



Tides Are Changing in the Swirling Pool of Tipping

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Attorneys Wendy McGuire Coats, Katherine Sandberg, and Sharlene Koonce authored the article, "Tides Are Changing in the Swirling Pool of Tipping." The article provides commentary on the USDOL's recent announcement on their plans to rescind the tip-pooling restrictions.

"Restaurants around the country fight hard for equitable pay among their staff. In our October 2016 Legal Bites article, we looked at how restaurateurs struggle to address pay inconsistencies between front-of-the-house staff and back-of-the-house staff given laws restricting an employer's ability to manage tips. The inequity centers on the current legal framework regarding tip credit and tip pooling practices. Thus, some restaurants around the country have considered abandoning tipping altogether for moral, financial, and administrative reasons.

Current U.S. Department of Labor (USDOL) regulations governing tip pooling limit an employer's ability to use an employee's tips regardless of whether the employer takes a tip credit or pays the minimum wage. But the USDOL recently announced plans to rescind the tip-pooling restrictions, which has the potential to free up tipping restriction on restaurant employers, especially those operating in the 9th Circuit (Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, and Washington). The USDOL proposal will emancipate restaurants operating within these states from the 9th Circuit's divisive 2016 tip pooling decision, which has operated to reinforce the USDOL's tip pooling restrictions."

To read the full article, please visit [WCR](#).