**Distribution of Tips & Gratuities Policy**

**Example**



**Distribution of Tips & Gratuities Policy**

The purpose of this policy is to provide clarity on the distribution of tips and gratuities to employees within INSERT BUSINESS NAME. INSERT BUSINESS NAME is committed to distributing tips and gratuities to employees in a clear, equitable and transparent manner.

All employees have been issued with this policy. In line with the Payment of Wages (Amendment) (Tips & Gratuities) Act 2022, customers also have an entitlement to view this policy.

**Scope**

This policy addresses the distribution of tips and gratuities. It also addresses the manner in which service charges are processed.

**Definitions**

Tips / Gratuities

* A payment that is “voluntarily made to, or left for, an employee or group of employees by a customer, in circumstances in which a reasonable person would be likely to infer that the customer intended or assumed that the payment would be kept by the employee or shared with other employees”

OR

* A payment that is “voluntarily made to an employer, or to a person engaging contract workers, by a customer, in circumstances in which a reasonable person would be likely to infer that the customer intended or assumed that the payment would be distributed to an employee, a group of employees or to a contract worker”.

Service Charge

* A contractually imposed and receipted payment that a customer is required to pay in order to receive certain goods or services provided to the customer by or on behalf of an employer.

OR

* A contractually imposed and receipted payment that is payable by the customer in addition to an amount payable for the cost of such goods or services.

**Distribution**

* Cash tips are distributed in the following way: INSERT DETAILS
* Service charges are processed in the following manner: INSERT DETAILS
* Electronic tips and gratuities are circulated in the following fashion: INSERT DETAILS

The proportion of tips and gratuities allocated to each employee is based on the following criteria:

* the seniority or experience of the employee
* the value of sales, income or revenue generated for the business by the employee
* the proportion or number of hours worked by the employee during the pay period in which the tip or gratuity was made
* whether the employee is on a full-time or part-time contract of employment
* the role and influence of the employee in providing service to customers
* whether the employee was consulted in relation to the manner of distribution
* whether there is an agreement, whether formal or informal, between the employer and the employee providing for the manner in which tips or gratuities are to be distributed

**Raising Concerns**

Any employee who is concerned or unhappy with the distribution of tips or gratuities allocated to them should make their manager aware of their concerns. Any concerns will be dealt with through the grievance procedure.