

Both Workers and Employers Should Know Tip-Pooling Laws

Publication

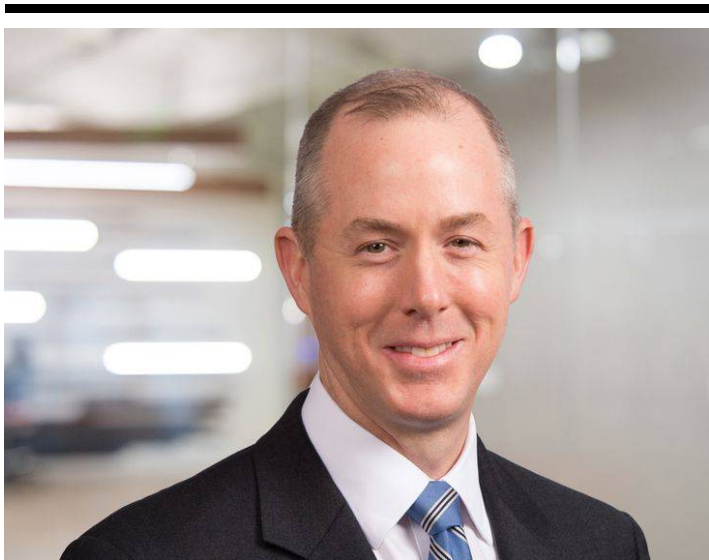
3.02.07

Tip pooling is a way of life in certain establishments. Tip-oriented businesses from restaurants to golf courses can, under the law, require tipped employees to share that money with other employees. But who gets to share in the pool? Who must contribute to it? Such questions have become a bone of contention among staff members and in some cases have resulted in legal action. A recent case provides an example of the legal issues regarding tipping. Several former waiters at a restaurant in Houston claim back pay is owed to them due to unfair tip-pooling practices, including participation by ineligible employees.

Tip pooling is valid only in those situations in which pool participants are employees eligible for tips. While wait staff, hosts and busing staff may participate in a pool, managers, cook staff and janitorial staff are prohibited. All mistakes, no matter how innocent, can end up costing your company. In addition to reimbursing employees for money improperly contributed to the pool, plaintiffs are entitled to liquidated damages plus costs and attorney's fee.

This article appeared in the March 2, 2007 issue of the *Charlotte Business Journal*.

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