

Human Resources Legislative Update

New ESA Rules for Tips and Gratuities Now in Effect

Date: June 10, 2016

[Effective June 10, 2016](#), reforms to the *Employment Standards Act, 2000* (ESA) enacted by Bill 12, the [Protecting Employees' Tips Act, 2015](#), prohibit employers from withholding, making deductions from, or collecting tips or other gratuities from employees unless authorized to do so under the ESA or its regulations.

As we previously reported, [certain credit card payment processing fees are exempt by regulation](#) with respect to customer payments, as determined in accordance with a prescribed formula.

Background information on this legislative initiative is available in our *FTR Now* dated December 15, 2015, [Ontario Passes New Legislation Governing Tips and Gratuities](#).