

March 1, 2025

The Honorable Arthur J. Corvese
Chairman, House Committee on Labor
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: *Opposition to H 5507*

Chairman Corvese and Members of the House Labor Committee,

As a OWNER/Sous Chef of Iron Works Tavern located in Warwick, I write to express my opposition to H 5507, which would eliminate the tipped minimum wage.

There is a reason people choose tipped restaurant jobs – they know the economics are in their favor. Tipped workers take these jobs for the earning potential.

The median full-service restaurant tipped worker makes nearly \$29.00/hour in Rhode Island. In my restaurant, that number can go as high as \$40.00 per hour.

I understand the intent to provide fair compensation to tipped employees in the restaurant industry, with such a serious increase across our 12 restaurants we would see an increase of 73.5% in tipped minimum wages. The financial repercussions this would have will force us to not only increase our prices for our guests but ultimately lead to reduced hours for our employees and hard decisions on layoffs to keep up with the increase in payroll cost.

No tipped worker ever makes less than the prevailing minimum wage for any hour they work. Historically, when tip credit has been eliminated, the level of consumer tipping has dropped because of menu price increases or imposition of house service fees.

You may think by eliminating the tip credit you will be helping employees, but it will drastically change their earnings. The elimination of the tip credit will drastically change one of the fundamental business models in the industry, forcing me to quickly make changes to how we operate and force us to find ways to bear the cost of \$11.11 more per hour for each tipped employee. This does not include the additional payroll costs such as workers 'compensation and other costs that are directly related to payroll.

The elimination of tip credit could be a catastrophe for our industry. I respectfully ask that you oppose H 5507. Thank you for your consideration.

Sincerely,
Sebastien Ade
Warwick, Ri