

STATE OF NEW YORK

9008

2025-2026 Regular Sessions

IN ASSEMBLY

August 13, 2025

Introduced by M. of A. SANTABARBARA -- read once and referred to the Committee on Labor

AN ACT to amend the labor law, in relation to authorizing equitable tip pooling structures for counter service restaurants that pay all employees at or above minimum wage

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The labor law is amended by adding a new section 196-e to
2 read as follows:

3 § 196-e. Equitable tip pooling. 1. For the purposes of this section,
4 the following terms shall have the following meanings:

5 (a) "counter service restaurant" shall mean a food service establish-
6 ment that includes the following:

7 (i) orders placed at a counter or kiosk;

8 (ii) limited or no table service;

9 (iii) payment made by customers at the time of ordering and prior to
10 receiving food; and

11 (iv) tips collected in a common pool, not directed to any individual
12 server; and

13 (b) "tip pooling" shall mean the practice by which tip earnings are
14 intermingled in a common pool and then redistributed among employees.

15 2. A counter service restaurant may implement a tip pooling policy to
16 distribute any tips to hourly employees, in both service and non-service
17 positions, paid at or above the minimum wage required under article
18 nineteen of this chapter. An employer may require employees to partic-
19 ipate in a tip pool and shall set the percentage to be distributed to
20 employees based on the proportion of hours worked. No employer or mana-
21 gerial staff with authority over personnel decisions shall qualify for
22 participation in tip pooling.

23 3. (a) Any counter service restaurant that chooses to permit tip pool-
24 ing as authorized in this section is required to inform their employees

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD13501-01-5

1 of such policy through a conspicuously posted notice or other effective
2 means of disclosure with as much advance notice as possible.

3 (b) If at any time such restaurant that was previously permitting tip
4 pooling as authorized in this section ceases to do so, that restaurant
5 shall inform their employees of such action through a conspicuously
6 posted notice or other effective means of disclosure at least seven days
7 prior to implementing such a policy or with as much advance notice as
8 possible.

9 § 2. This act shall take effect on the ninetieth day after it shall
10 have become a law. Effective immediately, the addition, amendment and/or
11 repeal of any rule or regulation necessary for the implementation of
12 this act on its effective date are authorized to be made and completed
13 on or before such date.