



# LVA

*The Art of Great Food and Drink*

## **Licensed Vintners Association Submission**

**to the**

**Consultation on the National Minimum Wage (Protection  
of Employee Tips) Bill 2017**

**10<sup>th</sup> September 2018**

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## INTRODUCTION

The Licensed Vintners Association (LVA) is the representative organisation for the Publicans of Dublin. We have almost 600 members which is approximately 80% of the Dublin trade. Collectively our members employ over 12,000 people. See [www.lva.ie](http://www.lva.ie) for further information on our Association.

## BACKGROUND

The LVA does not collect, or hold, any formal statistical information on the level of employee tips earned by staff in the Dublin licensed trade, or how such tips are distributed/managed by staff.

We do have close ties to our members and, in particular, provide members with a dedicated, in-house HR advisory service. This has provided us with considerable insight into HR issues between owners and staff over time.

It is our view that there are no significant disputes or ongoing problems between owners and staff on the management and distribution of tips in the Dublin licensed trade.

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Each business has its own individual arrangements in place and this ranges from the duty manager pooling and distributing tips to staff managing tips themselves to individual staff members keeping tips earned to themselves.

## OUR POSITION

- i. The LVA has no objection to the overall objective of the legislation and agrees that employers should not be allowed to withhold tips or other gratuities from employees.

However, we do not believe that employers are withhold tips.

Accordingly, Section 3, 10F, parts (1), (2) and (3) seem reasonable.

- ii. The LVA opposes Section 4 (a) requiring businesses to display their policy on the distribution of tips on menus. Our opposition is based on cost grounds.
- iii. The LVA strongly opposes Section 4 (b) requiring the introduction of tronc schemes to ensure an equitable distribution of tips with the need for employer involvement. Our opposition is based on
  - current individual in-pub distribution arrangements are working well
  - extra administration required on the employer
  - inevitable disruption to employer employee relations if a new system of tip distribution is imposed
  - will employers then be required to withhold tax on tips?
- iv. The LVA does not oppose Section 4 (c)
- v. We agree with Sections 4 (d) and (e) on the basis of fairness.

Given that we operate in a service industry, tips are to be expected for excellent service. This is clearly in the employers' interests too as it demonstrates customers were happy with their experience. Tipping remains primarily a transaction between customers and staff and employers generally do not have any involvement, and have no interest in being involved.

## CONCLUSION

We agree that employers should not be allowed to withhold tips but do not believe this occurs to any extent in the Dublin licensed trade. The existing "custom and practice" works for both employers and employees. We oppose imposing additional cost and bureaucracy on employers in this regard and certainly do not want employers involvement in tronc schemes to be required by legislation

~ ENDS ~