



# Tip Rate Determination Agreement Benefits to Participants

## 1. To Participate:

- New employees must join within 60 days from date of hire
- Current employees must join within 60 days from agreement implementation date
- Employees must sign Attachment C and agree to report tips at or above the hourly tip rate
- Employees who drop out during the year are not eligible to join again until January of the following year

## 2. Participating Employees:

- Will not be subject to a tip audit during agreement years
- Will not be subject to tip audits in prior years if employer had no agreement
- Will benefit from Coverage Adjustment reductions (10%, 20% or 15%)
- Will no longer need to keep detailed tip logs
- Will have higher income on their W-2 which may result in:
  - Better terms when applying for loans (mortgage, car, and other personal loans)
  - Increased Workers' Compensation benefits, should you get injured on the job
  - Increased Unemployment Compensation benefits should you need them
  - Increase in other benefits (based on pay) that the company may offer such as life insurance or disability payments that are based on income
  - Increased Social Security and Medicare (FICA) benefits (the more you pay in, the greater your benefits)

## 3. What will be withheld from your paycheck:

### Example of Social Security and Medicare (FICA)\* Withholding

Occupational Category	Participant Hourly Tip Rate Effective 1/1/2015	Participant Tip Income based on 40 hour work week	Participants Employee Share of FICA Withholding
Food Server	\$16.40	\$656.00	\$50.18
Busser	\$5.23	\$209.20	\$16.00
Bartender	\$11.75	\$470.00	\$35.96
Cocktail Server	\$14.03	\$561.20	\$42.93
Barback	\$3.89	\$155.60	\$11.90

\*Employees share of FICA Tax of 7.65%; does not include income taxes

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