

FOR IMMEDIATE RELEASE

Wednesday, November 9, 2022

CONTACTS: Nikolas Schiller, 202-643-3878
Adam Eiding, 202-744-2671
Press@BetterRestaurantsDC.org

***DC Voters Eliminate the Unethical Tip Credit, Again
Support Shown in All 8 Wards
Initiative 82 Passes With 74% of YES Vote
Passes in Every Precinct with More Support Than Initiative 77 in 2018***

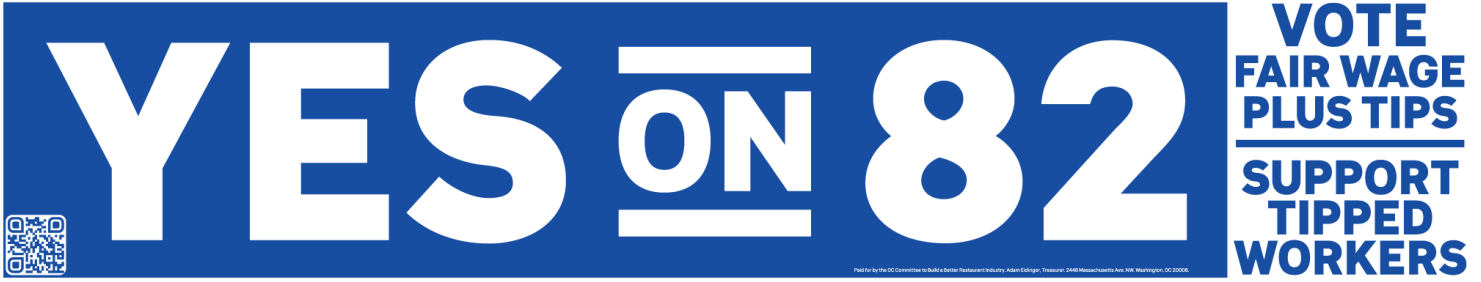
WASHINGTON, DC -- The DC Committee to Build a Better Restaurant Industry, the campaign committee behind Initiative 82, is thankful that the majority of voters in Washington, DC cast a YES vote in yesterday's general election. While there are still ballots being counted, the total counted on election night statistically indicates the passage of Initiative 82 with approximately 74% of DC voters casting a YES vote.

The "[District of Columbia Tip Credit Elimination Act of 2021](#)" as Initiative 82 is formally known, will gradually raise DC's subminimum tipped wage of \$5.35 by 2027 and institute one fair wage for all workers in the District of Columbia. By 2026, DC will soon join 8 other states which pay their tipped workers the state's full minimum wage and allow the tipped workers to keep tips on top. Currently, the unethical tip credit system allows restaurant owners to count customer tips toward their obligation to pay their tipped workers DC's minimum wage of \$16.10 per hour. Thus, for every hour a tipped worker works in DC, \$10.75 of customer tips is used to satisfy the minimum wage requirement. By 2027, customer tips will not be used to calculate the tipped worker's minimum wage but will be added on top of DC's minimum wage.

"DC voters have once again demanded their voices be heard. This result is a strong rebuke to the Council overturning the will of the people 4 years ago. It's past time that we pay service workers the full minimum wage plus tips." said former tipped worker and Initiative 82 proposer, Ryan O'Leary. In 2018, DC voters passed Initiative 77 by a 10 point margin only to have it be overturned by the DC Council later that year. This time around, Mr. O'Leary sought pledges from current DC Council members and six of the thirteen signed. He also was able to receive pledges from newly elected DC Councilmembers Matthew Frumin (Ward 3) and Zachary Parker (Ward 5).

Initiative 82 will not immediately take effect and it is important for the general public to know that the phased-in approach was seen as a better way for the restaurant industry to begin paying its workers more for their labor. Customers should not stop tipping because Initiative 82 was successful. The campaign has always believed customers should always tip for good service.

"Just because tipped workers will see a small bump in their hourly wage, doesn't mean that the tip credit has been entirely eliminated," says campaign treasurer Adam Eiding. "You should continue to tip as you tipped before. If the establishment institutes a service charge, be sure to discuss with your server or bartender how much they get



from the service charge and tip accordingly.” Unlike tips, service charges are not property of the server and restaurant owners can use the service charge however they see fit. Currently most tipped workers receive 15% to 25% in tips per customer and the campaign believes that by increasing the hourly wage, tipped workers will end up with more take home income, even with service charges.

ESTIMATED TIMELINE OF IMPLEMENTATION

First the election will need to be certified by the DC Board of Elections. This involves counting all the ballots that were postmarked on November 8 as well as provisional ballots from same-day voter registrations. Certification is expected during the first week of December 2022. Since DC is not a state, all DC Council enacted legislation, including ballot initiatives, must go to Congress for their 30 day legislative review period before becoming law. We expect Initiative 82 will be transferred to Congress during the first week of January 2023. Barring a “joint motion of disapproval” being passed by both chambers of Congress, Initiative 82 will become DC law sometime between the last week in February 2023 and the second week of March 2023.

Tipped workers will see their first pay raise on the day Initiative 82 becomes law. Their hourly wage will increase 65 cents per hour from \$5.35 to \$6.00. Then, on July 1, 2023, the hourly wage for tipped workers will increase to \$8.00 per hour.

On July 1, 2024, the hourly wage for tipped workers will increase to \$10.00 per hour.

On July 1, 2025, the hourly wage for tipped workers will increase to \$12.00 per hour.

On July 1, 2026, the hourly wage for tipped workers will increase to \$14.00 per hour.

On July 1, 2027, the hourly wage for tipped workers will increase to the current minimum wage for all non-tipped workers. Given that the current non-tipped minimum wage in Washington, DC is indexed to inflation, the final minimum wage on July 1, 2027 cannot be ascertained. Given the current level of inflation, we anticipate it will be close to \$20 an hour.

THE CAMPAIGN WOULD LIKE TO THANK...

- DC VOTERS! Without thousands of DC voters casting their YES votes,
- The 150+ petition circulators who braved the winter weather and coronavirus pandemic to get Initiative 82 on the ballot
- One Fair Wage Action, the political arm of One Fair Wage, for conceiving and supporting this local endeavor
- Open Society Foundations for the seed money used to pay the petition circulators
- Dr. Bronner’s for their large donation of organic, fair trade chocolate bars.
- Joe Sandler and Erin Tibe from the law firm Sandler, Reiff, & Birkenstock for their extensive legal support.
- Metro DSA volunteers for knocking on over 18,000 doors during the last two months
- The numerous candidates and organizations who [endorsed](#) our campaign
- The hundreds of small donors who contributed to the campaign

Without everyone’s help, Initiative 82 would still be a dream and now it is a reality!!!

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