



'Solution to a problem that does not exist': Restaurants oppose bill ending tipped wage

By Patrick M. Keck | Apr 4, 2024

Tipped workers and a bipartisan group of lawmakers are expressing concern for state legislation that would eliminate the tip credit.

Currently, tipped workers at restaurants throughout the state earn an hourly wage of \$8.40 plus tips — state law requiring businesses pay workers the remaining sum to receive the full \$14 state minimum wage. Through [House Bill 5345](#), tipped wage would jump to \$15 starting next January.

Two long-standing Springfield restaurants forecast a plethora of consequences placed on local businesses if the bill passes, changes which they say are not supported by its staff.

"The trickle down effect of this will be reduced hours and less tips for our team," Karen Conn, president and CEO of Conn's Hospitality Group, which owns Obed and Isaac's said during a press conference. "Ultimately, this will not result in higher wages for servers and bartenders."

Similarly, Rep. Mike Coffey, owner of Papa Frank's restaurant on the west side and manager of Saputo's in downtown Springfield expects inflation that will be passed on to the customer. His employees are paid more than \$30 per hour when accounting for tips under the current system, he said.

"All these people that live down here in central Illinois don't want to pay \$25 for a hamburger," Coffey said.

What could challenge passage are House Democrats, holding a 78-40 super-majority in the chamber, joining the Springfield Republican in opposition. And while HB 5345 advanced out of committee Wednesday after a hourslong debate, several Democrats voted to 'yes' solely to allow continued conversations on the matter. Rep. Marty Moylan, D-Des Plaines, said he was "not even close" to backing it before voting present and all Republicans voted 'no.'

Rep. Lisa Hernandez, D-Cicero, said the bill will be held on second reading, allowing for further discussion before a full chamber vote in the House. The bill's sponsor, Hernandez sees her bill as a way to address labor shortages exacerbated as a result of COVID-19 and clarified that it would not eliminate the practice of tipping.

She also pushed back on the assertion that restaurants are filing the remaining pay to ensure tipped workers are receiving the full minimum wage.

"That doesn't always happen," she said during a House Labor and Commerce Committee meeting. "That's why we have reports of wage theft ... so it's really about going after the bad actors."

Supporting Hernandez in the effort is [One Fair Wage](#), a national advocacy group pushing for all workers to receive at least minimum wage, and the Chicago Southland Black Chamber of Commerce.

The bill comes after the Chicago City Council passed a plan last year to gradually increase its tipped wage to \$15.80, the city's minimum wage, by 2028. HB 5345, however, would go into effect in less than eight months.

Sam Toia, president and CEO of the Illinois Restaurant Association, said the hastened implementation would cause substantial and sudden labor cost increases for businesses. Feeling the impact would be business owners, employees and customers alike, he warned.

"You're going to see more empty storefronts in Peoria, in Springfield, in Rockford and East St. Louis," Toia said, calling the legislation a "solution to a problem that does not exist."