

Minimum Wage for Tipped Workers Starting December 31, 2015

	Hospitality	All other industries except building service	
Cash Wage	\$7.50	\$7.65	\$6.80
Tip Credit	\$1.50	\$1.35	\$2.20
		When tips are at least \$1.35 per hour	When tips are at least \$2.20 per hour

Starting on December 31, 2015, the minimum hourly rates that employers must pay to tipped workers under the New York State minimum wage law will increase to the “cash wage” amounts shown above. This fact sheet provides additional information about those rates and when they apply.

Combining cash wages and tip credits to satisfy the minimum wage:

New York State law allows employers in all industries other than building service to satisfy the minimum wage by combining a “cash wage” paid by the employer with a credit or allowance for tips that the employee receives from customers. For example, employers in the Hospitality Industry can satisfy the minimum wage of \$9.00 by combining a cash wage of at least \$7.50 with a tip allowance of no more than \$1.50 per hour.

Limitations on tip credits in the Hospitality Industry:

Employers in the Hospitality Industry may not take tip credits for:

- Days when tipped workers spend more than two hours, or twenty percent of a shift, doing non-tipped work; and
- Weeks when non-food service workers receive tips averaging less than:
 - \$5.05 per hour in resort hotels; and
 - \$1.95 per hour in all other hospitality establishments.

Limitations on tip credits in other industries:

No tip credit is available in the Building Service Industry. For all other industries (different from Hospitality and Building Service), the tip credit is:

- Limited to \$2.20 when weekly tips average at least \$2.20 per hour;
- Limited to \$1.35 when weekly tips average at least \$1.35 (but less than \$2.20) per hour; and
- Not available when weekly tips average less \$1.35 per hour.

Overtime:

Employers must pay overtime hours worked at time-and-one-half the minimum wage rate (or the employee's regular rate of pay if it exceeds that rate). The amount of the tip credit does not increase during overtime hours. In other words, the overtime rate is not time-and-one-half of the cash wage; rather, it is time-and-one-half of the minimum wage, less the applicable tip credit.

For more information:

If you need additional assistance, or want to file a complaint, please call 1-888-4NYSDOL (1-888-469-7365) or visit www.labor.ny.gov/minimumwage.