

Attorney General Raoul Resolves Federal Lawsuit In Win For Tipped Workers

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CHICAGO – Attorney General Kwame Raoul, along with Pennsylvania Attorney General Josh Shapiro, today led a coalition of nine states in praising the U.S. Department of Labor’s (DOL) new tip regulation, [dismissing the states’ lawsuit](#), and ending the fight to overturn the harmful rule.

“All employees have a right to receive a fair living wage for the work they perform, which includes receiving fair compensation for any hours they work,” Raoul said. “I am pleased that the Department of Labor overturned its harmful rule, and I will continue to defend against any effort to eliminate protections for workers from unfair employment practices.”

Under the Fair Labor Standards Act (FLSA), employers are required to pay their employees the federal minimum wage – currently \$7.25 per hour. However, employers may claim a tip credit and pay employees engaged in a tipped occupation a lower wage of no less than \$2.83 per hour, as long as this lower wage and the tips earned by the workers equal at least \$7.25 per hour. For over 30 years, the DOL dual jobs regulation capped the amount of non-tip producing work that employees can perform while still receiving the lower tipped minimum wage at 20%. This protected workers from being forced to perform large amounts of non-tipped work while receiving only the lower tipped minimum wage. However, in 2019 the DOL sought to implement a rule that would have removed that cap, resulting in lower pay for tipped workers nationwide.

In January 2020, Raoul and Shapiro led the coalition in [filing a lawsuit](#) challenging the DOL rule that unlawfully sought to remove the limit on non-tipped work a tipped worker may complete and still receive only the tipped minimum wage.

As Raoul and the coalition advocated, the new rule restores the 20% cap and imposes an additional limit of 30 consecutive minutes of non-tipped work. In addition, it provides helpful, clarifying definitions for tipped work, non-tipped work, and work that does not generate tips itself but directly supports tipped work. As a result, tipped workers can only be paid the tipped minimum wage when the vast majority of their work generates tips, helping to protect them from exploitation and wage theft.

Today’s announcement builds on Attorney General Raoul’s effort to fight unlawful employment practices. In January 2020, a law initiated by Raoul went into effect, formally establishing the Worker Protection Unit within the Attorney General’s Office to better protect Illinois workers from wage theft and other unlawful employment practices. The law also created the Worker Protection Unit Task Force, which [issued a report](#) in November 2020, highlighting the problems Illinois workers face and detailing recommendations to further protect workers’ rights.

Attorney General Raoul encourages workers who have concerns about wage and hour violations or potentially unsafe working conditions to call his Workplace Rights Hotline at 1-844-740-5076 or to [file a complaint online](#).

Joining Raoul and Shapiro in this effort were the attorneys general of Delaware, the District of Columbia, Maryland, Massachusetts, Michigan, New Jersey, and New York.

