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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 295

01/24/2019 Authored by Davnie; Moran; Koegel; Xiong, J.; Hassan and others
The bill was read for the first time and referred to the Committee on Labor
02/25/2019 Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to wages; modifying wage deductions for credit card charges; amending
1.3 Minnesota Statutes 2018, section 177.24, by adding a subdivision; repealing
1.4 Minnesota Rules, part 5200.0080, subpart 7.

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

1.6 Section 1. Minnesota Statutes 2018, section 177.24, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 3a. **Gratuities; credit cards or charges.** (a) Gratuities presented to an employee
1.9 via inclusion on a debit, charge, or credit card shall be credited to that pay period in which
1.10 they 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
1.12 full amount of gratuity must be allowed the employee.

1.13 **EFFECTIVE DATE.** This section is effective August 1, 2019.

1.14 Sec. 2. **REPEALER.**

1.15 Minnesota Rules, part 5200.0080, subpart 7, is repealed.

1.16 **EFFECTIVE DATE.** This section is effective August 1, 2019.

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.