2025 -- S 0215

S T A T E   O F   R H O D E   I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N   A C T

RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES

Introduced By: Senators Mack, Ciccone, Murray, Kallman, Lauria, Valverde, Thompson, Quezada, and Acosta

Date Introduced: February 07, 2025

Referred To: Senate Labor & Gaming

It is enacted by the General Assembly as follows:

1   SECTION 1. Section 28-12-5 of the General Laws in Chapter 28-12 entitled "Minimum

2   Wages" is hereby amended to read as follows:

3   **28-12-5. Employees receiving gratuities.**

4   (a) Every employer shall pay to each of the employer's employees who are engaged in any

5   work or employment in which gratuities have customarily and usually constituted a part of his or

6   her weekly income, the rate as provided by §§ 28-12-3 and 28-12-3.1.

7   (b) Allowance for gratuities as part of the hourly wage rate for restaurants, hotels, and other

8   industries, except taxicabs and limited public motor vehicles, shall be an amount equal to the

9   applicable minimum rates as provided by §§ 28-12-3 and 28-12-3.1 less two dollars and eighty-

10 nine cents ($2.89) per hour. "Gratuities" means voluntary monetary compensation received directly

11 or indirectly by the employee for services rendered.

12   (c) Each employer desiring to deduct for gratuities as part of the minimum rates as provided

13 in §§ 28-12-3 and 28-12-3.1 wages paid to an employee shall provide substantial evidence that the

14 amount shall be as set out in the formula in subsection (b) of this section; however, the cash wage

15 shall not be less than two dollars and eighty-nine cents ($2.89) per hour; provided, however, that

16 commencing January 1, 2016, the cash wage shall increase by fifty cents ($.50) to an amount not

17 less than three dollars and thirty-nine cents ($3.39) per hour; provided further, that commencing

18 January 1, 2017, the cash wage shall increase by fifty cents ($.50) to an amount not less than three

19 dollars and eighty-nine cents ($3.89) per hour; provided further, that commencing January 1, 2026,

1   the cash wage shall increase by two dollars and eighty-six cents ($2.86) to an amount not less than

2   six dollars and seventy-five cents ($6.75) per hour.

3   (d) The director of labor and training shall notify employers concerning what type of proof

4   shall be accepted as substantial evidence for the purpose of this subsection. Employees involved

5   shall be entitled to a hearing on the question of the amount of deduction if they so desire.

6   (e) In cases where wages are figured by the employer on an incentive basis in such a manner

7   that an employee of reasonable average ability earns at least the minimum wage established by §§

8   28-12-3 and 28-12-3.1, it shall be taken that the employer has complied with this statute. It shall be

9   of no concern to the director of labor and training how the employer arrives at its wage scale so

10   long as it is not unreasonable in its demands on the employee.

11   (f) Where, in the case of the employment of a full-time student who has not attained his or

12   her nineteenth (19th) birthday engaged in the activities of a nonprofit association or corporation,

13   whose aims and objectives are religious, educational, librarial, or community service in nature, the

14   employer-employee relationship does exist, the employer shall pay to each such employee wages

15   at a rate of not less than ninety percent (90%) of the minimum wage as specified in § 28-12-3. In

16   case of any conflict between provisions of this section and those of § 28-12-3.1, the provisions of

17   § 28-12-3.1 shall govern.

18   SECTION 2. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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RELATING TO LABOR AND LABOR RELATIONS -- MINIMUM WAGES

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1   Commencing January 1, 2026, this act would increase the minimum wage for employees

2   receiving gratuities from the current three dollars and eighty-nine cents ($3.89) to six dollars and

3   seventy-five cents ($6.75) per hour.

4   This act would take effect upon passage.

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