

Effective January 1, 2022

Minimum Wage Law

The Rhode Island Minimum Wage Law requires all employers to pay wages no less than those indicated in the following schedule. Please note that both Federal and State Laws have been reviewed. Whichever law is best for the employee prevails.

Minimum Wage: \$12.25 / hour

Tipped Employees: \$3.89 / hour

Tip Credit: \$8.36 (difference between minimum wage \$12.25 and tip wage \$3.89)

Overtime: \$18.34

Federal and State Law requires payment of one and one half (1 ½) the regular wage rate for any hours worked in excess of 40 hours in any work week. For multi-unit operations with similar ownership overtime must be paid for all hours worked over 40 hours, regardless of which location worked.

<u>Overtime Tipped Employees:</u>	\$12.25 x 1.5 =	\$ 18.34 / hour
	minus tip credit	\$ 8.36 / hour
	equals	\$9.98 / hour

Exempt Employees: The Fair Labor Standards Act (FLSA) requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a work week.

However, Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for employees employed as bona fide executive, administrative, professional and outside sales employees. Section 13(a)(1) and Section 13(a)(17) also exempt certain computer employees.

To qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than \$684 per week. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the Department's regulations.

Please refer to: https://www.dol.gov/whd/overtime/fs17a_overview.pdf

Tip Pooling: The requirement that an employee must retain all tips does not preclude tip splitting or pooling arrangements among employees who customarily and regularly receive tips, such as waiters, waitresses, bellhops, counter personnel (who serve customers), busboys/girls and service bartenders.

Tipped employees may not be required to share their tips with employees who have not customarily and regularly participated in tip pooling arrangements, such as dishwashers, cooks, chefs, and janitors, UNLESS the employer does not take the tip credit. Only those tips that are in excess of tips used for the tip credit may be taken for a pool. Tipped employees cannot be required to contribute a greater percentage of their tips than is customary and reasonable. **Please refer to:** <https://www.dol.gov/whd/regs/compliance/whdfs15.pdf> **for more information.**

Uniforms

The FLSA does not allow uniforms, or other items which are primarily for the benefit or convenience of the employer, to be included as wages. Thus, an employer may not take credit for such items in meeting his/her obligations toward paying the minimum wage or overtime.

Please refer to: www.dol.gov/whd/regs/compliance/whdfs16.pdf **for more information.**