



*The Gaming & Leisure
Association of Ireland*



Gaming and Leisure Association of Ireland (GLAI)
13 Fitzwilliam Square East,
Dublin 2

[REDACTED]
[REDACTED]
Low Pay Commission
Department of Employment Affairs and Social Protection
Áras Mhic Dhiarmada, Store Street,
D. 1, D01 WY03.

9th July 2018

Re: Consultation re National Minimum Wage (Protection of Employee Tips) Bill 2017

Dear [REDACTED]

Further to your email of the 19th of June, the Gaming & Leisure Association of Ireland (GLAI) welcomes the opportunity to engage in this consultation process regarding the protection of employee tips.

In the interests of clarity the GLAI is a non-profit trade association of Private Member Gaming Clubs and online operators involved in the provision of gaming services in Ireland, established to represent the interests of its members throughout Ireland, both at national and at EU level. The guiding principle of the GLAI is that responsible gaming can only be promoted in Ireland through a regulated environment, which will in turn protect vulnerable persons, and ensure consumer protection.

There are currently nearly 40 Private Member Clubs around the country which are registered with the Department of Justice as required under the Criminal Justice (Money Laundering and Terrorist Financing) Bill 2010. The GLAI represents between 40% and 50% of this sector.

Private Member Clubs provide casino like services to their members, typically poker tournaments, poker cash games, and gaming tables such as blackjack and roulette. The environment within which staff of private member clubs work could best be described as 'hospitality' in nature as it requires a high level of customer service on the part of employees.

It is not unusual for customers to tip staff. Typically a customer will tip for waiter service while playing at the gaming or poker tables or, if they have had a significant win, they might tip the dealer of the game. Tipping is generally limited to front line staff who have direct contact with a customer and engage in a friendly and helpful manner. It is worth noting that there are some support staff who do not have the same access but their efforts contribute to the ability of their colleagues to collect tips.

Based on our limited research in this area, some operators allow staff to retain their own tips, however most operators tend to allow staff to operate 'tip pools' whereby staff pool their tips and then divide them out according to an agreed structure, this allows for 'weighting' of those staff which can perform more than one function or who are more senior. Some tip pools will also share their tips with support staff who lack the



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same opportunity to receive tips but who indirectly contribute to their colleagues' ability to obtain tips. An example would be where waiting staff share their tips with the Chef and the Kitchen Porter.

We were not aware of any instances where employers take tips away from employees, nonetheless we do support the view that legislation to protect low paid employees from unscrupulous employers has merit.

One observation brought to our attention is that employers have a duty of care to ensure that all staff are treated equally and fairly. To enable **employers** to ensure that tips are distributed in a fair manner, provision should be made to permit employers, when called upon by either an individual staff member or a group of staff members, **to adjudicate in any disputes** regarding the distribution of tips in the interest of fairness of all parties concerned.

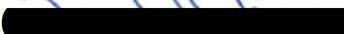
Also, as mentioned before, not all staff have the same 'front line' opportunity to collect tips, yet their contribution, often hidden, is equally important to ensuring that the customer's experience is a positive one. This directly impacts on the customer's overall willingness to tip. However unfortunately disputes can arise from time to time where some staff consider that their colleagues should not be included in the tip pool simply because they do not 'collect' the tips. This can be a significant cause of resentment and is best avoided by ensuring that, **where appropriate, the employer can ensure that those staff members whose role determines that they remain more behind the scenes, are included in the appropriately designated tip pool.**

We note from Section 3 (4) (b) that 'The Minister shall introduce regulations to facilitate the introduction of 'Tronc' schemes, a common fund into which tips and service charges are paid for distribution to the staff, to ensure an equitable distribution of tips with the need for employer involvement.' Such a scheme may be best-suited to ensure the equitable distribution of tips among staff, however, it will be important to ensure any such scheme is created in consultation with employers to ensure it is workable and in the best interests of all staff, both front line and those behind the scenes. We recommend that employers should not get involved in administering, controlling, or processing the tip pool, accordingly any tax liability accruing shall remain the responsibility of the employee.

Regardless of the scheme adopted, **we recommend** that employers must have the authority to intervene in any disputes among staff purely in the interests of fairness. If employers lack the authority to settle disputes regarding the distribution of tips among the participants in the tip pool or to ensure that support staff are included in the appropriate tip pool, they may feel compelled to disallow tipping if it becomes a cause of ongoing jealousies and disputes among staff.

Once again we thank you for the opportunity to engage in this consultation and we are happy to engage further should you consider that it would be helpful. In the meantime, if we can provide any further information please don't hesitate to contact us.

Yours sincerely

Director - GLAI