum wage laws.

### **Connecticut Can Join Other States and Be a Leader in Protecting Tipped Workers**

Other states and certain sectors of the federal government have recognized that tipped workers deserve the same basic labor protections as other workers. For example, in New York, a wage board recently increased tipped workers wages to \$7.50, or about 85% of the state's full minimum wage.<sup>15</sup> Seven states that have vibrant restaurant industries—California, Washington, Oregon, Minnesota, Montana, Alaska, and Nevada—have no tipped sub-minimum wage.<sup>16</sup> The President has supported raising the federal tipped minimum wage in large part because the requirement that employers make up the difference “is difficult to enforce.”<sup>17</sup>

### **SB 858 Closes Loopholes in the Current Law and Ensures that Workers Will Receive Their Tips**

SB 858 should provide that tips are the property of employees for whom they are intended. Currently, no provision in Connecticut law confirms that gratuities intended for service workers are the property of these employees. This statute would bring Connecticut in line with federal regulation, which already provide that tips are property of the employees who receive them.<sup>18</sup>

SB 858 should also ensure that employers may not take credit card fees out of tips that belong to an employee and must transmit tips paid through credit cards no later than the following payday. This provision ensures that workers will receive gratuities no matter the method of payment from the customer. It ensures that workers can receive the entire amount of the gratuities intended for them.

SB 858 should prevent erosion of the minimum wage in Connecticut. It should provide clarity in labor standards: workers, employers, and customers should no longer be confused about what amounts are owed tipped workers, and inadvertent violations of the law will be curtailed. Finally, this bill should ensure that many low-wage Connecticut service workers—who have been left behind in previous minimum wage increases—can enjoy the wage protections afforded all Connecticut workers.

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<sup>1</sup> The views stated here do not purport to represent the opinions of Yale Law School, if any.

<sup>2</sup> Connecticut Dep't of Labor, *Connecticut Labor Market Information* (February 27, 2015).

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<sup>3</sup> Connecticut Dep't of Labor, *Labor Market Information, Waiters & Waitresses* (February 27, 2015).

<sup>4</sup> *Id.*

<sup>5</sup> Sylvia A. Allegretto & Kai Fillion, *Waiting for Change: The \$2.13 Federal Subminimum Wage*, ECONOMIC POLICY INSTITUTE & INSTITUTE FOR RESEARCH ON LABOR AND EMPLOYMENT AT UNIVERSITY OF CALIFORNIA AT BERKELEY (February 23, 2011).

<sup>6</sup> *Id.*

<sup>7</sup> RESTAURANT OPPORTUNITIES CENTER UNITED, *TIPPED OVER THE EDGE: GENDER INEQUITY IN THE RESTAURANT INDUSTRY* (February 2012).

<sup>8</sup> Saru Jayaraman, *Raise Base Wages*, N.Y. TIMES ROOM FOR DEBATE (June 23, 2013).

<sup>9</sup> RESTAURANT OPPORTUNITIES CENTER UNITED, *supra* note 6.

<sup>10</sup> Mark Bittman, *A Valentine for Restaurant Workers*, N.Y. TIMES (Feb. 13, 2014) (“many well-educated professionals, even high-ranking city officials, don’t know about [the tipped minimum wage]”).

<sup>11</sup> Bittman, *supra* note 12; ASPEN INSTITUTE, *REINVENTING LOW WAGE WORK: IDEAS THAT CAN WORK FOR EMPLOYEES, EMPLOYER, AND THE ECONOMY 2* (2011); RESTAURANT OPPORTUNITIES CENTER UNITED, *BEHIND THE KITCHEN DOOR: A MULTI-SITE STUDY OF THE NATION’S RESTAURANT INDUSTRY 69-102* (2011). *See also Shahriar v. Smith & Wollensky Restaurant Group*, 659 F.3d 234 (2d Cir. 2011) (employer pooled tips with non-tipped employees and failed to compensate tipped workers); *Penn v. Outback Steakhouse of Florida*, 913 A. 2d 1160, 1172 (employer did not record amount of gratuities claimed against tip credit).

<sup>12</sup> The White House, “The Impact of Raising the Minimum Wage on Women and the Importance of Ensuring a Robust Tipped Minimum Wage” (March 2014).

<sup>13</sup> Petition for Declaratory Ruling and Petition for Regulation, *In re Amaral Brothers Pizza*, Conn. Dep’t of Labor (Oct. 16, 2013).

<sup>14</sup> RESTAURANT OPPORTUNITY CENTER, *REALIZING THE DREAM: HOW THE MINIMUM WAGE IMPACTS RACIAL EQUITY IN THE RESTAURANT INDUSTRY AND IN AMERICA 7* (June 19, 2013).

<sup>15</sup> Patrick McGeehan, *Minimum Wage for New York City’s Tipped Workers Will Increase to \$7.50*, NYT, February 24, 2015.

<sup>16</sup> US Dep’t of Labor, *Minimum Wage for Tipped Employees* (Jan. 1 2015).

<sup>17</sup> The White House, “The Impact of Raising the Minimum Wage on Women and the Importance of Ensuring a Robust Tipped Minimum Wage” (March 2014).

<sup>18</sup> 29 C.F.R. § 531.52

Pre-Reform #'s Without PSD	Without PSD
1 to 9 Employees (All Occs/Inds)	94,377
10-49 Employees (All Occs/Inds)	82,479
50-99 Employees (No Manuf/Service Only)	17,228
100-499 Employees (No Manuf/Service Only)	28,065
500-999 Employees (No Manuf/Service Only)	10,126
1000+ Employees (No Manuf/Service Only)	62,003
<b>Total Currently Carved Out</b>	<b>294,278</b>

\*Current law prevents 294,000 workers from earning PSD

\*If the law were expanded to include all occupations and industries (while keeping the <50 employee exemption), 117,400 workers would gain access

\*If the law were expanded to include all occupations and industries as well as lowering the firm size threshold to 10 or more employees, nearly 200

\*Under the currently proposed amendments, 94,400 workers would be carved out.

Source: IWPR Analysis of the 2011-2013 National Health Interview Survey and the 2012-2014 Current Population Annual Social and Economic Su