

Wilmington, Delaware  
October 17, 2019

**#4720**

**Sponsor:**

**Council  
Member  
Johnson**

**WHEREAS**, according to the Bureau of Labor Statistics, waiters and waitresses, who constitute many of those workers who receive tips or gratuities, account for 2,584,220 members of the workforce, with the State of Delaware employing, on average, over 8,000 people annually in this occupation; and

**Co-Sponsors:**

**Council  
President  
Shabazz**

**Council  
Member  
Oliver**

**WHEREAS**, Section 1. Chapter 9, Title 19 of the Delaware Code currently defines workers affected by this policy as an employee engaged in an occupation in which tips or gratuities customarily constitute part of the 10 remuneration shall be any worker engaged in an occupation in which workers customarily and regularly receive more than \$30 per month in tips or gratuities; and

**WHEREAS**, the minimum wage for employees who receive tips or gratuities (heretofore referred to as a tipped wage) in the state of Delaware has not changed since 1983; and

**WHEREAS**, in 1989, the General Assembly revised the tipped wage calculated by a percentage of the minimum wage to a flat tipped wage of \$2.23 per hour; and

**WHEREAS**, the current minimum wage in the state of Delaware is \$8.75 an hour; and

**WHEREAS**, the minimum wage in the state of Delaware in 1983 was \$3.35 an hour; and

**WHEREAS**, the living wage in the state of Delaware is \$12.68 an hour for 1 adult, \$26.04 an hour for 1 adult and 1 child, and

**WHEREAS**, according to the Massachusetts Institute of Technology, the required annual “living wage” income in Delaware before taxes is \$26,382 for one adult, and \$54,155

for one adult with one child, while the annual median salary for serving-related occupations in Delaware is \$23,690; and

**WHEREAS**, it is not currently required by Delaware law that tips automatically added to credit card charges are treated like tips or gratuity, and are therefore not paid by the employer directly to the employee at the next pay period and are instead able to be held by the employer waiting to receive payment from the credit card company; and

**WHEREAS**, research has shown that more consumers are using credit cards as opposed to cash as a payment option for both billing and tips/gratuities; and

**WHEREAS**, tips or gratuities are meant to be transferred directly from the consumer to the employees, as employees with such wages rely on tips within their typical pay cycle and should expect to receive them in a timely manner; and

**WHEREAS**, research by the American Journal of Epidemiology evidences that a higher prevalence of mental health problems may be linked to service work, due to low and unpredictable wages; and

**WHEREAS**, women represent more than two-thirds of tipped workers nationwide, and in Delaware women represent 71 percent of tipped workers with a poverty rate at 15.6 percent, “they and the families that depend on them, pay the price when the tipped minimum wage falls short,” according to the National Women's Law Center study released in May 2019; and

**WHEREAS**, restructuring the manner in which tipped employees are paid, by providing both higher wages and mandating the timely payment of gratuities, is a significant anti-poverty measure that will contribute to the prosperity of the City of Wilmington, the State of Delaware, and its citizenry; and

**WHEREAS**, Representative Kimberly Williams has introduced House Bill 251 and House Bill 252 to the Delaware General Assembly relating to advance deposit wagering and the Delaware minimum wage for employees receiving tips or gratuities.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON**, that Wilmington City Council declares its' strong encouragement and support of legislation in the Delaware General Assembly to pay tips and gratuities directly and to increase proportionally the minimum wage of workers who receive tips or gratuities. Furthermore, Wilmington City Council supports amendments to the Delaware code that will incorporate these changes.

Passed by City Council,

Attest: \_\_\_\_\_  
City Clerk

**SYNOPSIS:** This Resolution strongly supports the passage of House Bill 251 and House Bill 252 by the Delaware General Assembly due to the quality-of-life impact each Bill will have on more than 8,000 Delawareans who are tipped wage workers in Wilmington and throughout Delaware whose minimum flat tipped wage has not been adjusted from \$2.23 per hour since 1989 and whose gratuities may not be directly paid to such workers in a timely manner who are still earning since 1989 a flat tipped wage of \$2.23 per hour and may not automatically have credit card tips automatically added to their wages.