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8 AAC 15.907(b) is amended to read:

(b) Except as provided in this section, an employer may not handle or take possession or control of an employee's tips. [HOWEVER, NOTHING IN THIS SECTION PRECLUDES A TIP POOLING ARRANGEMENT TO THE EXTENT ALLOWED UNDER 29 U.S.C. 201 - 219 (FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED).]

8 AAC 15.907(c)(2) is amended to read:

(2) redistributing the tips to **tipped** employees under a tip pooling arrangement.

8 AAC 15.907(e) is amended to read:

(e) For the purposes of this section,

(1) "tip pooling arrangement" means an agreement under which a portion of **a tipped** [AN] employee's tips is collected for distribution among **other tipped** [CERTAIN] employees; **an employer shall provide written notice to all tipped employees of any such tip pooling arrangement; any change to a tip pooling arrangement must be provided in writing on the payday prior to the payday on which the change becomes effective; a tip pooling arrangement may not be retroactive;**

(2) "tips" means an amount of cash, or an amount designated as a "tip" by a credit card customer on a credit card charge slip, that is determined, and freely given, by a customer in recognition of an employee's service to that customer; "tips" does not include a compulsory

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charge for service that is part of the employer's gross receipts, such as a service charge of 15 percent of a customer's bill; [.]

(3) "tipped employee" means any employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips; this definition excludes employees whose primary duty is not direct customer service. (Eff.

4/7/96, Register 138; am ___/___/____, Register ___)

Authority: AS 23.05.060 AS 23.10.085 AS 23.10.095
 AS 23.10.065