



<b>Company Name:</b>	Platinum Recruitment Consultancy Ltd (“the Company”)
<b>Model Policy Name:</b>	Policy on the fair and transparent distribution of tips
<b>Date:</b>	01/10/2024

## OUR POLICY

**Platinum Recruitment Consultancy Ltd** is an employment business supplying temporary workers and is committed to ensuring that it passes on all tips and service charges received from hirers with respect to temporary agency workers it has supplied to them without deductions, except in very limited circumstances as permitted by law, such as the deduction of income tax and national insurance.

### Qualifying tips, gratuities and service charges

1. In accordance with Part 2B ERA, Platinum Recruitment Consultancy Ltd is committed to promoting fairness and transparency in the distribution of tips, gratuities and service charges.
  - 1.1 “Qualifying tips, gratuities and service charges” include:
    - 1.1.1 Tips paid to the hirer referred to as “employer-received” tips under ERA and
    - 1.1.2 Worker-received tips which are subject to the hirer’s control or are connected with any other worker-received tips which are subject to the hirer’s employer control.
  - 1.2 Employer received tips are either:
    - 1.2.1 Tips received by the hirer or an associated person of the hirer’s immediately upon payment or after payment; or
    - 1.2.2 Tips paid to the hirer under a payment arrangement made between the hirer and that person.
  - 1.3 Worker received tips are amounts paid by a customer of a hirer by way of a tip, gratuity or service charge which:
    - 1.3.1 Is received on payment directly to a worker; and
    - 1.3.2 Is not subsequently received by the hirer or an associated person of the hirer’s.
  - 1.4 All hirers will be required to pay Platinum Recruitment Consultancy Ltd any qualifying tips with respect to an eligible agency worker we supply no later than the end of the month following the month in which the tip was paid.
  - 1.5 On receipt of a qualifying tip with respect to the supply of an eligible agency worker Platinum Recruitment Consultancy Ltd will only make deductions which Platinum Recruitment Consultancy Ltd may be required by law to make and, in particular, in respect of PAYE pursuant to Sections 44-47 of the Income Tax (Earnings and Pensions) Act 2003 and Class 1 National Insurance Contributions.

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- 1.6 On receipt of a qualifying tip from a hirer Platinum Recruitment Consultancy Ltd will pay a qualifying tip (subject to legally permitted deductions) to a qualifying agency worker before the end of the month after the month in which we receive the payment from the hirer.

## **Employer**

- 2 In the case of agency workers references to “employer” under Part 2B ERA refer to the hirer for the place of business in which an agency worker is engaged.
- 3 This policy will apply to the distribution of qualifying tips to temporary agency workers and not genuinely self-employed individuals.
- 3.1 ERA defines an “eligible agency worker” as:
- 3.1.1 a worker who is supplied by a person (the “agent”) to do work for another person (the “principal”) under a contract or other arrangements made between the agent and the principal, but
- 3.1.2 who is not, as, a worker of the principal because of the absence of a worker’s contract between the individual and the principal, and
- 3.1.3 who is not a party to a contract under which they undertake to do the work for another party to the contract whose status is that of a client or customer of any profession or business undertaking carried on by the individual
- 3.2 Eligible agency workers are entitled to benefit from fair and transparent distribution of their qualifying tips. We will take reasonable steps to check that hirers fairly allocate the total amount of qualifying tips paid at their place of business to us free from deduction.

## **Hirer’s obligations**

- 4 Platinum Recruitment Consultancy Ltd will always check that a hirer has a written policy on dealing with qualifying tips covering eligible agency workers we supply to them in accordance with its obligations under section 271 ERA.
- 4.1 This will apply where qualifying tips are paid at, or are otherwise attributable to, a relevant place of business.
- 4.2 We will always satisfy ourselves that any such policy includes:
- 4.2.1 Information about whether the hirer requires or encourages customers to pay tips, gratuities and service charges at the place of business;
- 4.2.2 Information about how the hirer ensures that all qualifying tips, gratuities and service charges paid at, or otherwise attributable to, the place of business are dealt with in accordance with ERA, including how the hirer allocates qualifying tips, gratuities and service charges between workers at the place of business; and
- 4.2.3 We will also always satisfy ourselves that the policy is made available to all workers at the hirer’s place of business and any amended versions of the policy are also made available to workers.
- 4.3 We will always satisfy ourselves that where the hirer is not required to have a written policy for a place of business under s271 ERA, but would be required to if worker-received tips that are paid at, or otherwise attributable to, its place of business were qualifying tips under ERA, they make the following information available to workers at that place of business:
- 4.3.1 The hirer is not required to have a written policy available to workers under s271(5)(a) ERA; and
- 4.3.2 The reasons why they are not required to have such a policy under this section.

