

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY S.Y. MÉZEC OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 20th FEBRUARY 2018**

**Question**

Will the Minister advise –

- (a) what rules, if any, currently exist to govern how tips are calculated as part of a worker's wage;
- (b) when tips are offered by a customer to a worker on the basis of the service the customer was given, whether the employer has the right to withhold such tips from the worker; and
- (c) what rules, if any, currently exist to compel businesses to display their tips policy so that customers are aware of what happens to the tips they may choose to pay and, if no such rules exist, will the Minister consider introducing them?

**Answer**

(a) The employment legislation provides that in determining whether the minimum wage has been paid the calculation must not take into account amounts paid by customers by way of a service charge, tip, gratuity or cover charge. The law requires an employer to maintain certain records, including a record of the employee's actual hours, in the form of a single document for each pay period (e.g. a weekly pay slip) that is sufficient to establish that the employer is paying a rate at least equal to the minimum wage.

The Social Security (Contributions) (Jersey) Order 1975 provides that tips, gratuities and service charges paid to a Class 1 insured person must be treated as earnings of a Class 1 insured person, but only if the tips, gratuities or service charges are distributed to employees by the employer or otherwise in accordance with a scheme for their distribution.

(b) Tips are usually administered in one of two ways; either staff collect tips individually or they are collected in a 'tronc' system to be distributed amongst the staff. A tronc system is usually run by a member of staff (a troncmaster) who acts independently of the employer. This was found to be the case in a review of practices relating to tips in Jersey (the Employment Forum's recommendation for the April 2010 minimum rates) in which evidence from employees indicated that tips are pooled and shared, and evidence from industry representatives indicated that businesses usually distribute tips through in-house troncmasters (e.g. on a monthly basis) with no direct involvement from the business in the distribution of tips to individual staff members.

(c) The Minister does not intend at this time to compel businesses to display their policy on tips. Following the Forum's 2010 review relating to tips, the employment legislation was amended to ensure that employers could not count tips towards minimum wage pay. If the Deputy is aware of evidence that might justify further consideration in this area, he is encouraged to provide that information to the Social Security Department or to the Jersey Advisory and Conciliation Service.