

ASSEMBLY BILL

No. 669

Introduced by Assembly Member Daly

February 25, 2015

An act to amend Section 1182.12 of the Labor Code, relating to minimum wage.

LEGISLATIVE COUNSEL'S DIGEST

AB 669, as introduced, Daly. Minimum wage: tipped employees.

Existing law requires that, on and after July 1, 2014, the minimum wage for all industries be not less than \$9 per hour. Existing law further requires that on and after January 1, 2016, the minimum wage for all industries be not less than \$10 per hour.

This bill would establish the minimum wage for a qualifying tipped employee, on and after January 1, 2016, at \$9 per hour. The bill would define “qualifying tipped employee” to mean an employee who regularly receives income from wages at a rate equal to at least \$15 per hour, as described. The bill would define “wages” for these purposes to mean all remuneration for services performed by an employee for his or her employer, including tips received by an employee in the course of his or her employment.

The bill would require an employer, if in any month a qualifying tipped employee receives income from wages at a rate of less than \$15 per hour, to pay the employee an amount equal to the difference, if any, between the minimum wage per hour for qualifying tipped employees the state minimum wage per hour for all other employees, multiplied by the total number of hours worked by the employee during that month. This bill would supersede local minimum wage laws unless the local law contains specified provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1182.12 of the Labor Code is amended
2 to read:
3 1182.12. (a) Notwithstanding any other provision of this part,
4 on and after July 1, 2014, the minimum wage for all industries
5 shall be not less than nine dollars (\$9) per hour, and on and after
6 January 1, 2016, the minimum wage for all industries shall be not
7 less than ten dollars (\$10) per hour.
8 (b) *Notwithstanding subdivision (a), on and after January 1,*
9 *2016, the minimum wage for a qualifying tipped employee shall*
10 *be nine dollars (\$9) per hour.*
11 (c) *“Qualifying tipped employee” means an employee who*
12 *regularly receives income from wages at a rate equal to at least*
13 *fifteen dollars (\$15) per hour.*
14 (d) *If, in any month, a qualifying tipped employee receives*
15 *income at a rate of less than fifteen dollars (\$15) per hour, the*
16 *employer shall pay the employee an amount equal to the difference,*
17 *if any, between the minimum wage required by subdivision (b) and*
18 *the state minimum wage for all other employees, as required by*
19 *subdivision (a), multiplied by the total number of hours worked*
20 *by the employee during that month.*
21 (e) *For purposes of this section, the term “wages” shall have*
22 *the meaning set forth in Section 13009 of the Unemployment*
23 *Insurance Code.*
24 (f) *This section shall preempt local ordinances setting forth a*
25 *minimum wage in excess of the minimum wage established by this*
26 *subdivision, to the extent the ordinance is applicable to qualifying*
27 *tipped employees, unless the ordinance specifically references this*
28 *section and states the local jurisdiction’s intent to establish a*
29 *higher minimum wage for qualifying tipped employees.*

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