

FACTS ABOUT THE ILLINOIS TIP CREDIT

TELL LEGISLATORS TO VOTE NO ON H.B. 2982

BUSINESSES THAT ARE IMPACTED BY H.B. 2982:



Barber Shops &
Beauty Parlors



Bars



Breweries



Casinos



Coffee Shops



Pet Care



Restaurants



Wineries

TIPPED ILLINOIS EMPLOYEES EARN WELL ABOVE THE MINIMUM WAGE

\$28.48/hr

Median tipped restaurant worker in Illinois earns; 103% more than current minimum wage of \$15/hour.*

86%

of tipped restaurant servers who believe they will earn less if the tip credit is eliminated.**

87%

of tipped employees believe the current system works and does not need to be changed.**

ELIMINATING THE TIP CREDIT WOULD NOT BE A RAISE FOR TIPPED EMPLOYEES IN ILLINOIS

- ✓ **Tipped workers, customers, and business owners all benefit from the tip credit** because it maximizes server earnings, allows operators to hire ample service staff and keeps prices affordable.
- ✓ Under current law, every tipped employee is already required to earn **at least the state minimum wage of \$15/hour**.
- ✓ That means if for any reason that a tipped employee makes less than the hourly minimum wage, their employer must make up the difference. **The notion that tipped employees make less than minimum wage is NOT true.**
- ✓ **Most payroll systems cannot process paychecks without confirming that every employee is being paid at least the minimum wage** for every hour they work (tips + cash wage).
- ✓ According to a new study, **86% of tipped employees believe that customers are unlikely to continue tipping if restaurant operators must add surcharges or fees** to cover the increased payroll costs.**

ELIMINATING THE TIP CREDIT WOULD HURT ILLINOIS RESTAURANT WORKERS, RESTAURANT OWNERS, AND ITS VIBRANT DINING SCENES

- ✓ In Washington, D.C., between June 2023 and October 2024, full-service restaurants have cut **1,900** jobs.
- ✓ According to a Restaurant Association Metropolitan Washington survey, **full-service workers have lost jobs every month in 2024** compared to last year. Roughly, **70%** of restaurants have cut hours, laid off staff or stopped hiring to reduce costs.
- ✓ A record **64** restaurants have closed to date in 2024 in D.C.



For more information, visit
PROTECTILLINOISHOSPITALITY.COM

*National Restaurant Association research.

**CorCom survey

*** for Restaurant Association Metropolitan Washington