



January 28, 2025

The Honorable Anita Bonds
At-Large Member of the Council of the District of Columbia
Chair, Committee on Executive Administration and Labor
1350 Pennsylvania Avenue NW – The John A. Wilson Building
Washington, DC 20004

Via The DC Council's Hearing Management System

RE: PayrollOrg Comments on Tipped Wages and the Tip Credit Elimination in the District of Columbia

Dear Councilmember Bonds,

On behalf of PayrollOrg (PAYO), we are writing to address the implementation of the elimination of the tipped credit and tipped minimum wage in the District of Columbia. As professionals tasked with ensuring accurate and timely compliance with wage and hour laws, we want to emphasize the importance of a sufficient implementation timeline to successfully adapt to any changes that may arise.

ABOUT PAYROLLORG

PAYO is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types.

IMPLEMENTATION OF A DELAY TO INITIATIVE 82

While PAYO does not take formal positions on pay policy matters, such as minimum wages and tip credit, we have a vested interest in ensuring that payroll systems are prepared to comply with any legislative or regulatory changes. The possible delay in the upcoming changes to the tipped minimum wage on July 1, 2025, continuing annually through July 1, 2027, would represent a significant shift in pay practices for many employers in the District, requiring updates to payroll software, system configurations, and administrative procedures to ensure compliance.

Considering this, we respectfully request that any changes to the implementation timeline on Initiative 82 be accompanied by a sufficient lead time to allow:

1. **Software Updates:** Payroll software providers need adequate time to update their systems to accommodate new pay structures and ensure accurate calculations.



2. **Preparation:** Employers require sufficient time to implement necessary adjustments to internal payroll processes, provide training to staff, and communicate changes to employees.
3. **Compliance Readiness:** Payroll professionals must have the opportunity to review new requirements, implement updates, and conduct necessary testing to ensure compliance from day one.

We appreciate the Council's attention to this important matter and are pleased to provide additional insights as needed. PAYO can be reached through Adam Prinzo at 516-761-2919 or aprinzo@payroll.org.

Thank you,



Adam Prinzo
Assistant Manager, Government Relations
PayrollOrg

For: Government Relations Task Force State and Local Topics Subcommittee
Co-Chairs: Carlanna Livingstone, CPP; Bruce Phipps, CPP; and Alma Stewart, CPP

Strategic Payroll Leadership Task Force – Hospitality Industry
Chair: Vickie Elder, CPP