

29 C.F.R. § 531.51

Conditions for taking tip credits in making wage payments.

The wage credit permitted on account of tips under section 3(m)(2)(A) may be taken only with respect to wage payments made under the Act to those employees whose occupations in the workweeks for which such payments are made are those of “tipped employees” as defined in section 3(t). Under section 3(t), the occupation of the employee must be one “in which he customarily and regularly receives more than \$30 a month in tips.” To determine whether a tip credit may be taken in paying wages to a particular employee it is necessary to know what payments constitute “tips,” whether the employee receives “more than \$30 a month” in such payments in the occupation in which he is engaged, and whether in such occupation he receives these payments in such amount “customarily and regularly.” The principles applicable to a resolution of these questions are discussed in the following sections.

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