

SENATE BILL REPORT

SB 6638

As of February 1, 2002

Title: An act relating to the payment of wages to tipped employees.

Brief Description: Describing wage payment to tipped employees.

Sponsors: Senators Stevens, Rossi, Morton, Sheahan, Benton, Deccio, Hochstatter, Horn, Swecker and Hale.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/6/02.

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Staff: Matthew Adams (786-7784)

Background: Under the Minimum Wage Act, employers must pay a minimum hourly wage to their employees who have reached the age of 18. In 1998, Washington voters approved Initiative 688. The initiative changed the calculation of the state's minimum wage.

Current law requires the Department of Labor and Industries to adjust the minimum wage by the rate of inflation. The adjusted minimum wage rate is calculated to the nearest cent using the Consumer Price Index for the 12 months prior to each September 1. Each adjusted minimum wage rate takes effect on the following January 1. The minimum hourly wage is currently \$6.90.

The Minimum Wage Act does not establish the minimum wage for tipped employees.

Summary of Bill: The definition of a "tipped employee" is added. Tipped employees are employees who customarily and regularly receive more than \$50.00 per month in tips.

All employers must pay minimum wages to their tipped employees who have reached the age of 18. The minimum wage for tipped employees is established. The minimum wage rate must be calculated under current law, or by adding \$6.72 per hour plus an additional amount that may not exceed the actual value of the tips received by the employee.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.