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.