



Submission to Statutory Consultation

Payment of Wages (Amendment) (Tips and Gratuities)

Act 2022

The Restaurants Association of Ireland broadly welcomes this Act. In particular as an Association we are in favour of the section which prohibits tips and gratuities use to make up contracted wage rates.

Regarding Appendix 1 which relates to the Classes of Employers the Act will cover. It is a concern of the Restaurants Association of Ireland that has long been expressed including at the initiation of this Bill that all sectors of business should be included to provide transparency for the consumer alongside the need for transparency for the employee.

It is regrettable that in this appendix that certain goods and service providers, including but not limited to; ticket sales, food delivery applications and utility providers are not included in the list.

If the intention of the Act is to provide transparency for staff and consumer alike on the operation of tips and or service charges then all sectors utilising them should be included.

At this moment, in a time of rising energy costs, inflation and the increasing cost of living, this Act does not seek to provide legally guaranteed clarity to the consumer of what their energy utility bill service charge is for. Similarly, the labour intensive food delivery services seek both service charges, and tips for both the individual delivery drivers and also the food businesses utilising the service, in this scenario only the food business must explain their tip policy but it is unknown what the delivery application does with the service charge and there is no legal guarantee for the delivery driver to get their tip. This is a true oversight in the proposed Regulations in Appendix 1.



Regarding Appendix 2 and the display notice. For the purposes of the Hospitality Sector in particular, the display is welcome however as has been previously expressed by the Restaurants Association of Ireland, there is concern that restaurants and cafes are increasingly becoming a legal notice board with the need for IMRO/PPI, Alcohol Licence, FOG Licence, FSAI inspection register needed to be displayed.

Given that a number of restaurants operate at-table purchase, can it be confirmed that a display at entrance will be sufficient in such instances?

Can it also be confirmed that the wording of “employers to display prominently their policy on the distribution of both cash and card tips” indicates that the display for consumers will be different than for that of employees. The tips policy for employees will need to provide greater detail and clarity, whilst the consumer display notice should require a simplified notice, for example, “Please note in this restaurant / café all cash and electronic tips received by individual staff members are pooled and distributed amongst all staff members based on a staff agreed % distribution system”.

Any future Regulations regarding the distribution and the detail of the consumer facing tips policy display, must not be prescriptive as this would only seek to undermine tips distribution policies in place in certain hospitality businesses (the majority devised and at the agreement of staff) based on criteria specific to that business. By way of example, some business may distribute tips based on hours worked, in contract to another business which may distribute based on years of service. Again a percentage of hospitality businesses may have staff that have agreed a % split between front of house staff and back of house staff. Such individual and long-standing agreements between staff and facilitated by the business should not be disturbed and it is our hope that this Act and future regulations do not seek to over prescribe when the hospitality sector and indeed other sectors have such scope, this could lead to unintended consequences for staff.

In conclusion the Restaurants Association of Ireland welcomes the transparency this Act provides for both employees and consumers alike and welcomes the review the Tánaiste has committed to following one year of the Act’s operation. Any additional Regulations should not be overly prescriptive so as to disrupt staff agreements already in place and a boarder range of sectors utilising tips and service charges should be included.