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December 08, 2022

### Washington, D.C., Voters Approve Phasing Out Tipped Minimum Wage

On November 8, 2022, voters in Washington, D.C., overwhelmingly passed [Initiative 82](#), the "District of Columbia Tip Credit Elimination Act of 2021," which will phase out the tipped mandatory base wage by 2027. Notably, a very similar initiative was passed in 2018 by the Council of the District of Columbia but was ultimately repealed.

#### **Current Law**

Initiative 82 states that under current law, employers of employees classified as "tipped workers" may take a credit against tipped wages received by workers to satisfy the minimum wage guaranteed to all workers by law. Currently, the mandatory base wage for tipped workers in Washington, D.C., is \$5.35 per hour.

#### **Initiative 82**

Initiative 82 gradually eliminates the tipped wage credit so that the mandatory base wage paid by employers increases until 2027. In 2027 the mandatory base wage will match the minimum wage, currently \$16.10, established by the District of Columbia, currently.

As of January 1, 2023, the proposed schedule will be implemented:

<b>Date</b>	<b>Minimum Cash Wage</b>	<b>Maximum Tip Credit</b>
January 1, 2023	\$6.00	\$10.10
July 1, 2023	\$8.00	\$8.10
July 1, 2024	\$10.00	\$6.10
July 1, 2025	\$12.00	\$4.10
July 1, 2026	\$14.00	\$2.10
July 1, 2027	\$16.10	\$0

#### **Next Steps**

Initiative 82 still must be sent to Congress for a 30-day review. After this review period, Washington, D.C., employers should contact experienced counsel with questions regarding the requirements of Initiative 82.

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