

## THE PORT AUTHORITY OF NY & NJ

### MINIMUM WAGE POLICY – FREQUENTLY ASKED QUESTIONS (AND ANSWERS)

**1. How does the policy treat tips? Did the Port Authority “adjust” the “tip credit”?**

The Rules for Implementation of the Minimum Wage Policy place the burden of demonstrating compliance on the employer of “Covered Services” employees, including employees who receive tips. This means that such employees’ combined wage and tips must add up to at least the minimum wage. The federal government and certain states allow the employer to count all or part of an employee’s tips towards its minimum wage obligations and some states set a maximum “tip credit” toward the minimum wage. The Minimum Wage Policy does not establish or alter that “tip credit”. Rather as stated, it requires that the employer assure that the “Covered Service” employee’s combined wage and tips add up to at least the minimum wage. For purposes of this Policy, only if the employer takes advantage of the applicable “tip credit” for federal, state or local minimum wage compliance, will the Covered Service worker’s receipt of tips be considered in determining whether the employer is compliant with the Port Authority Minimum Wage Policy. As specified in the Rules, effective for the 2/1/2015 wage adjustment, the Certification Form filed by employers with the Port Authority is amended such that employers who seek to take advantage of the payment of “tips” or a “tip credit” towards compliance with the Minimum Wage Policy, also certify that they are in compliance with the applicable federal, state or local minimum wage requirements governing the receipt of a credit for tips.

**2. Which employees at the Airports are covered by the Minimum Wage Policy?**

The Minimum Wage Policy applies to workers performing Covered Services under Non-Trade Service Contracts initially at John F. Kennedy International, LaGuardia and Newark Liberty International Airports as specified in the Rules for Implementation. (<http://www.panynj.gov/airports/minimum-wage-rules.html>). The Policy applies to both direct Port Authority Lessees/Permittees as well as third-party service providers (contractors) to those Lessees/Permittees providing such “Covered Services”. The Policy does not apply to Non-Trade Service workers performing under direct Port Authority contracts. Wage provisions specified in the Port Authority contract(s) would apply in such circumstances.

For example, the Policy does not apply to trade workers performing under Port Authority construction contracts or a worker performing cleaning, at one of the

Airports, under a contract with the Port Authority. The Policy would apply to a contractor performing ramp area cleaning (a “Covered Service”), for an Airline, at one of the Airports.

**3. Does the Minimum Wage Policy distinguish between full time and part time employees?**

No. The wage minimums in the Policy encompass all “Covered Services” employees, whether working full time or part time.

**4. What is the current minimum wage?**

Effective February 1, 2015 the minimum wage increased to \$10.10 an hour.

**5. My company’s employees are covered by a collective bargaining agreement. Does the policy apply to those employees?**

Yes. The Minimum Wage Policy applies to all workers performing “Covered Services.” The burden is placed on the company to demonstrate that it is unable to comply with the Policy.