

New Tips Legislation Proposed Hospitality Sector

All tips to go to staff under government plans to enhance rights of workers.

Government unveils plans to overhaul tipping practices, helping around 2 million people top up their income.

- *Government to tackle tipping practices and ensure all tips go to workers*
- *plans will help UK workers retain their tips, which can make up a large proportion of income for many hospitality workers*
- *customers will know tips are going to the worker*

All tips will go to staff under new plans to overhaul tipping practices set out by the government.

The government will make it illegal for employers to withhold tips from workers.

This will ensure customers know tips are going in full to workers and not businesses.

Labour Markets Minister Paul Scully said:

Unfortunately, some companies choose to withhold cash from hardworking staff who have been tipped by customers as a reward for good service.

Our plans will make this illegal and ensure tips will go to those who worked for it. This will provide a boost to workers in pubs, cafes and restaurants across the country, while reassuring customers their money is going to those who deserve it.

Moves towards a cashless society have accelerated dodgy tipping practices, as an increase in card payments has made it easier for businesses to keep the funds.

80% of all UK tipping now happens by card, rather than cash going straight into the pockets of staff. Businesses who receive tips by card currently have the choice of whether to keep it or pass it on to workers.

The new Government plans will create consistency for those being tipped by cash or card, while ensuring that businesses who already pass on tips fairly aren't penalised.

The legislation will include:

- ***a requirement for all employers to pass on tips to workers without any deductions***
- ***a Statutory Code of Practice setting out how tips should be distributed to ensure fairness and transparency***
- ***new rights for workers to make a request for information relating to an employer's tipping record, enabling them to bring forward a credible claim to an employment tribunal***

Under the changes, if an employer breaks the rules, they can be taken to an Employment Tribunal, where employers can be forced to compensate workers, often in addition to fines.

Tipping legislation will form part of a package of measures which will provide further protections around workers' rights.

Notes

- *Legislation on tipping will be supported by a statutory Code of Practice, developed in partnership with workers and employers to set out the principles of fairness and transparency*
- *tips already cannot be used to count towards minimum wage pay and this has been the case since 2009, when a previous voluntary [Code of Practice](#) was published to improve the information available concerning the treatment of tipping payments and increase transparency in this area*
- *tipping legislation will form part of a package of measures which will provide further protections around workers' rights. Further detail will be set out in due course*

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