



# A GUIDE TO MINNESOTA'S LAWS ABOUT TIP CREDIT, TIP SHARING, TIP POOLING

## MINNESOTA EMPLOYERS ARE PROHIBITED FROM TAKING A TIP CREDIT AGAINST THE MINIMUM WAGE

- Minimum wage rates apply to all hours worked, whether part time or full time.
- Employers may not count tips received by an employee toward the payment of minimum wage.
  - » Example: Employees must receive the applicable minimum wage in addition to any tips they may receive.



## EMPLOYERS ARE PROHIBITED FROM DIRECTING EMPLOYEES TO POOL OR SHARE TIPS

- No employer may require an employee to contribute or share a gratuity received by the employee with the employer or other employees or to contribute any gratuity to a fund or pool.
- Tips are the sole property of the direct service employee. Employers cannot require employees to share their tips with indirect service employees.
  - » A direct service employee is one who performs direct service for a customer.
  - » Indirect service employees include, yet are not limited to, bus people, dishwashers, cooks or hosts.
- When more than one direct service employee provides direct service to a customer in a given situation such as banquets, money presented by customers as a gratuity and divided among the direct service employees is not a violation of Minnesota tip laws.



## EMPLOYERS MAY TAKE THE FOLLOWING ACTIONS REGARDING TIPS

- Upon the request of employees, an employer may safeguard gratuities to be shared by employees and disburse shared gratuities to employees who agree.
- An employer may report amounts received as gratuities as required for tax purposes.
- For credit card tips only, employers may deduct from the tip the same percentage deducted by a credit card service company.

## CONTACT INFORMATION

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Notice: This flier is a brief summary of Minnesota law and is intended as a guide.  
It is not to be considered a substitute for Minnesota Statutes regarding tip laws.

This document can be provided in different forms, such as large print, Braille or audio, by calling (651) 284-5005.