

TIP CREDIT

\$7.25 hour Federal minimum, except for tip credits = minimum of \$2.13

\$7.25 hour Florida minimum, except for tip credits = minimum of \$4.23

Tips in excess of \$20 per month must be reported by employer

If tips exceed \$30 per month, **may** reduce minimum wage.

EXAMPLE:

$$\begin{array}{r} 40 \\ \times \quad \underline{\$7.25} \\ \hline = \$1,247.00 \end{array}$$

Hrs worked per week
Per hour x 4.3 weeks (# weeks per month on average)
minimum wage requirement

\$25 tips earned = No affect (\$30 minimum)

\$35 tips earned =

$$\begin{array}{r} 1,247.00 \\ - \quad \underline{35.00} \\ \hline \underline{\$1,212.00} \end{array}$$

Minimum wage per week for 40 hours
Less Tips received
/ 4.3 / 40 = **\$7.05** per/hr **paid by employer**

\$300 in tips? =

$$\begin{array}{r} 1,247.00 \\ - \quad \underline{300.00} \\ \hline \underline{\$947.00} \end{array}$$

Minimum wage
Less tips received
/ 4.3 / 40 = **\$5.51** per/hr **paid by employer**

\$600 in tips? =

$$\begin{array}{r} 1,247.00 \\ - \quad \underline{600.00} \\ \hline \underline{\$647.00} \\ \underline{\underline{\$727.56}} \\ 1,374.56 \end{array}$$

Minimum wage
Less tips received
/ 4.3 / 40 = **\$3.76** per/hr **pd by employer - can't do!**
Minimum Employer MUST PAY (4.23x40x4.3)
Received by Employee (Employer minimum + tips)
1374.56 / 4.3 / 40 = **\$7.99** effective net wage per hour

$$\begin{array}{r} 4.23 \times 40 \times 4.3 = \\ \underline{1247.00 - 727.56} = \\ \quad 727.56 \\ + \quad \underline{519.44} \\ \hline \underline{\$1247.00} \end{array}$$

\$727.56 (minimum employer must pay)
\$519.44 (minimum tips earned)
Minimum by employer
Tips
Actually received / 4.3 / 40 = **\$7.25** Effective WPH