

MAINE STATE LEGISLATURE

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5/16/17
R O F/S

L.D. 1609

Date: 6/9/2017

(Filing No. S-246)

Minority

LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

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STATE OF MAINE

SENATE

128TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 565, L.D. 1609, Bill, "An Act To Support Maine's Employers and Encourage Employers To Hire Young Workers"

Amend the bill by striking out all of sections 1 to 5 and 8.

Amend the bill by striking out all of section 9 and inserting the following:

'Sec. 9. 26 MRSA §664, sub-§2, as amended by IB 2015, c. 2, §2, is further amended to read:

2. Tip credit. An employer may consider tips as part of the wages of a service employee, but such a tip credit may not exceed 50% of the minimum hourly wage established in this section. Starting January 1, 2017, the minimum cash wage paid directly to a tipped service employee may not be less than \$5.00 per hour, and the tip credit may not exceed the difference between the minimum cash wage paid directly to a tipped service employee and the minimum hourly wage established under subsection 1. Starting January 1, 2018, and on each January 1st thereafter, the minimum cash wage paid directly to a tipped service employee must be increased by an additional \$1.00 per hour until it reaches the same amount as the annually adjusted minimum hourly wage established under subsection 1, except that if the minimum cash wage paid directly to a tipped service employee is less than \$1.00 less than the annually adjusted minimum hourly wage, it must be increased by that lesser amount. An employer who elects to use the tip credit, until it is eliminated under this subsection, must inform the affected employee in advance and must be able to show that the employee receives at least the minimum hourly wage when direct wages and the tip credit are combined. Upon a satisfactory showing by the employee or the employee's representative that the actual tips received were less than the tip credit, the employer shall increase the direct wages by the difference.

The tips received by a service employee become the property of the employee and may not be shared with the employer. ~~Tips that are automatically included in the customer's bill or~~ that are charged to a credit card must be treated like tips given to the service employee. A tip that is charged to a credit card must be paid by the employer to the

R.O.F.S

COMMITTEE AMENDMENT "A" to S.P. 565, L.D. 1609

1 employee by the next regular payday and may not be held while the employer is awaiting
2 reimbursement from a credit card company.'

3 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
4 section number to read consecutively.

5 **SUMMARY**

6 This amendment, which is the minority report of the committee, strikes most of the
7 provisions of the bill but retains the reduction in the scheduled increases to the minimum
8 wage to 50 cents an hour per year until January 1, 2021, when the minimum wage will be
9 \$11 per hour. It also keeps the elimination of the annual cost-of-living adjustment to the
10 minimum wage in the bill and the \$1 an hour cap on the automatic increase in the state
11 minimum wage when it is exceeded by the federal minimum wage. The amendment
12 keeps the provision in the bill that makes a compulsory service charge the property of the
13 employer and not a tip that is the property of the service employee. Current law allows
14 this practice only in a banquet or private club setting.