



CLIENT ALERT

The Recent Federal Rule Change Regarding the Sharing of Tips Likely Does Not Change Anything For Your Restaurant

If your restaurant is located in New York, California, Massachusetts, Connecticut, or Washington D.C., then the Federal Department of Labor's new position that restaurants may require front of the house ("FOH") to share their tips with back of the house ("BOH") does not, in effect, change the law as it applies to your restaurant. In other words, regardless of this change in the Federal DOL's position, you still cannot require your FOH staff to share their tips with your BOH employees. This is so because the laws of New York, California, Massachusetts, Connecticut, and Washington D.C. forbid management from compelling service staff to share their tips with kitchen staff. New York, California, Massachusetts, Connecticut, and Washington D.C. limit tip pools to certain types of employees, typically those who provide direct service or assist in providing direct service to patrons or those who "customarily" receive tips.

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If you have questions or would like additional information, please contact EGS's Employment Law Practice Group Leader, Amanda M. Fugazy at afugazy@egsllp.com or the primary EGS attorney with whom you work.

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