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- 4.4 We acknowledge that it will be for each hirer to determine which specific principles best apply to the allocation of tips in their business. However, we will always use our reasonable endeavours to ensure that hirers allocate tips to temporary agency workers we supply fairly by following the guidance set out in the [Statutory Code of Practice on the Fair and Transparent. Distribution of Tips](#) which provides the following:
- 4.4.1 Allocating and distributing tips fairly does not necessarily require allocation of the same proportion of tips to all workers;
- 4.4.2 A clear and objective set of factors should always be used to determine the allocation and distribution of qualifying tips to all workers. The choice of factors should be fair and reasonable given the circumstances and the nature of the individual business and could include but should not be limited to:
- Type of role/work e.g. distribution between front of house and backroom workers;
  - Basic pay (and how workers are engaged);
  - Hours worked during period when tips are received;
  - Individual and/or team performance;
  - Seniority/level of responsibility;
  - Length of time served on assignment and qualification for equal treatment under the Agency Worker Regulations 2010 (AWR);
  - Customer intention.
- 4.5 Platinum Recruitment Consultancy Ltd will also use its best endeavours to check that any factors considered in the allocation and distribution of tips do not result in discriminatory outcomes leaving temporary agency workers we supply that have protected characteristics at a disadvantage as a result of the hirer's chosen method of allocating and distributing tips.
- 4.6 Some hirers will distribute qualifying tips through a common fund where tips left by customers are pooled before being distributed between workers (an independent Tronc Operator) under Section 27F ERA 1996.
- 4.7 Where a Tronc Operator is used, we will always check that the instructions or framework the Hirer sets for the tronc's operation are in line with principles of fairness set out in the [Statutory Code of Practice on the Fair and Transparent. Distribution of Tips](#).
- 4.8 Platinum Recruitment Consultancy Ltd will always check that the hirer has checked and has a reasonable belief that the tronc is operating independently and fairly.
- 4.9 Where an independent Tronc Operator is used by a hirer, Platinum Recruitment Consultancy Ltd will from time-to-time check that the hirer still holds a reasonable belief that the Tronc Operator is acting in a fair and proper manner.
- 4.10 Where the hirer is aware of any unfairness and impropriety, Platinum Recruitment Consultancy Ltd will check that the hirer is complying with its duty to address this in order to maintain a fair allocation of tips and has done one of the following:
- Instructed the Tronc Operator to change its operation;
  - Replaced the Tronc Operator with an alternative operator; or
  - Terminated the tronc arrangement altogether.

## Record keeping obligations for hirers

- 5 Platinum Recruitment Consultancy Ltd will check that hirers that are within the scope of the Employment (Allocation of Tips) Act 2023 will comply with the requirement to keep records of qualifying tips imposed under section 27J ERA 1996.

Under section 27J ERA 1996, hirers are required to do the following:

- 5.1.1 Create a record of how every qualifying tip, gratuity and service charge paid at, or otherwise attributable to, a place of business is paid;
- 5.1.2 Maintain that record for a period of three years beginning with the date on which the qualifying tip was paid;
- 5.1.3 Ensure that the record includes the amount of qualifying tips, gratuities and service charges paid at, or otherwise attributable to, the place of business;
- 5.1.4 Ensure that the record includes the amount of those qualifying tips, gratuities and service charges that the hirer allocated to workers at the place of business and/or that the hirer has arranged to be allocated to workers at the place of business by an independent Tronc Operator.

## Complaints and monitoring process

**Platinum Recruitment Consultancy Ltd** has procedures for monitoring compliance with this policy and for dealing with complaints related to the allocation and distribution of tips. These are available from **Rob Cotton - Compliance Manager** and will be made available immediately upon request. Any complaints will be investigated fully.

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