

Department: All Stores

Last Updated: 09/03/2014

Subject: Tip Credit + Tip Pool Employee Notice

HID#: 029

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### Purpose

Comply with State and Federal wage and hour laws regarding tip pools and tax tip credit, and notify new employees of BigRedF tip policies; BigRedF form added to New Hire Paperwork Packet [supporting document]

### Responsibility

GM and Hiring/Payroll manager

### Tip Credit Notification

We are required to inform tipped employees that a portion of their tips will be used to meet our obligation of a \$5.15 per hour federal minimum wage. Your restaurant elects to take the tip credit under the Federal Fair Labor Standards Act and Colorado Minimum Wage Order 30. This credit does not affect our employees recorded earnings or W2 reporting. The tip credit will not apply to any employee who is not informed of these rules.

### Tip Pool Compliance

Yes, we have a tip pool and/or tip sharing program in place that is aggregated by Gratrack via Aloha POS. Tips are the sole property of the employee, except pursuant to our tip sharing/tip pool policy. PLEASE note that employees who are exempt [supervisors, managers, salaried employees] and/or not directly involved with the guest service experience/interaction cannot participate in the tip pool. Any direct tips to these employees must be voluntary and at the discretion of the employee.

### Procedure

1. Include form with new hire paperwork [signed notice to be filed in employee's personnel file]
  - > Fill in the 'cash wage' amount – aka employee's hourly rate
2. Review BigRedF tip pool policy and store specific allocations
  - > Complete the amount/tip percentages for each position participating in the tip pool