## [**Company Name**] Tips, Gratuities & Service Charges

## Allocation Policy

This policy sets out how tips and service charges (referred to together as gratuities) are received by [**Company Name**], allocated to specific staff members, and paid.

This policy should made be readily available to all staff, including agency workers, and updated whenever a change is made to the way in which gratuities are processed.

This system is managed by: *[add the names of your designated internal or external troncmasters, if you have them, or the person/people who will be overseeing the gratuities process]*

#### Qualifying Gratuities

This policy refers all gratuities that are *employer-received* (paid to [**Company Name**] before being paid to employees), as well as *worker-received tips* (given directly to a member of staff) which are shared between employees. All gratuities must be allocated to employees based on the same factors.

#### Receiving Gratuities

[**Company Name**] receives gratuities in the following ways: *[delete or add as appropriate]*

* A discretionary service charge added to tabs (a percentage of the tab total)
* A discretionary service charge added to orders (a percentage of the order total)
* A custom tip amount added to an order or tab (an amount decided by the customer)

#### Allocating Gratuities

Gratuities are allocated based on a percentage weighting. Each employee is allocated a weighting, based on the following factors: *[delete or add as appropriate]*

* Job role
* Pay rate
* Length of service
* Performance

Weightings per Job Role/Pay Rate/Length of Service are as follows:

*[Optional – employers are not obliged to reveal all tronc weightings or allocation but must be able to provide information as to how allocation is fair, reasonable and clear, based on the factors listed above]*

|  |  |
| --- | --- |
| **Job Role/Pay Rate/Length of Service Period** | **Tronc Weighting** |
| *Eg. Bartender* | *100%* |
| *Eg. Assistant Manager* | *110%* |
| *Eg. Agency Bartender* | *90%* |
|  |  |

[This table should include agency worker weighting if different from direct workers doing the same role]

A tronc weighting of 100% for all members of staff would mean that all staff will receive the same amount of tips per hour worked. A higher or lower weighting for specific employees will mean more or less allocation per hour worked.

Each day, the total amount of gratuities declared as received is allocated based on each employee’s Tronc Weighting as well as the number of hours worked. A staff member working in a different venue from their Home Venue will be allocated tips from the venue they worked in.

#### Payment of Gratuities

Staff will receive payment of tips, gratuities and service charge: [delete or add as appropriate]

* In addition to their regular pay in their weekly/fortnightly/monthly payroll payment
* Separately to their regular pay via a weekly/fortnightly/monthly payment [give details of when and how these will be paid]

Agency workers will be paid: *[delete as appropriate]*

* Directly from [**Company Name**]
* Via the agent through which they are employed

Employees will receive payment in full of their allocated gratuities no later than the end of the month after the month in which they are earned.

If Agency Workers are paid via their agency, they will receive their payment no later than the end of the month following the month in which the agent receives payment from [**Company Name**].

#### Recording Gratuities

The amount of tips, gratuities and service charge allocated to each employee on each date is recorded in the Tips Per Employee By Date report in Kobas Cloud. This report may not be visible to all employees, based on their user level.

The total amount of tips received by [**Company Name**], and the amount allocated to an employee, may be requested by that employee for a period of time under the following conditions:

* The time period requested is within one month or covers two or more consecutive months
* The time period requested is within 3 years of the date the request is made
* The employee worked for [**Company Name**] for the entirety of the time period requested
* Only one request may be made in any 3 month period

Requests should be made in writing, addressed to the person/people listed at the top of this document.

#### Addressing Problems

If you have any queries over the allocation of tips or you believe that the processes outlined in this policy are not being adhered to or are unfair, then contact the people listed at the top of this document.

You can refer to your Employee Handbook / Grievance Policy *[delete as appropriate]* for more details on how your queries may be dealt with.

If you are not satisfied with the outcome of any internal investigation, you may have the right to an Employment Tribunal. The first step in this process, required by section 18A(1) of the Employment Tribunals Act 1996, is to contact Acas (the Advisory, Conciliation and Arbitration Service).