

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4787

03/11/2024 Authored by Hill; Greenman; Nelson, M.; Wolgamott; Kozlowski and others
The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy

1.1 A bill for an act
1.2 relating to wages; modifying wage deductions for credit card charges; amending
1.3 Minnesota Statutes 2022, 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 2022, section 177.24, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 3a. Gratuities; credit cards or charges. (a) Gratuities received by an employee
1.9 through a debit, charge, credit card, or electronic payment shall be credited to that pay period
1.10 in which they are received by the employee.

1.11 (b) Where a gratuity is received by an employee through a debit, charge, credit card, or
1.12 electronic payment, the full amount of gratuity indicated in the payment must be distributed
1.13 to the employee no later than the next scheduled pay period.

1.14 EFFECTIVE DATE. This section is effective August 1, 2024.

1.15 Sec. 2. REPEALER.

1.16 Minnesota Rules, part 5200.0080, subpart 7, is repealed.

1.17 EFFECTIVE DATE. This section is effective August 1, 2024.

**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.