

# FACT SHEET

*This AFL-CIO is provided to give you up-to-date information on legislative bills that affect working families.*

**Issue:** Tip Credit - HB 240

**Background:** Representative Craig Johnson has introduced a tip credit bill which would permit tipped employees to earn less than the Alaska minimum wage.

**How it Works:** The Tip Credit allows employers to count tips as wages and credit it towards an employee's salary. The purpose of the Tip Credit is to pay workers less than the Alaska minimum wage.

**Result:** If this passes, all future minimum wage increases would go into the pockets of employers if the employee makes over \$7.25 an hour in tips in addition to their wage.

**History:** Last year in Juneau, dozens of restaurant and bar owners lobbied legislators against a bill raising the minimum wage. Angered after the minimum wage bill was passed, the restaurant and bar owner persuaded Representative Johnson to introduce this Tip Credit bill.

The business owners were mainly representing nicer restaurants and claim that their workers make \$30 an hour. That may be, but most restaurants are not linen table cloth establishments and in their desire to protect their bottom line, they are attacking the livelihood of workers who wait tables at coffee shops, work in hotels and in the tourism industry.

**Bottom Line:** No American worker should make less than the minimum wage. Alaskans would be even more devastated as our cost of living is so much higher.

**Join us in calling your Representatives and ask them to vote against this bill, and call your Representative and tell him or her that NO Alaskan deserves less than Alaska's minimum wage!**