



**Champion Advocacy
Associates**

March 27, 2024

The Honorable Arthur Corvese
House Committee on Labor
State House
Providence, RI 02903

Dear Chairman Corvese and Committee Members,

The Northern RI Chamber of Commerce (NRICC) represents businesses in the communities of Burrillville, Central Falls, Cumberland, Foster, Glocester, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Scituate, Smithfield and Woonsocket. The Chamber respectfully oppose the passage of H.7531, An Act Relating to Labor and Labor Relations – Minimum Wages.


H.7531 proposes to increase the tipped wage (also referred to as cash wage) from the current \$3.89 per hour to \$6.95 per hour January 1, 2025; \$8.95 January 1, 2026; \$10.95 January 1, 2027; \$12.95 January 1, 2028, \$14.95 January 1, 2029 and equal to the state's minimum wage January 1, 2030.

It is important to understand that "tipped wage" does not equate to the hourly wage paid to the employee. Both federal and state law require an employee to be paid minimum wage. If the employee does not make minimum wage when the tipped wage and customer tips are added together, the employer must make up the difference. If they fail to do so, the employee can file a complaint with the Department of Labor and back wages will be paid and the employer will be penalized. It happens now. Tips are a part of the employee's wage; tips are not windfalls over and above wages. H.7531 seeks to adopt the European model for restaurant wages. Those wages are higher for employees, but the model eliminates tipping. The result is a disincentive to provide good service as many who traveled have experienced.

Another consequence of raising the minimum wage and the tipped wage is an increase in premium pay. Rhode Island remains the only state in the country that requires employers to pay premium pay to employees who work Sunday and holidays as part of their normal forty (40) hour work week. For these employers, an increase in the minimum wage rate is an even greater hardship. The General Assembly must think about all the effects of wage proposals before acting.

The Chamber encourages this committee oppose the passage of H.7531.

Respectfully submitted,


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