

Duff on Hospitality Law

Tip Pooling Update: Restaurant Associations' Lawsuit Prevails Against DOL Regulations

By Joy Ellis on 6.10.13 | Posted in Food and Beverage

Tip Pooling Update

Catch up on Joy's previous [tip pooling update here](#) and continue reading for the latest ruling.

On June 7, 2013, a federal judge in Oregon ruled that the Department of Labor went beyond its authority when it issued regulations in 2011 prohibiting the use of tips by an employer even when the employer does not take a tip credit. Judge Michael Mosman held that Congress had intended to impose conditions on employers that take a tip credit but did not intend to impose a freestanding requirement pertaining to all tipped employees. Consequently, the 2011 tip pooling regulations are not valid in the Ninth Circuit. The decision may be appealed, so employers aren't out of the woods yet, but for now this is a big win for the restaurant industry.

Tags: Tip pooling