

875—217.50(91D) Payments to tipped employees.

217.50(1) In determining the wage of a tipped employee, the amount paid to a tipped employee by the employer shall be deemed to be increased on account of tips by an amount determined by the employer, but not by an amount in excess of 40 percent of the applicable minimum wage rate, except that in the case of an employee who (either personally or acting through a representative) shows to the satisfaction of the commissioner that the actual amount of tips received was less than the amount determined by the employer as the amount by which the wage paid the employee was deemed to be increased under this sentence, the amount paid the employee by the employer shall be deemed to have been increased by the lesser amount.

217.50(2) “Tipped employee” means any employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips.

SOURCE: 29 CFR 531.50.