

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 417

(SENATE AUTHORS: FATEH)

DATE	D-PG	OFFICIAL STATUS
01/28/2021	187	Introduction and first reading Referred to Labor and Industry Policy

1.1A bill for an act

1.2relating to wages; modifying wage deductions for credit card charges; amending

1.3Minnesota Statutes 2020, section 177.24, by adding a subdivision; repealing

1.4Minnesota Rules, part 5200.0080, subpart 7.

1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6Section 1. Minnesota Statutes 2020, section 177.24, is amended by adding a subdivision

1.7to read:

1.8Subd. 3a. **Gratuities; credit cards or charges.** (a) Gratuities presented to an employee

1.9via inclusion on a debit, charge, or credit card shall be credited to that pay period in which

1.10they are received by the employee and for which they appear on the employee's tip statement.

1.11(b) Where a gratuity is given by a customer through a debit, charge, or credit card, the

1.12full amount of gratuity must be allowed the employee.

1.13**EFFECTIVE DATE.** This section is effective August 1, 2021.

1.14Sec. 2. **REPEALER.**

1.15Minnesota Rules, part 5200.0080, subpart 7, is repealed.

1.16**EFFECTIVE DATE.** This section is effective August 1, 2021.

5200.0080 GRATUITIES/TIPS CREDITS.

Subp. 7. **Credit cards or charges.** Gratuities presented to a direct service employee via inclusion on a charge or credit card shall be credited to that pay period in which they are received by the direct service employee and for which they appear on the direct service employee's tip statement.

Where a tip is given by a customer through a credit or charge card, the full amount of tip must be allowed the direct service employee minus only the percentage deducted from the tip in the same ratio as the percentage deducted from the total bill by the service company.