

# THE ROYAL GARDEN HOTEL POLICY AND PROCEDURE



SUBJECT:	TIPS AND GRATUITIES POLICY
ISSUED BY:	People & Culture/Finance
IMPLEMENTATION DATE	October 2024

**DISPLAYED FOR BOTH GUESTS/CUSTOMERS AND EMPLOYEES**

**PURPOSE**

We recognise that tips are often given by our guests and customers to thank you, our team members, for your excellent service and hard work. We acknowledge that team members should be able to benefit from this additional income.

From 1 October 2024, the Employment (Allocation of Tips) Act 2023 ("the Act") requires us to maintain a policy on the fair allocation of qualifying tips, gratuities and service charge that are paid at, or are otherwise attributable to, our place of work, amongst team members. The Royal Garden Hotel is committed to our legal obligations under this referenced legislation.

The purpose of this policy is to provide transparency on how tips will be distributed among the workforce. This policy has been implemented following consultation with the workforce/employee representatives.

**SCOPE**

This policy applies to all employees, workers and agency workers engaged at the hotel. This policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.

**PROCEDURE**

- Royal Garden Hotel Limited invites Guests/Customers to pay a discretionary tip, gratuity, or service charge at the Hotel. This policy applies to all such tips, gratuities and service charges which The Royal Garden Hotel receives or where we exercise control or significant influence over their distribution, known as "Employer Received Tips".
- Customers may leave additional cash tips directly for team members. These tips are not managed, controlled, or handled by Royal Garden Hotel Limited and are not therefore covered by this policy. Team members may keep any such tips and it is their responsibility to declare the income for tax purposes to HM Revenue and Customs. This policy does not apply to non-monetary gifts.

TIPS AND GRATUITIES POLICY		
Issued: September 2024	Next Review: September 2025	Page 1 of 2
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- Royal Garden Hotel Limited does not apply any administrative fees or make any deductions from payments in respect of Employer Received Tips, irrespective as to how tips are paid by a guest/customer (whether in cash, by an electronic payment method) other than those fees or deductions we are permitted or required to make by law.
- Royal Garden Hotel Limited ensures that all Employer Received Tips are handled fairly, by utilising a valid tronc arrangement.
- The Troncmaster for Royal Garden Hotel Limited is Damian Guy of GRTFL Limited, and 100% of the Employer Received Tips paid by guests/customers is made available to the Troncmaster for distribution.
- Royal Garden Hotel Limited provides the Troncmaster with the necessary information to verify and ensure that the entire amount of Employer Received Tips is accurately awarded and distributed.
- Employer Received Tips are collected, allocated and distributed in accordance with the applicable tronc scheme rules, a copy of which is attached.
- All Employer Received Tips are paid to tronc system members no later than the end of the month following the month in which they were paid by guests/customers at Royal Garden Hotel Limited. For example – all Employer Received Tips received in October will be paid out no later than the end of November. This process is verified through the Royal Garden Hotel Limited payroll system.
- Employer Received Tips are distributed to the workforce at the place of business where they were generated (2-24 Kensington High Street, London, W8 4PT), as well as to team members working in non-public places of business operated by Royal Garden Hotel Limited, provided they have contributed to that place of business during the period, in compliance with the Employment (Allocation of Tips) Act 2023.
- If you have any queries or concerns about the amount of tips allocated to you, or any other queries or concerns about the application of this policy, you should speak to your Functional Head of Department or the People and Culture Department. Any complaints about the allocation or payment of tips, or otherwise about the operation of this policy may be raised in accordance with our grievance policy which can be found on FLOW.

TIPS AND GRATUITIES POLICY		
Issued: September 2024	Next Review: September 2025	Page 2 of 2
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