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KENTUCKY YMCA YOUTH ASSOCIATION KENTUCKY YOUTH ASSEMBLY Legislative Bill

Referred to Committee: Senate 3

Red | Bill # 33

Authors: Danielle Gibson, Timothy Douglas, Ian Edgington	Action on the Bill	
School: Mason Co. HS	House	Senate
City: Maysville	□ Passed □ Defeated	□ Passed □ Defeated
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An act to require Kentucky employers to pay tipped-workers the full federal minimum wage, before tips.

Be it enacted by the Youth Assembly of the Commonwealth of Kentucky

Section 1: Currently, two minimum wage rates exist: \$7.25 an hour for all employees, and a minimum wage of \$2.13 an hour for tipped-workers. Tipped workers include waiters or waitresses, bus-boys and bartenders. These employees depend upon tips to compensate for the bulk of the income they otherwise lack due to the low hourly rate. Tips are erratic and unpredictable, varying from shift to shift and season to season. With this in mind, tipped workers face financial hardship during downturns in the economy, when they are harder hit than many others.

Section 2: This bill requires the state of Kentucky to raise the base, or minimum wage, for tipped-workers from \$2.13 an hour to at least the federal minimum wage of \$7.25 an hour, before tips are counted into the salary. Raising the minimum wage for tipped-workers would improve economic security and stability for the vast majority of these low-paid workers, and overall, in Kentucky.

Section 3: Restaurants and other establishments could afford to raise tipped minimum wage says a 2013 analysis by University of California and Berkley. Therefore, no funds to little funding will have to be taken from the state budget to ensure the success of this bill.

Section 4: Compliance with this bill will be overseen by the Kentucky Labor Cabinet's Division of Employment Standards, Apprenticeship and Mediation, which handles issues relating to wages and hours, and which reviews wage records and completes checks of establishments with tipped workers.

Section 5: If a restaurant or establishment is found to be non-compliant, a fine of \$1,000 will be charged for the first offense, and the fine amount would increase to no more than \$3,000 if they were still non-compliant at a later time. If an establishment has multiple offenses, legal action will be considered.

Section 6: This will be enacted as of January 1, 2015 following passage.