

[Restaurant owners, servers urge Illinois lawmakers to reject change to wages for tipped workers](#)

By **Brenden Moore** | Apr 3, 2024

SPRINGFIELD — Servers, restaurant owners and other members of the state's hospitality industry on Wednesday urged Illinois lawmakers to reject a proposal that would eliminate the separate, lower minimum wage for tipped workers.

Wearing T-shirts featuring the message "Protect Illinois hospitality" while holding posters that read "save our tips," the coalition descended upon the state Capitol to spread their message on the same day the proposed legislation, [House Bill 5345](#), passed out of an Illinois House committee.

"Our industry is still trying to recover from the impact that the pandemic had on us," said Illinois Restaurant Association President Sam Toia. "This will only make the recovery even harder. A business that used to be a business of nickels and dimes is now a business of pennies and nickels."

The proposal, sponsored by state Rep. Lisa Hernandez, D-Cicero, would eliminate the subminimum wage for tipped workers, meaning they would earn at least the regular minimum wage in addition to the tips they receive.

The minimum wage for tipped workers is \$8.40 an hour and is slated to rise to \$9 next year. The regular minimum wage is \$14 an hour and will go up to \$15 next year.

Under current law, tipped employees must be paid at least the equivalent of the state's regular minimum wage; if the combination of their tips and the subminimum wage does not reach that threshold, employers are required to make up the difference.

If approved, this so-called "tip credit" would be eliminated.

It comes on the heels of a successful effort by Chicago to eliminate the subminimum wage. That change, an initiative of Mayor Brandon Johnson that was approved by the Chicago City Council in October 2023, will phase in, with tipped workers expected to start receiving the same minimum wage as everyone else in 2028.

Advocates, which also included some restaurant owners and tipped workers, said making the policy statewide would address a number of issues, including wage theft and implicit biases that often lead women and people of color receiving smaller tips than white men.

"What we need is a level playing field and policy that signals to all workers that the restaurant industry values them," said Mikey Knapp, director of High Road Restaurants, who testified in favor before the committee Wednesday.

But many, including several Democrats, said they were opposed to the legislation as it is currently written. Some wanted to wait and see how it works out in Chicago while others said it would be more prudent to go after "bad actors" in the industry that don't pay tipped workers what they are owed.

Then, of course, there were concerns about the impact on tips, with proponents arguing it would have little-to-no impact while opponents cited data showing lower tips for workers in states with where the tip credit has been eliminated.

Hernandez, though stressing that the intent is to "eliminate subminimum wage, not tips," said she will not move the legislation forward for a full floor vote until a compromise is reached.

"You all know my track record and know that I'm always committed to working with all sides," Hernandez said. "This time is no different."

Those who gathered at the Capitol on Wednesday, many of them from Central Illinois, said that the proposal, even if well-intended, would hurt those it's trying to help in the form of lower tips and less hours while hurting businesses still recovering from the pandemic.

"We care about our employees. We want to give them a safe and profitable working environment," said Raymond Ceresa, executive vice president of Bloomington-based Tentac Enterprises. "We care about our guests. We want to give them the best experience when they're staying with us."

"But I fear we're going to have to make sacrifices in those areas we're so proud of if the tip credit is eliminated," he said. "We simply cannot afford another financial burden or increase in our operating costs."

Tentac's portfolio includes Bloomington's DoubleTree by Hilton and Eastland Suites along with their attached restaurants, the Barrel Head and The Deep End Tap, respectively.

Ceresa estimates that they have about 70 tipped workers. If the legislation passes, he said they "would have no choice but to pass the increased costs onto our customers with price increases and added service fees."

"On my way down here driving today, I'm thinking, 'If this passes, my cheeseburgers at The Barrel House are going to be \$27.' That's crazy," he said.

Brent Schwoerer, who owns Engrained Brewing Company in Springfield, said that his net profit last year was just 2%. He said the legislation would exacerbate the problems facing the industry.

If it goes through, he said he will have to raise prices, add service fees or cut jobs, likely through automation.

"I got into this business for hospitality," Schwoerer said. "And that just takes all the hospitality away. What starts to happen and what we've seen in California is you just start to destroy the middle full-service restaurant."

"Fine dining will survive because there are enough people willing to pay that price," he continued. "But full-service in the middle starts to become more like fast-casual, where there's less human involvement, because we just can't afford it."

According to the Illinois Restaurant Association, the median wage for tipped employees in full-service restaurants is \$28 an hour.

Dominique Juarez, a server at Alexander's Steakhouse in Peoria, said the bill "could change the way I am able to provide for my family."

"It could reduce the amount of money I can earn each night and eliminate my ability to have a schedule that allows me to be there for the ones I love," Juarez said.

The legislation is still in the "sausage-making" phase. It passed the House Labor Committee on a 17-11 roll call, but it was clear it likely would not have enough support to pass the House in its current form.

"This is more legislation chasing a solution to a problem that does not exist," said state Rep. Curtis Tarver, D-Chicago, adding that "eliminating the tip credit is going to hurt the very people that this legislation purports to help."