



March 25, 2025

The Honorable Ryan Mackenzie
Chairman
Subcommittee on Workforce Protections
Committee on Education and Workforce
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ilhan Omar
Ranking Member
Subcommittee on Workforce Protections
Committee on Education and Workforce
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Mackenzie, Ranking Member Omar, and Members of the House Education and Workforce Subcommittee on Workforce Protections,

On behalf of the National Restaurant Association, I write to express our support for the Tipped Employee Protection Act and urge its passage to provide long-term certainty and stability for restaurant employers and their tipped employees.

We appreciate the Committee's focus on modernizing the Fair Labor Standards Act (FLSA) to better reflect today's workforce and ensure the law works for both employers and employees. One of the most important steps Congress can take to improve the FLSA is passing the Tipped Employee Protection Act.

The FLSA established the tip credit system, which has long served as the foundation for how restaurants compensate their tipped employees, allowing workers to earn well above the federal minimum wage while providing employers the flexibility to invest in their businesses and staff. However, past regulatory overreach has threatened this system, most notably with the Department of Labor's now-withdrawn 80/20/30 rule, which imposed arbitrary limitations on how tipped employees could spend their time and created significant compliance burdens for restaurant operators.

While the Restaurant Law Center's successful lawsuit led to the withdrawal of this rule, the risk remains that a future administration could reinstate similar burdensome regulations. The Tipped Employee Protection Act provides a legislative solution that ensures the tip credit remains intact by clarifying the definition of a tipped employee in the FLSA. The bill prevents regulatory overreach by specifying that a tipped employee is defined without regard to their specific job duties so long as their wages and tips meet or exceed the applicable minimum wage. It eliminates the confusion and compliance burden created by shifting regulatory interpretations of tipped employment, restoring certainty and simplicity to the tip credit system. Most importantly, it protects tipped employees' earning potential, ensuring they continue to thrive under a pay structure that allows them to earn significantly more than the minimum wage.

The restaurant industry, composed of predominantly small businesses, has struggled with the impact of arbitrary, complex regulations that increase costs, force operational changes, and ultimately reduce income opportunities for tipped employees. The Tipped Employee Protection Act provides a much-needed, permanent solution to prevent future administrations from undermining a system that has worked for decades.



We appreciate the Committee's leadership in examining ways to strengthen and modernize the FLSA and urge swift passage of the Tipped Employee Protection Act to preserve economic certainty for restaurants and their employees.

Thank you for your consideration.

Sincerely,

Jordan Heiliczer

A handwritten signature in black ink, appearing to be "JH" with a stylized flourish extending to the right.

Director of Labor and Workforce Policy
National Restaurant Association