

Center for Law and Social Policy (CLASP): Oppose H.R.2312 and H.R.2299

As the committee marks up the Tipped Employee Protection Act (H.R.2312) and the Ensuring Workers Get Paid Act (H.R.2299), CLASP urges your boss to oppose these bills which would weaken worker protections by giving employers all the power to violate labor law.

The Tipped Employee Protection Act would amend the Fair Labor Standards Act (FLSA) by allowing employers to classify workers as tipped subminimum wage workers if they receive any amount of tips over any period of time set by the employer.

- Under the guise of "relieving reporting burdens that harm the restaurant industry," this bill would allow employers to misclassify millions of W-2 workers into tipped workers earning subminimum wage.
- As of 2018, the restaurant industry grossed over \$825 billion in sales, yet held 8 of the 15 lowest paid occupations in the country, seven of which are tipped subminimum wage workers.
- Tipped workers are over twice as likely to live in poverty and rely on Medicaid compared to other workers.
- 66 percent of the United States' six million tipped workers are women, 36 percent of whom are mothers.

The Ensuring Workers Get Paid Act would harm workers by giving all the power to employers in cases of minimum wage and overtime violations under FSLA.

- This bill allows employers to avoid litigation, penalties or damages, and would prohibit workers from taking any private action against employers on workplace violations.
- By allowing employers to "voluntarily self audit," workers will likely see a decrease in the amount of back wages workers deserve.
- In FY2024, the Department of Labor's Wage and Hour division recovered more than \$273 million in back wages and damages for almost 152,000 workers nationwide. This bill would absolve the government of their responsibility to enforce the law's labor protections for workers.