TIP POOL POLICY

[Insert Organization Name] acknowledges the importance of tipping as a practice that provides employees with the recognition they deserve for providing a great service and experience to customers. This policy details [Insert Organization Name]’s tip pooling procedures for eligible employees per the *Employment Standard Act* of British Columbia*,* which regulates how tips and other gratuities are handled in any workplace that accepts them.

DEFINITION

Under the *Employment Standards Act*, a **tip or gratuity** is any:

* Voluntary payment made to or left for an employee by a customer of the employee’s employer;
* Voluntary payment made to an employer 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 redistributed to an employee or employees;
* A payment of a service charge or similar charge imposed by an employer on 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 redistributed to an employee or employees, and;
* Other payments as may be prescribed.

A **tip pool** is a collection of employees’ tips that is redistributed among some or all employees. This includes tip outs, which are deductions from one employee's tips to other employees because it is required by the employer’s policy. For example: Servers “tipping out” other departments that may not receive tips at the end of shifts.

ELIGIBILITY

The following employees are eligible to be part of the tip pooling system:

* Insert Eligible Employees (Ex. Servers)
*

No supervisor or manager is eligible for a tip pool share. [NOTE: This can be removed if the supervisor or manager regularly do the same type of work as the employees who are given tips do, or if they regularly do the same type of work as the employees who share in the tip pool do.]

POLICY

[Insert Organization Name] has implemented a tip pooling system to ensure all eligible employees that work in a division of the company in any given week are provided with tips in a fair and equitable manner. Participation in the tip pooling system is [mandatory/optional].

In order to pool the tips collected from all sources, [Insert Organization Name] will withhold or deduct tip amounts that are provided electronically, or require employees to return cash gratuities received directly from customers. The total gratuities collected will then be pooled and distributed to eligible employees according to the procedure set forth below.

Please note: [Insert Organization Name] will not remove funds from the tip/gratuity pool to cover:

* spilled food or drink
* faulty goods (e.g. dishes and glassware)
* losses (e.g., theft or non-payment)

**Tip Pool**

[Insert Organization Name] will collect all tips in any given work week and compile them into a tip pool. The total amount of the tips will be shared based on [Insert method of sharing. Ex: Hours worked throughout the week] after the following amounts have been removed:

* [Insert any removals from tip pool Ex: administration/production tips]

Pooled tips are distributed to employees [Insert When Tips Are Distributed Ex: weekly], via [INSERT METHOD e.g., direct deposit, electronic transfer, cash].

**Responsibilities**

In order for the tip pooling process to work effectively, each team member must understand their responsibilities. Each eligible employee will be given a copy of this policy. Any questions regarding this policy should be directed to [INSERT PERSON IN CHARGE].

Employees are responsible for:

* Tracking how much they pay into tip pools;
* Tracking the tips they receive, including the amount they receive from a tip pool;
* Adhering to the rules of this policy by returning gratuities received so they may be split amongst the team.

Employees who fail to comply with the tip pooling policy may face disciplinary action up to and including termination of employment.

The Management/Supervisors are responsible for:

* Giving a copy of the policy to employees and answering any questions;
* Posting the tip pooling policy where employees can see it;
* Tracking the amounts collected and/or redistributed in the tip pool;
* Tracking the tips and other gratuities paid electronically (e.g. by debit or credit card);
* Ensuring that only allowed deductions are removed from the pool and that funds are distributed according to the guidelines set out within this policy.

[Insert Organization Name] will indicate who or what that money is intended for (e.g. tips for servers or facilities charges, etc.) when including a service charge on an invoice or venue rental agreement.

Legal Compliance

[Insert Organization Name] will adhere to all applicable local, provincial, and federal tax requirements for reporting or deducting from tips/gratuities as required or ordered.