



Legislation Text

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Res. No. 511

Resolution calling on the New York State Department of Labor to eliminate the tipped minimum wage for workers in impacted industries, such as restaurants, nail salons, and car washes, and provide tipped workers with New York State's full minimum wage.

By Council Members Moya, Kallos, Adams, Salamanca and Barron

Whereas, The tipped minimum wage in New York State allows for employers in tipping industries to satisfy the minimum wage by combining a "cash wage" with a credit or allowance for tips that the employees receive from customers; and

Whereas, According to the National Organization for Women New York City (NOW NYC), the tipped minimum wage causes workers to be paid a subminimum wage and results in low annual earnings, rampant sexual harassment, wage theft, exploitation of immigrant workers, and dangerous work conditions; and

Whereas, The National Employment Law Project (NELP) reports that poverty rates are higher in states where there is a tipped minimum wage, while in states that have eliminated the tipped minimum wage, poverty rates among workers in tipped occupations are about one-quarter lower: 10.8% versus 14.5%; and

Whereas, NOW NYC substantiates this claim of increased poverty rates with examples in New York industries: restaurant servers, 61% of whom are women, experience poverty at more than double the statewide rate, making an annual median income of just \$22,000 a year, including tips; nail salon workers, who at times, can be expected to work 84 hours a week, make an annual median income of just \$21,200; and car wash workers may take home as little as \$125 a week with a lack of breaks and a reliance on weather for work; and

Whereas, According to the Center for American Progress, the restaurant industry (about 81% of all tipped employees) and the hospitality industry account for the largest source of sexual harassment charges filed

by women through the Equal Employment Opportunity Commission, with many workers experiencing harassment and racial bias due to their dependence on tips; and

Whereas, In addition, many tipped industries operate primarily in cash, a practice that, when combined with poor bookkeeping practices, a complex tipped wage system, and a large immigrant workforce, contributes to increased opportunities for wage theft and exploitation; and

Whereas, According to the U.S. Department of Labor (DOL), in Fiscal Year 2017, the Wage and Hour Division found more than \$270 million in back wages for more than 240,000 workers, of which included more than 21,000 cases with violations regarding minimum wage and overtime; and

Whereas, Also, in tipped industries, like car washes and nail salons, there is no customary tipping practice, and often customers do not tip at all, further reducing worker pay; and

Whereas, Eliminating the tipped minimum wage in New York State and raising tipped workers' wages to the full state minimum wage will ensure employees in tipped industries earn a stable, livable wage, on top of any tips received for quality service; and

Whereas, Restaurant Opportunities Centers United notes that in the seven states that have eliminated the tipped minimum wage, poverty rates and sexual harassment claims are lower than the rest of the country, tipping rates in the restaurant industry are the same or better, and the restaurant industry is thriving; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Department of Labor to eliminate the tipped minimum wage for workers in impacted industries, such as restaurants, nail salons, and car washes, and provide tipped workers with New York State's full minimum wage.

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