

Download of a Fair and Transparent Allocation of Tips Policy

1. Purpose This policy outlines how [Company Name] allocates tips and service charges in compliance with the UK **Employment (Allocation of Tips) Act 2023**. It ensures that tips are distributed fairly, consistently, and without unlawful deductions.

2. Scope This policy applies to all employees who receive tips, including waiting staff, bar staff, and other eligible employees, whether employed on a full-time, part-time, or casual basis.

3. Principles of Tip Allocation

- Tips must be distributed fairly, transparently, and without unlawful deductions.
- Employees must receive 100% of tips left by customers without the employer making any deductions, except those required by law (e.g., tax or National Insurance where applicable).
- The allocation process must be clear, objective, and free from bias or favouritism.

4. Allocation Method

- Tips received via cash will be pooled (if applicable) and distributed in an equitable manner agreed upon by employees.
- Tips received via card payments will be processed through the payroll system and distributed fairly, ensuring compliance with legal obligations.
- Where a tronc system is used, an independent troncmaster will manage the distribution of tips in a way that aligns with employee agreements and legal requirements.
- The allocation method will be regularly reviewed to ensure fairness and transparency.

5. Communication and Transparency

- Employees will be provided with a written statement detailing how tips are allocated.
- Tip distribution records will be maintained and available for review by employees upon request.

- Any changes to the tip allocation process will be communicated in advance, with opportunities for employee feedback.

6. Employee Rights and Dispute Resolution

- Employees have the right to raise concerns regarding the fairness of tip allocation through [Company's Grievance Procedure].
- Any disputes will be handled promptly and transparently to ensure fair outcomes for all employees.

7. Monitoring and Review

- This policy will be reviewed annually to ensure continued compliance with legal requirements and fairness in practice.
- Employees will be consulted on any significant changes to the allocation process.

8. Compliance and Responsibilities

- Managers and supervisors are responsible for ensuring this policy is followed and for addressing any concerns raised by employees.
- Employees are encouraged to report any issues or concerns regarding tip allocation to their manager or HR.

For any further queries regarding this policy, employees should contact [HR Contact or Manager].