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TESTIMONY ON SB#0160 - FAVORABLE
Labor and Employment - Payment of Minimum Wage - Tipped Employees

TO: Chair Beidle, Vice Chair Klausmeier, and members of Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0160, Labor and Employment - Payment of Minimum Wage - Tipped Employees

Before retirement I worked in food service. I made \$3.63/hr plus tips. From that \$3.63 and the reported tips I had to pay taxes and the high cost of the limited insurance benefits. In weeks in which, for many reasons, I did not work at least 24 hours in the week I found my paycheck did not cover the full cost of the benefits. In one year I had to write a check to the insurance company to make up the shortfall. Without full wage payment this situation is being repeated around the state.

While my employer is supposed to make up the difference between the tip credit and my reported tips this is based on a bi-weekly pay cycle. So on a day in which the weather prevents people from coming into the restaurant the daily earnings are minimal. I lived closest of all but two other people to my restaurant. In a snowstorm in which the government urged we stay off the roads I had to come in to at least try and earn some income. I worked five hours and made only fourteen dollars. I had a bill due that week in which the paycheck was the following week. The bad weather over four days meant I did not have the income needed to pay bills on time leading to late payment fees plus falling further behind on my bills.

Lastly, with tip income varying based on working conditions – date worked, hours on shift, assigned tables, size of check at that table, turnover time (a guest party leaving and another being seated), weather, etc. a server cannot budget or have the ability to handle financial emergencies.

Tipping is a sad inheritance of a racial disparity in which restaurant owners made their predominately African American wait staff be motivated to work harder to earn what the owners would not pay them. Tip amounts even today are less for minorities and men in many establishments. This bill will remove the threat of poverty from the workers and permit them to be fairly compensated for their labor.

I respectfully urge this committee to return a favorable report on SB0160.