
SENATE BILL 5523

State of Washington 52nd Legislature 1991 Regular Session

By Senators West, McDonald, Matson, Vognild, Newhouse, Anderson, McMullen, Williams, Amondson and von Reichbauer.

Read first time February 5, 1991. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to crediting tips for state minimum wage
2 requirements; and amending RCW 49.46.020 and 49.46.150.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 49.46.020 and 1989 c 1 s 2 (Initiative Measure No.
5 518) are each amended to read as follows:

6 (1) Every employer shall pay to each of his or her employees who
7 has reached the age of eighteen years wages at a rate of not less than
8 ((three dollars and eighty-five cents per hour except as may be
9 otherwise provided under this section. Beginning January 1, 1990, the
10 state minimum wage shall be)) four dollars and twenty-five cents per
11 hour, except as otherwise authorized under this chapter.

12 (2) (a) For the purposes of this section, to determine the wage of
13 a tipped employee, the amount paid to the employee by his or her
14 employer shall be deemed to be increased on account of tips by an

1 amount determined by the employer, subject to the following
2 limitations:

3 (i) The amount of increase for tips shall not exceed the amount of
4 tips reported to the employer by the employee for federal income tax
5 purposes, or the amount allocated by the employer as income of the
6 employee for federal income tax purposes in lieu of the employee
7 reporting tips;

8 (ii) The amount of increase for tips determined by the employer in
9 lieu of the employee reporting tips shall not exceed the value of tips
10 actually received by the employee; and

11 (iii) The amount of increase for tips shall not exceed fifty
12 percent of the minimum wage required under this chapter.

13 (b) This subsection shall not apply to a tipped employee unless the
14 employee has been notified by his or her employer of the provisions of
15 this subsection and the employee has retained all tips received by the
16 employee. Nothing in this subdivision (b) shall be construed to
17 prohibit the pooling of tips among employees who customarily and
18 regularly receive tips.

19 (3) The director shall by regulation establish the minimum wage for
20 employees under the age of eighteen years. For tipped employees under
21 the age of eighteen years, the regulations shall allow a method of
22 computing the minimum wage that takes into account tips received by the
23 employee in a manner consistent with subsection (2) of this section.

24 (4) For the purposes of this section, "tipped employee" means an
25 employee employed in an occupation in which he or she customarily and
26 regularly receives or is allocated more than thirty dollars per month
27 in tips.

28 **Sec. 2.** RCW 49.46.150 and 1989 c 1 s 4 (Initiative Measure No.
29 518) are each amended to read as follows:

1 (~~Beginning January 1, 1991, and~~) Prior to January 1 of each odd-
2 numbered year (~~thereafter~~), the office of financial management shall
3 review the state minimum wage and make recommendations to the
4 legislature and the governor regarding its increase. The report shall
5 include recommendations regarding the computation of the state minimum
6 wage for tipped employees under RCW 49.46.020.