



CLIENT ALERT

COMPLETE NEW 195.1 FORMS FOR YOUR HOURLY RESTAURANT EMPLOYEES

Follow the link for the form: </pub/files/00483620.doc>

As we have previously notified you, New York's minimum wage is increasing effective December 31, 2016. The new minimum wage varies according to where your business is located. For restaurant/hospitality industry employers, while tipped employees may still be paid \$7.50 per hour, the amount of the tip credit – and accordingly the proper overtime rate – will vary based on your location. Please refer to our Client Alert entitled "Minimum Wage Developments in New York – 2017" for a complete schedule of the new minimum wage, tip credit and overtime rates.

The New York Labor Law requires employers to notify employees of their pay rate whenever the rate changes, and further requires that hospitality industry employees that receive less than the full minimum wage (because they receive tips) be explicitly notified that their employer restaurant is taking a tip credit from the full minimum wage for all hours worked.

While the New York Department of Labor promulgates fill-in-the-blank forms, these forms can be confusing and are often filled out incorrectly, which is leading to increased litigation. Accordingly, to assist you in your legal compliance obligations, we have created the form that restaurant employers should fill out and provide to all non-exempt employees for signature before December 31, 2016. **The form *only* applies to restaurant/hospitality employers with 11 or more employees in New York City.** If your business is located outside of New York City, or you have 10 or fewer employees within New York City, please contact us for appropriate form(s).

Please be advised that the form is required to be provided to employees in both English and in the employee's primary language, if the employee's primary language is Chinese, Spanish, Haitian Creole, Korean, Polish or Russian. If the employee's primary language is not listed here, you do not have to provide the notice in any language other than English.

When filling out the form, please be sure to check the correct box regarding the employee's pay rate, in accordance with the following:

- Check the "Non-exempt, non-tipped employee" box for employees such as cooks, dishwashers and anyone else who does not participate in the tip pool.
- Check the "Non-exempt, tipped employee – tip allowance taken" to reduce the hourly wage paid to \$7.50 per hour for any employee receiving the tip credit minimum wage, such as servers, bussers, bartenders and food runners. Most of your tipped employees will fall under this category.
- Check the "Non-exempt, tipped employee – tip allowance not applied" for any employee who receives tips but who is paid more than \$11.00 or more per hour by the employer.
- Check the appropriate "Tip pool" sub-box where tipped employees are required to participate in a tip pool and share tips with other non-managerial service employees.

If you are taking a meal allowance, or deduct for credit card interchange fees, please make sure to note the amount of such allowance on the form where it calls for additional allowances/deductions.

If you have questions or would like additional information, please contact Amanda M. Fugazy (afugazy@egsllp.com), Paul P. Rooney (prooney@egsllp.com), Valerie J. Bluth (vbluth@egsllp.com) or the primary EGS attorney with whom you work.

This memorandum is published solely for the informational interest of friends and clients of Ellenoff Grossman & Schole LLP and should in no way be relied upon or construed as legal advice.



THE EMPLOYMENT PRACTICE GROUP

Amanda M. Fugazy, Esq.

Paul P. Rooney, Esq.

Adam C. Weiss, Esq.

Allison Vieyra, Paralegal

1345 Avenue of the Americas, New York, NY 10105

Telephone: (516) 801-8139/(212) 370-1300

afugazy@egsllp.com | www.egsllp.com