

Supporters of the Tip Credit in New York

Governor Andrew Cuomo has proposed to eliminate the minimum wage tip credit in New York State. This will have a severe negative impact on all restaurants and their employees

- Federal law and most states allow tipped workers to be paid a lower minimum wage, as long as they earn at least the full minimum wage when tips are included. (The difference between the tipped wage and the full minimum wage is called the "tip credit.")
- The tip credit allows restaurant owners to keep labor costs down, while keeping it affordable for people to dine out. If the tip credit is removed, restaurants will be forced to raise their prices drastically to help cover costs.
- This will make it very difficult for average citizens to eat go out to eat. Furthermore if they can afford to go out to eat, they will not be inclined to tip a server that is making the same as everyone else.
- The problem would be even worse than this though. Eventually the service standards that are now practiced at most restaurants would no longer exist.
- A restaurant will not be able to afford to fully staff their service floors which will lead to less people working and more automated service.
- The restaurant industry in America is unique, and survey data proves that both tipped workers and the public prefer the current tipping model. Restaurant workers often look at themselves as commission-based sales people--the more they sell the more they make.
- In addition, they are rewarded when they give guests exceptional experiences. Guests appreciate that they can show their satisfaction through tipping; it is a way to show their respect for a server executing his/her craft.
- Far from being demeaning, as some activist organizations have claimed, the tipping system is empowering for servers and bartenders.

This is really only the beginning of all the things wrong with getting rid of the tip credit. What can you do? The State Labor Department will be holding hearings across the state to get feedback on this proposal from those impacted by it. You can sign-up to attend one the hearings – whether you want to speak or not:

- Online: www.labor.ny.gov/subminimum
- Email: hearing@labor.ny.gov
- Phone: 518-457-5519
- Fax: 518-485-1126
- Mail: New York State Department of Labor
ATTN: Subminimum Wage Hearing
Building 12, Room 588
Harriman State Office Campus
Albany, NY 12240

You can also join the Facebook Group – Supporters of the Tip Credit – a group administered by a server on behalf servers' interest to stay engaged in this campaign or check out the Save NY Tips website, www.SaveNYTips.org.