
HOUSE BILL 3114

State of Washington

55th Legislature

1998 Regular Session

By Representatives McMorris, Kessler, Wolfe, Lantz, Quall, Anderson, Dyer, Buck, Morris, Clements, Lisk, Gombosky, Linville, Boldt, Honeyford and Doumit

Read first time 02/04/98. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to tipped employee health care insurance; and
2 adding a new section to chapter 49.46 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 49.46 RCW
5 to read as follows:

6 (1) All tips given to a tipped employee by a customer are the
7 property of the employee, and the employer may not require that an
8 employee give the employee's tips to the employer. An employer may
9 consider tips as wages in satisfying the requirements of RCW 49.46.020
10 with respect to the amount that the minimum wage rate in effect under
11 RCW 49.46.020 exceeds five dollars and fifteen cents per hour, if the
12 employer offers health care insurance coverage to the tipped employee.
13 The offer of health care insurance coverage must be as follows:

14 (a) During the one-year period following the date that the minimum
15 wage rate in effect under RCW 49.46.020 first exceeds five dollars and
16 fifteen cents, the employer must offer health care insurance coverage
17 to full-time tipped employees, as defined in this section, not later
18 than six months from the date of hire, or from the date health care

1 insurance coverage is first offered to existing employees, and must pay
2 not less than eighty percent of the total cost of the premium.

3 (b) During the second one-year period following the date that the
4 minimum wage rate in effect under RCW 49.46.020 first exceeds five
5 dollars and fifteen cents, and thereafter, the employer must offer
6 health care insurance coverage to full-time tipped employees, as
7 defined in this section, not later than three months from the date of
8 hire, or from the date health care insurance coverage is first offered
9 to existing employees, and must pay not less than fifty percent of the
10 total cost of the premium. Not later than six months from the date of
11 hire, or from the date health care insurance coverage is first offered
12 to existing employees, the employer must pay eighty percent of the
13 total cost of the premium.

14 (c) Part-time employees, as defined in this section, must be
15 offered health care insurance coverage as follows:

16 (i) If the employer's health care insurance plan eligibility covers
17 the number of hours worked, the employer must offer the same coverage
18 as set forth in (b) of this subsection.

19 (ii) If the employer's health care insurance plan does not include
20 eligibility because of the number of hours worked, the employer must
21 offer to pay one-half of the total premium for the individual
22 unsubsidized basic health plan coverage, as established under chapter
23 70.47 RCW, with the same waiting periods as set forth in (b) of this
24 subsection.

25 (d) The employer's health care insurance plan offered to tipped
26 employees must, at a minimum, meet the standards of the basic health
27 plan, as established under chapter 70.47 RCW. An employer offering
28 health care insurance under the provisions of this section may not
29 terminate the plan before one year from the date the plan was first
30 offered.

31 (e) The minimum wage paid under the provisions of this section must
32 be fifty percent of the wage rate in effect under RCW 49.46.020, but
33 not less than five dollars and fifteen cents per hour.

34 (2) For the purposes of this section:

35 (a) "Tipped employee" means an employee engaged in an occupation in
36 which the employee customarily and regularly receives more than thirty
37 dollars per month directly from customers as gift or gratuity in
38 recognition of some service performed.

1 (b) "Tips" means all sums presented by a customer to a tipped
2 employee as gift or gratuity in recognition of some service performed
3 by the tipped employee.

4 (c) "Full-time tipped employee" means a tipped employee who
5 regularly works eighteen hours or more per week.

6 (d) "Part-time tipped employee" means a tipped employee who
7 regularly works less than eighteen hours per week.

8 (3) Nothing in this section alters the terms, conditions, or
9 practices contained in any collective bargaining agreement in effect at
10 the time of the effective date of the act.

11 (4) An employer offering health care insurance under this section
12 must inform prospective employees of the coverage that is offered and
13 of the minimum wage to be paid.

14 (5) An employer electing to provide health care insurance under
15 this section must provide affected employees with thirty days' notice
16 of the employer's intent to implement the provisions of this section.

17 (6) An employer electing to provide health care insurance under
18 this section must provide thirty days' notice of the open enrollment
19 period and of the next available open enrollment period if coverage is
20 declined.

21 (7) An employer electing to terminate a health care insurance plan
22 provided under this section must provide each affected employee with no
23 less than thirty days' written notice of the employer's intent to
24 terminate the plan. The notice must include information regarding
25 continuation of coverage options as applicable under relevant state and
26 federal law.

27 (8) An employer electing not to provide health care under this
28 section must pay each employee at least the minimum wage.

29 (9) The provisions of Title 48 RCW apply to this section.

30 (10) The department of labor and industries must adopt rules
31 concerning verification that a health care insurance plan meeting the
32 terms of this section is offered to tipped employees, that each
33 employee has enrolled or declined, and that the notice required by this
34 section is provided by employers opting to pay the minimum wage under
35 the provisions of this section.

36 (11) The legislature must review this section in the year 2004 with
37 respect to: This section's impact upon tipped employees, considering
38 the current and projected minimum wage differential and tip income, and
39 the cost, including an assessment of premium inflation, and adequacy of

1 health care insurance for employees and employers; the degree of
2 employee and employer participation in health care insurance coverage;
3 and the incentives under this section for employers to make health care
4 insurance available to the maximum possible number of employees, and
5 the incentives for employees to opt to accept coverage.

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