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1997 Regular Session 7lr1905

| Committee Report: Favorable with amendments House action: Adopted Read second time: March 12, 1997 CHAPTER 1 AN ACT concerning 2 Tipped Employees - Computation of Wages 3 FOR the purpose of altering the method of computation of certain wages for certain 4 employees who receive tips to be consistent with the Federal Fair Labor Standards 5 Aet; providing for the effective date of this Act; and generally relating to 6 compensation of employees who receive tips. 7 BY repealing and reenacting, without amendments, 8 Article Labor and Employment 9 Section 3 401(d) 10 Annotated Code of Maryland 11 (1991 Volume and 1996 Supplement) 12 BY repealing and reenacting, with amendments, 13 Article - Labor and Employment 14 Section 3-419 15 Annotated Code of Maryland 16 (1991 Volume and 1996 Supplement) 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 18 MARYLAND, That the Laws of Maryland read as follows: 19 Article - Labor and Employment | House action: Adopted | | |
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(d) "Federal Act" means the federal Fair Labor Standards Act of 1938.

22 July <u>September</u> 1, 1997.

| 1 | 3-419. |
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| 2 | (a) (1) This section applies to each employee who: |
| 3 4 | (i) is engaged in an occupation in which the employee customarily and regularly receives more than \$30 each month in tips; |
| 5 6 | (ii) has been informed by the employer about the provisions of this section; and |
| 7 | (iii) has kept all of the tips that the employee received. |
| 8 9 | (2) Notwithstanding paragraph (1)(iii) of this subsection, this section does not prohibit the pooling of tips. |
| 10 11 | (b) Subject to the limitations in this section, an employer may include, as part of the wage of an employee to whom this section applies: |
| 12 13 | (1) an amount that the employer sets to represent the tips of the employee; or |
| 14 15 | (2) if the employee or representative of the employee satisfies the Commissioner that the employee received a lesser amount in tips, the lesser amount. |
| 18 19 | (c) The amount included under this section in the wage of an employee may not exceed [50% of the minimum wage under this subtitle] THE AMOUNT PERMITTED UNDER THE FEDERAL ACT for the employee THE TIP CREDIT AMOUNT THAT THE EMPLOYER MAY INCLUDE UNDER SUBSECTION (B) OF THIS SECTION MAY NOT EXCEED \$2.77. |

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect