
OLR Bill Analysis

sSB 1177

AN ACT CONCERNING ONE FAIR WAGE.

SUMMARY

This bill removes the law's "tip credit" provision, which currently allows employers to pay hotel and restaurant staff and bartenders who customarily receive tips less than the minimum wage, as long as their tips make up the difference. Under current law, the tip credit allows employers to pay hotel and restaurant staff \$6.38 per hour and bartenders \$8.23 per hour, as long as their tips make up the rest of the minimum wage requirement (currently \$14.00 per hour). Removing the tip credit requires employers to pay these employees at least the full minimum wage. By law, the minimum wage increases to \$15.00 per hour on June 1, 2023, and then beginning January 1, 2024, it will be annually adjusted based on changes to the federal employment cost index (CGS § 31-58).

The bill also removes provisions that allow employers, under certain conditions, to pay less than the minimum wage to learners, apprentices, and people under age 18 (minors) unless they are emancipated minors. In doing so, the bill similarly requires that learners, apprentices, and unemancipated minors be paid at least the full minimum wage. Under current law, unemancipated minors may generally be paid as low as 85% of the minimum wage for their first 90 days of employment.

Lastly, the bill makes conforming changes to remove provisions that (1) specify how certain tip-credit-related lawsuits must be adjudicated and (2) prohibit employers from displacing employees to hire minors at a sub-minimum wage.

EFFECTIVE DATE: October 1, 2023

BACKGROUND

Learners

Under current regulations, “learners” are students in an established vocational training program for an occupation that is not apprenticeable but has a long training period. They may be paid a sub-minimum wage for up to 200 hours in an approved training program with written permission from the labor commissioner (Conn. Agencies Regs., § 31-60-7).

Apprentices

Under current regulations, an “apprentice” is someone at least age 16 who is employed to learn a skilled trade in a bona fide apprentice program approved by the Connecticut State Apprenticeship Council. An employer must have permission from the labor commissioner for each apprentice paid less than the minimum wage (Conn. Agencies Regs., § 31-60-8).

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8 Nay 4 (03/21/2023)