

Crunched From the Coasts:

New/Proposed NY & CA Wage Legislation and Strategies for Handling

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New York Commissioner of Labor Increases Minimum Cash Wage for Tipped Employees Effective December 31, 2015

	Current	December 31, 2015
Food Service Worker (servers, bussers, runners)	\$5.00	\$7.50 in New York \$8.50 in NYC if increase in NYC minimum wage
Non Food Service Workers (coat check, valet, delivery)	\$5.65	\$7.50 in New York \$8.50 in NYC if increase in NYC minimum wage

CALIFORNIA MINIMUM WAGE

- Currently \$9 per hour, to \$10 per hour on January 1, 2016, with no tip credits
- Assembly Bill 669, introduced February 25, 2015, affecting tipped employees
 - Tipped employee minimum wage \$9 per hour
 - If less than \$15 with tips, employer pays to state minimum wage
 - Would supersede some local minimum wage laws (for now)

CALIFORNIA LOCAL MINIMUM WAGE ENACTED

- Berkeley \$10.00 now, \$11 October 2015, \$12.53 October 2016
- Oakland \$12.25 per hour
- Richmond \$9.60 now; \$11.62 January 2016, \$12.30 January 2017, \$13.00 January 2018, thereafter tied to inflation
- San Francisco \$10.74, Mayor backs higher minimum
- San Jose \$10
- Sunnyvale \$10.15

PENDING AND FAILED CALIFORNIA INITIATIVES

Pending

- San Diego \$9.75
- Los Angeles \$13.25 Mayor backed, \$15.25 Board of Supervisors investigating
- Emeryville \$14.42 City Council considering

Failed

- Eureka \$12 Measure R Failed

STRATEGIES FOR MOVING FORWARD

Option 1: Take No Tip Credit And Eliminate Tipping

- Pay All Tipped Employees At Least Minimum Wage of \$9.00/Hour
- Simplest Way To Comply With Law
- Lack Of Incentive To Provide Top-Notch Service

STRATEGIES FOR MOVING FORWARD

Option 2: Take No Tip Credit, But Continue Tipping

- Pay All Tipped Employees At Least Minimum Wage of \$9.00/Hour
- Tip Pool Compliance

STRATEGIES FOR MOVING FORWARD

Option 3: Take No Tip Credit, Eliminate Tipping and Charge Administrative Fee

- Pay All Tipped Employees At Least Minimum Wage Of \$9.00/Hour And Supplement With Administrative Fee
- Specific Required Disclosures
- Overtime Issues

STRATEGIES FOR MOVING FORWARD

Option 4: Business As Usual

- Pay All Tipped Employees \$7.50 And Take \$1.50 Tip Credit
- 80/20 Rule
- Tip Pool Compliance

MORE NEWS

- New York State to Consider Eliminating Tip Credit System In Its Entirety
- California Scheduling Ordinance mirroring San Francisco Ordinance



More Questions?



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