



GOVERNMENT OF BERMUDA

Ministry of Economy and Labour

Tip and Other Gratuities Policy Statement

Pursuant to Schedule 1A of the Employment Act 2000

The Policy Statement and corresponding template contained herein has been created by the Ministry of Economy and Labour for employers to implement pursuant to the Employment (Protection of Employee Tips and Other Gratuities) Amendment Act 2023, which comes into force on the 1st of March 2024, to ensure that employees' tips and other gratuities are protected and fairly distributed.

GUIDANCE – To use this template an employer must replace the [red text in square brackets] with the information relevant to the employer business or organization.

[INSERT YOUR LOGO]

[REPLACE RED TEXT IN TEMPLATE]
TIPS AND OTHER GRATUITIES POLICY STATEMENT
Pursuant to section 10J of the Employment Act 2000

1 Purpose

- 1.1 It is the policy of [Employer Name] to provide for the management, protection and fair distribution of employees tips and other gratuities within the workplace.
- 1.2 The purpose of this policy is to provide transparency on how tips are treated and how other gratuities will be received and redistributed among [employees/workers].
- 1.3 Tips will not be used to form part of an [employee's/worker's] wage.
- 1.4 This policy applies to [Employer Name] and to all [employees/workers].
- 1.5 The provisions of this policy are subject to the Employment Act 2000 (the “Act”) and [Employer Name] is committed to our legal obligations under this referenced legislation.

2. Definition

- 2.1 Other gratuities means:
 - (a) A payment in return for services, voluntarily made to an employer by a customer, in excess of any basic fee or standard charge imposed;
 - (b) A payment of a service charge or similar charge imposed, by an employer on a customer, for services in excess of the basic fee.
- 2.2 Payment arrangement means an arrangement between an employer and another person under which other gratuities are to be received by that other person instead of the employer.
- 2.3 Tip means a payment in return for services, voluntarily made to or left for an employee by a customer of that employee's employer, in excess of any basic fee or standard charged imposed.
- 2.4 Tip pool means the voluntary pooling together of tips by some or all of an employer's employees for the purpose of redistribution among some or all of the employer's employee, where such pooling and redistribution is managed and controlled by the employees so participating.

3 The Employee's Rights and Responsibilities under this Policy

- 3.1 Any [employee/worker] who is concerned or unhappy with the redistribution of other gratuities allocated to them or tips received should make their [Supervisor/Director/Manager] aware of their concerns.
- 3.2 [Employees/Workers] who receive other gratuities are entitled to make a request in writing to the [Supervisor/Director/Manager] for records detailing the amount of other gratuities paid to [Employer Name] and the amount of other gratuities that [Employer Name] redistributed to the employee, other employees and such other persons, as the case may be.
- 3.3 The period for which an [employee/worker] may make a request for records under clause 3.1 above is limited to —
- (a) A period of one month or two consecutive months;
 - (b) A period that begins no more than three years before the date of the request;
 - (c) A period that ends before the date of the request; and
 - (d) The employee must have worked for [Employer Name] at any time during the month or months that form part of their request.
- 3.4 An [employee/worker] cannot make more than one request for records within any three month period.
- 3.5 An [employee/worker] should feel free to make a request for records under Clause 3.1 without fear of reprimand.
- 3.6 [Employees/Workers] [are/are not] permitted to voluntarily participate in a tip pool.
- 3.7 [Employer Name] shall not retaliate against an [employee/worker] for make a request for records or for filing a complaint of non-compliance with this Policy or the Act or for cooperating in an investigation regarding the same;

4. [Employer's] Responsibilities under this Policy

- 4.1 If [Employer Name] receives a request for records, it will take the necessary steps to ensure that the [employee/worker] receives the requested records within [X number of] days [not to exceed 30 days from the date of the request].
- 4.2 [Employer Name] is committed to promptly and thoroughly investigating any and all complaints regarding the redistribution of other gratuities.

- 4.3 [Employer Name] will review the findings of any investigation with the complainant at the conclusion of its investigation. If the investigation reveals that the complaint appears to be valid, immediate and appropriate corrective action will be taken to remedy the situation and prevent its reoccurrence.
- 4.4 Any finding can be appealed to the [Board] using the company's existing [grievance/disciplinary] policy.
- 4.5 [Employer Name] OR [Employer Name has a payment arrangement with (Name)] who will collect all other gratuities on behalf of the following [employees/workers] in the following manner:
- (a) [Where a payment arrangement exists] The person responsible for receipt and redistribution of other gratuities under the payment arrangement is [Name].
 - (b) [State the employees/workers and other persons to whom the collection of other gratuities applies]
 - (c) [Explain the process for the collection of other gratuities that are received in cash]
 - (d) [Explain the process for the collection of other gratuities that are received electronically]
 - (e) [Insert any additional information]
- 4.6 The redistribution of other gratuities is based on the following criteria [insert relevant criteria]:
- (a) [The seniority or experience of the employee/worker]
 - (b) [The proportion or number of hours worked by the employee/worker during the pay period in which the tip or gratuity was made]
 - (c) [The employee's/worker's role in service delivery]
 - (d) [Equally among all employees/workers]
 - (e) [Insert any additional information]
- 4.7 [Employer Name] will redistribute all other gratuities to [employees/workers] in the following manner:
- (a) [Explain the process for the redistribution of other gratuities]

- (b) The redistribution of other gratuities will occur [monthly/weekly/bimonthly]
- (c) The redistribution of other gratuities while an [employee/worker] is on leave will occur [insert relevant time period].

(d) [Insert any additional information]

- 4.8 [Employer Name] will provide every [employee/worker] with a copy of this policy and display this policy in a manner visible to all [employees/workers].

5. Resolution

- 5.1 An employee who is dissatisfied with the resolution of a complaint regarding the redistribution of other gratuities allocated to them or tips received may make a complaint to the Department of Labour in accordance with the Employment Act 2000.

6. Confidentiality

- 6.1 All inquiries, complaints and investigations are treated with confidentiality.