

VERMONT DEPARTMENT OF LABOR
MONTPELIER, VERMONT

ESTABLISHMENT OF MINIMUM WAGE AMOUNT
ESTABLISHMENT OF BASIC TIPPED WAGE RATE FOR SERVICE OR TIPPED EMPLOYEES AMOUNT

OCTOBER 2013

Section 384, Chapter 5, Title 21, Vermont Statutes Annotated provides in Part:

- (a) An employer shall not employ an employee at a rate of less than \$7.25, and, beginning January 1, 2007, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01. An employer in the hotel, motel, tourist place, and restaurant industry shall not employ a service or tipped employee at a basic wage rate less than \$3.65 an hour, and beginning January 1, 2008, and on each January 1 thereafter, this basic tip wage rate shall be increased at the same percentage rate as the minimum wage rate. For the purposes of this subsection, "a service or tipped employee" means an employee of a hotel, motel, tourist place, or restaurant who customarily and regularly receives more than \$120.00 per month in tips for direct and personal customer service. If the minimum wage rate established by the United States government is greater than the rate established for Vermont for any year, the minimum wage rate for that year shall be the rate established by the United States government.

I. MINIMUM WAGE FINDINGS:

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|----|---|----------|
| 1. | Minimum Wage on or after January 1, 2013..... | \$8.60 |
| 2. | Total 12-month increase of CPI-U, August 2013 (not seasonally adjusted) | 1.5% |
| 3. | Minimum Wage increase based on the lesser of 5.0% or CPI-U (8.60 times 1.5%)..... | \$0.1290 |
| 4. | Minimum Wage as of January 1, 2014 (\$8.60 plus 0.1290) | \$8.7290 |
| 5. | Minimum Wage rounded to the nearest \$0.01 | \$8.73 |

II. BASIC TIPPED WAGE RATE FINDINGS:

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| 6. | Basic Tipped Wage Rate for service or tipped employees on or after January 1, 2013..... | \$4.17 |
| 7. | Total 12-month increase of CPI-U, August 2013 (not seasonally adjusted) | 1.5% |
| 8. | Basic Tipped Wage increase based on the lesser of 5.0% or CPI-U (4.17 times 1.5%)..... | \$0.0626 |
| 9. | Basic Tipped Wage Rate for service or tipped employees as of January 1, 2014 (\$4.17 plus 0.0626)..... | \$4.2326 |
| 10. | Basic Tipped Wage Rate for service or tipped employees rounded to the nearest \$0.01..... | \$4.23 |

III. DETERMINATION:

Therefore, the Commissioner determines the Minimum Wage amount as computed in accordance with Section 384, Chapter 5, Title 21, Vermont Statutes Annotated is \$8.73 effective on or after January 1, 2014 and the Basic Tipped Wage Rate for service or tipped employees amount as computed in accordance with Section 384, Chapter 5, Title 21, Vermont Statutes Annotated is \$4.23 effective on or after January 1, 2014.

Dated at Montpelier, County of Washington, State of Vermont,

this 25 day of October 2013.



Anne M. Noonan, Commissioner