

Tip-Pooling Practices May be a Thing of the Past

Publication 2.01.17

Restaurants and other hospitality businesses in the Western U.S. recently received tough news as a Federal appeals court refused to strike down a controversial tip-pooling regulation from the U.S. Department of Labor (DOL). The DOL rule prohibits businesses from requiring employees to share their tips with back-of-the-house staff -- even if the tipped employees are paid minimum wage. Although a group of hospitality employers had hoped that the 9th Circuit Court of Appeals would reject the rule as contrary to well-established law, it was upheld. The decision applies to all businesses operating within the 9th Circuit, including the states of California, Nevada, Washington, Arizona, Oregon, Idaho, Montana, Hawaii, and Alaska.

To read the full article, please visit *Hotel Business Review*.