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OFFICE OF THE LIEUTENANT GOVERNOR ALASKA

MEMORANDUM

TO:	Tally Teal Department of Labor and Workforce Development
FROM:	Scott Meriwether, Office of the Lieutenant Governor
DATE:	May 30, 2018
RE:	Filed Permanent Regulations: Department of Labor and Workforce Development
	Department of Labor and Workforce Development regulations re: tip pooling arrangements (8 AAC 15.907)

Attorney General File:	2018200075
Regulation Filed:	5/30/2018
Effective Date:	6/29/2018
Print:	226, July 2018

cc with enclosures:

Linda Miller, Department of Law Judy Herndon, LexisNexis

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

I, BYRON MALLOTT, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, designate the following state employee to perform the Administrative Procedures Act filing functions of the Office of the Lieutenant Governor:

Claire Richardson, Special Assistant

IN TESTIMONY WHEREOF, I have signed and affixed the Seal of the State of Alaska, in Juneau, on January 7th 2015.



BYRON MALLOTT LIEUTENANT GOVERNOR

ORDER ADOPTING CHANGES TO REGULATIONS OF THE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

The attached 2 pages of regulations, dealing with tip pooling arrangements in 8 AAC 15.907, are adopted and certified to be a correct copy of the regulation changes that the Department of Labor and Workforce Development adopts under the authority of AS 23.05.010, AS 23.05.060, AS 23.10.050, AS 23.10.065, AS 23.10.085, and AS 23.10.095, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Labor and Workforce Development paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor.

Date: $\frac{4}{27}$

Heidi Drygas, Commission Department of Labor and Workforce Development

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FILING CERTIFICATION

I, Byron Mallot Lieutenant Governor for the State of Alaska, certify that on

IN 30 , 2018, at 3:350.m., I filed the attached regulations according to the

provisions of AS 44.62.040 - 44.62.120.

Lieutenant Governor

Effective: June 29, 2018 226, July 2018

Register:

Register <u>226</u>, <u>July</u> 2018 LABOR AND WORKFORCE DEV.

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 **<u>tipped</u>** 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 \underline{a}

tipped [AN] employee's tips is collected for distribution among <u>other tipped</u> [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 retroactivel ... a w back/underlining the forwall

(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

Register <u>226</u> , <u>July</u> 2018 LABOR AND WOR	KFORCE DEV.				
charge for service that is part of the employer's gross receipts,	such as a service cha	arge of 15			
percent of a customer's bill; P					
(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 <u>6 / 29 /2018</u> , Register 226)		W Kns. Lold or underline beneath f. 2risd III			
Authority: AS 23.05.060 AS 23.10.085	AS 23.10.095	feriad m			

AS 23.10.065