

Global Hospitality & Leisure Update

UK Minimum Wage

The UK Government has launched a consultation on proposed amendments to the minimum wage legislation.

Currently, where tips and gratuities are given directly to workers by customers and are retained by the workers without any other party being involved, they cannot count towards national minimum wage payments. Where service charges, tips, gratuities and cover charges, are paid by the employer to the worker via the payroll then the tip can count towards national minimum wage pay (currently £5.73 per hour for adults).

The Government proposes to amend the legislation so that tips can never count towards payment of the minimum wage. It will also require restaurants to make it clear how they distribute tips so that customers know where their money is going.

Global Hospitality & Leisure Group - Key Contacts

IN EUROPE

Peter Sugden

London

T: +44 20 7782 8522

E: psugden@mayerbrown.com

Dr. Jürgen Streng

Cologne

T: +49 221 5771 216

E: jstreng@mayerbrown.com

Jean-Pierre Lee

Paris

T: +33 1 53 53 43 43

E: jplee@mayerbrown.com

IN AMERICA

Frank Henneburg

Washington DC

T: +1 202 263 3231

E: fhenneburg@mayerbrown.com

Alvin Katz

Chicago

T: +1 312 701 8285

E: akatz@mayerbrown.com

Keith Willner

Washington DC

T: +1 202 263 3215

E: kwillner@mayerbrown.com

IN ASIA

Andrew P. B. MacGeoch

Hong Kong

T: +852 2843 2253

E: andrew.macgeoch@mayerbrownjms.com

David Mallinson

Hong Kong

T: +852 2843 4247

E: david.mallinson@mayerbrownjms.com

Ian Lewis

Beijing

T: +86 10 6599 9266

E: ian.lewis@mayerbrownjms.com

Dao Nguyen

Ho Chi Minh

T: +84 8 822 8860 ext. 128

E: dao.nguyen@mayerbrownjms.com

Anurag Ramanat

Bangkok

T: +66 2 677 7577 ext.162

E: anurag.ramanat@mayerbrownjms.com

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