

Committees:

Education
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on Health & Human Services
Health and Aging-Ranking Member



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Nickie J. Antonio, State Representative, House District 13

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Chair Young, Vice Chair Duffey, Ranking Member Hagan and members of the House Commerce Labor and Technology Committee, thank you for the opportunity to testify on HB 534. This legislation would correct an injustice that wait-staff face by prohibiting an employer from requiring an employee to participate in a tip pool. Tip pools require a percentage of tips received by an employee to go into a common fund for distribution among multiple employees to cover wages. Ohio is silent with respect to tip pooling; therefore, many restaurants have taken advantage of the practice.

Under this current business practice, a percentage of the gross sales of each check from the restaurant's patrons is automatically taken to pay bartenders, hosts, and bussers. If a server is not given a tip for their service, they automatically pay out of pocket that percentage from the gross sales of the customer's bill to other employees, essentially paying to wait on tables. This happens every day to hard working Ohioans.

Tip pooling is also commonly used to provide less than minimum wage to employees. Tip pooling has allowed companies to change the hourly pay for bartenders, hosts, and bussers that once made minimum wage along with tips.

Host staff that do not participate in a tip pool earn minimum wage (\$7.95 per hour) from the company and are "voluntarily" given tips by servers, therefore earning minimum wage plus tips. The business practice of mandating a tip pool allows companies to pay hosts less than minimum wage (\$3.98 per hour) and use the tip pool to meet minimum wage requirements. There are two issues raised with the business practice of mandating a tip pool; 1) this practice allows a company to pay previously non-tipped employees less than minimum wage because they are now considered employees subject to tips (\$3.98 per hour); 2) Funds from the server tip pool are automatically taken and the tip is assumed thereby creating a system where servers are paying the salaries of the other workers.

For example, a server named Alice, has a patron with a check for \$50.00 and the patron does not leave a tip, the company automatically "pools" 2.25 percent from the gross sales of the check and this case deducts \$1.12 from Alice's assumed tip¹. If Alice had one or two more tables that did

¹ Note: Tip pool percentages can vary

not leave a tip, she could actually find herself contributing to the tip pool to pay other workers' wages at the expense of her own hourly rate.

Ensuring our favorite local bartenders and servers have good paying jobs helps create a strong economy and fewer dependents on public assistance. We should grow our economy by offering sound business practices that respect workers rather than allow exploitive policies that would have workers picking up the tab for restaurant companies. HB 534 would create an equal and fair environment for all concerned.

Thank you for your attention and I am happy to answer any questions you may have on HB 534.