An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

Doherty gets Government Approval to Amend Payment of Wages Bill

New Measures will Guarantee Fairness and Transparency on Tipping of Low-Paid Workers

Monday, 09 December 2019

The Minister for Employment Affairs and Social Protection, Regina Doherty T.D., has announced that she received Government approval to revise the draft Scheme of the Payment of Wages (Amendment) Bill 2019. The Scheme has been extended from the original to now include a legal right for workers to receive "on a fair, transparent and equitable basis" tips and gratuities paid by electronic means such as by debit and credit cards. Approval has also been given to progress this Bill as quickly as possible, and to continue to oppose the progression of a Private Members Bill on the same topic, which the Government believes is fundamentally flawed and will not achieve any real advantage for workers.

Through her Bill, the Minister intends:

- To amend the Payment of Wages Act to ensure that tips and gratuities cannot be used to 'make-up' or satisfy a person's contractual wages;
- To provide for a requirement on employers to clearly display, for the benefit of workers and customers, their policy on how tips, gratuities and service charges are distributed;
- To provide a legal entitlement for workers to receive tips and gratuities that are paid by customers in electronic form (i.e. debit or credit cards);
- To oblige employers to distribute electronically gifted tips to workers in their establishments in a "fair, transparent and equitable manner".

Speaking today, the Minister said:

"Since July, my officials have engaged with a number of stakeholders, including SIPTU, ICTU and worker representatives from ONE Galway who have been actively campaigning on this issue from an early date. Their suggestions and recommendations have fed into the amendments we have now made to the original Scheme. I want to go as far as I can in securing for low-paid workers a legal entitlement to their hard-earned tips.

"The advice I have received from the Low Pay Commission and other informed stakeholders is that I cannot design a legal regulatory framework around cash tips as they're not, by their very nature, controlled or accounted for at a central point. However, I hope we can create a new piece of legislation that gives employees an entitlement to tips paid in electronic form. I want those tips and gratuities to be

shared with the workers in a fair and transparent manner. What is "fair" in one establishment may not be "fair" in another, so I want to leave it up to the staff and employers themselves to work out together the best way to share those tips. I understand this to be the preference of most workers.

"I am also making it obligatory for employers to be transparent, to staff and customers alike, about how tips, gratuities and service charges are shared and utilised in their businesses. I am certain that my Bill is a step in the right direction for low-paid workers and that it builds on the progress I have already made with the Employment (Miscellaneous Provisions) Act 2018 where I curbed zero hours contracts and provided a right for workers to banded hours contracts."

ENDS