

8 AAC 15.907 is repealed and readopted to read:

**8 AAC 15.907. Employee tips.** (a) Except as provided in this section, an employer may not handle or take possession or control of an employee's tips.

(b) An employer may handle tips only for the purpose of

(1) delivering the cash amount of the tip to the employee when a customer provides for a tip on a credit card charge slip;

(2) redistributing the tips to employees under a tip pooling arrangement; an employer shall provide written notice to all service employees of the tip pooling arrangement; any change to a tip pooling arrangement must be provided in writing on the payday before the payday on which the change becomes effective; a tip pooling arrangement may not be retroactive, or

(3) redistributing the accumulated tips to the employee or service employees on the next regularly scheduled pay day only if a daily accounting of the employee's tips is provided in writing to the employee on the day that the tips were given by the customer.

(c) If an employer must pay a credit card company a fee based on a percentage of a customer's bill, an employer may reduce the amount of a credit card tip by a percentage not greater than the percentage of the tip charged by the credit card company for its fee.

(d) For the purposes of this section,

(1) "tip pooling arrangement" means an agreement under which a portion of a tipped employee's tips is collected for distribution among other service employees;

(2) "tips" means an amount of cash, or an amount designated as a "tip" by a credit card customer on a credit card charge slip, that is determined, and freely given, by a customer in recognition of an employee's service to that customer; "tips" does not include a compulsory

charge for service that is part of the employer's gross receipts, such as a service charge of 15 percent of a customer's bill;

(3) "service employee"

(A) means an employee whose primary duty is to deliver or assist in the delivery of services to the customer who pays a tip, including a host/hostess, order taker, wait staff, busser, dishwasher, or cook;

(B) does not include an employee whose primary duty is managerial or administrative. (Eff. 4/7/96, Register 138; am 6/29/2018, Register 226; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

**Authority:** AS 23.05.060 AS 23.10.085