

Press Release



The Department of Labor's Proposed Rule to Change Tip Regulations

ALLISON EDWARDS | OCTOBER 17, 2019

The Department of Labor (DOL) recently proposed a rule to change tip regulations, aiming to clarify the rules around tip credits and to expand which employees can receive tips. AAF's Labor Market Policy Data Analyst Isabel Soto explains the rule's changes and the implications for workers and employers.

An excerpt:

The DOL's [proposed rule](#) amends tip regulations to align with [recent congressional action](#) and codifies changes concerning tip credit application. The proposed rule determines tip-credit eligibility on the basis of whether the occupation is tipped or non-tipped, rather than time spent on tip-generating work.

The changes to tip sharing would allow for employees who previously did not have access to tips now to make above their standard hourly wage. On the flip side, the inclusion of more individuals in the tip pool could reduce the average amount each employee will receive.

[Read the analysis.](#)