

**My name is Richard Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#/0803, Labor and Employment - Payment of Minimum Wage - Tipped Employees.**

Before retirement in 2018 I worked in restaurants as a server for over 10 years on and off. The dirty secret the restaurants don't share is that we have to report ALL of our credit tips and are asked to declare all of our cash also (though NO ONE really does). Then they add the small wage amount and credit and reported cash and TAX US ON THE TOTAL! So your great credit tip for my excellent service I do not see for two weeks and they take the 18% taxes (plus my benefits) from it! How then is 50% tip credit workable.

And do NOT let the restaurants tell you their employees AVERAGE more than the projected minimum wage increase - what number of sales and customer counts and tips do you think I would have had if this was a brutal winter like much of the country has experienced? The tips, if I could even make it into work, would be way down - but our bills are still the same not adjusting for inflation in food and heating and rent and gas costs! We need to begin the transition away from making customers the arbiters of the worth of tipped workers and towards the full cost being borne by the employer. In my experience, minority employees make less in tips for the same check cost than white males. And female employees should not have to flirt or unbutton their blouses to get a table of businessmen to tip at a higher amount, an action I observed multiple times from my younger female workers.

Minimum wage and tipped workers have seen the real value of their wages decrease because the cost of living keeps rising, while wages have stayed the same. The purchasing power of wages plus tips is not permitting those workers to move out of poverty. 71 percent of low-wage employers are corporations with over 50 employees, not small businesses. Many corporations that rely on the labor of low-wage workers are posting record-breaking profits. Giving low-wage workers a raise through this legislation helps close the wealth gap. Lawmakers in the Maryland General Assembly have a responsibility to raise compensation so that hardworking Marylanders can realize the value of their labor to support themselves and their families.

This bill addresses a commonsense approach to removing families from economic distress and provides increased equity and justice to those struggling in poverty. Stronger families mean a stronger economy and a stronger Maryland. **I respectfully urge this committee to return a favorable report on SB0555.**