



UK Government

Government Response

Making Work Pay: Strengthening the Law on Tipping

Consultation on new requirements to consult workers on tipping policies and the statutory Code of Practice on fair and transparent distribution of tips.

June 2026

Government Response

Make Work Pay: Strengthening the Law on Tipping



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Make Work Pay: Strengthening the Law on Tipping

Introduction

Making Work Pay: Strengthening the Law on Tipping

The government's plan to Make Work Pay is a central part of our mission to grow the economy, raise living standards across the country and create opportunities for everyone. It will make work more secure and predictable, putting more money into working people's pockets and strengthening the foundations that underpin a modern economy.

As part of this, the government is committed to updating Britain's employment protections so that they are fit for our modern economy and for the future of work. The plan to Make Work Pay included commitments to strengthen the law on tipping, by introducing new requirements for employers to consult with workers at their place of business when developing or revising their tipping policies. We intend to protect and enhance the voices of workers, particularly those who have traditionally had less of a voice in their workplaces.

Consultation

Between 5 February 2026 and 1 April 2026, we held a public consultation. The consultation sought views on how the government can most effectively and fairly implement the new requirements on tipping, as well as views about the current legislative framework and existing statutory Code of Practice on fair and transparent distribution of tips.

In total, the government received 74 responses to the online form (excluding blank submissions) and 21 email responses. During the consultation period, we also held meetings and roundtables with some key stakeholders, including business representatives, trade union representatives and tronc operators. They were used to discuss views on the topics and themes raised in the consultation, with attendees also reminded that more specific answers to the consultation should be provided via the consultation itself, either via email or the online form.

The government is very grateful to all respondents to the consultation for their considered and helpful responses.

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Document Structure and Analytical Approach

This document sets out a summary of the feedback received in the consultation, the government's response, and next steps. It includes details of the quantitative feedback from the online form and qualitative feedback, both from the free text online survey questions and responses received via email submissions.

For the sake of clarity, questions which provided the most revealing data have been prioritised for individual analysis, including in graph and chart form. Others have been summarised narratively.

While the responses provide useful insights into stakeholder views, it should be noted that, given the relatively small number of responses, the findings are not necessarily representative of the wider population.

Where reference is made to the number of respondents to a particular question in the online survey, it should be noted that respondents were not required to answer every question. Therefore, considerable variation can be seen between the number of answers.

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Responses to consultation questions

Type of Respondents

These opening questions obtained background information about the individuals and groups who responded to the consultation.

Of the 74 respondents, there were 38 individuals (this category includes workers and customers), 29 employers, 1 business representative organisation, 1 legal representative and 5 categorised as other. Numerous trade unions made their representations via email responses.

There was a relatively even spread among the 42 respondents who declared the size of their business/workplace; this included 15 large businesses, 15 medium businesses and 12 small or micro businesses.

As can be seen in Figure 1, Over half (35 out of 68) of the respondents who declared their sector were from the accommodation and food service activities. Other sectors represented included parts of the service sector (17), arts, entertainment and recreation (4) and financial and insurance activities (3).

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Figure 1. Which sector is the business based in? (n = 68)

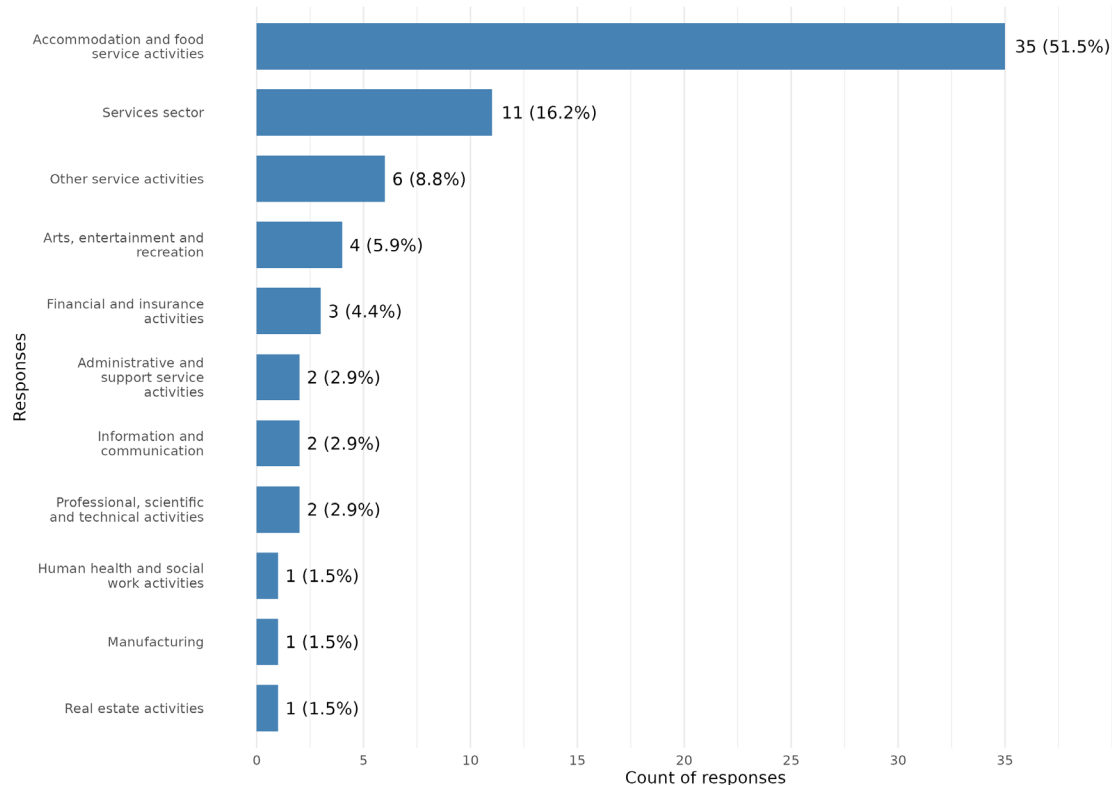


Figure 1

Responses were recorded from every region of England, as well as Scotland. Of the 74 recorded, there was over-representation from London (30) and the South East (12), while no responses were recorded from Wales.

Government Response

We were pleased to see a range of responses to this consultation from employers, individuals and others.

We note the strong representations from food and other parts of the service sector, as expected.

We also note the over-representation of respondents based in London and the South East and will ensure the new measures are appropriate for employers and workers in every region of the UK.

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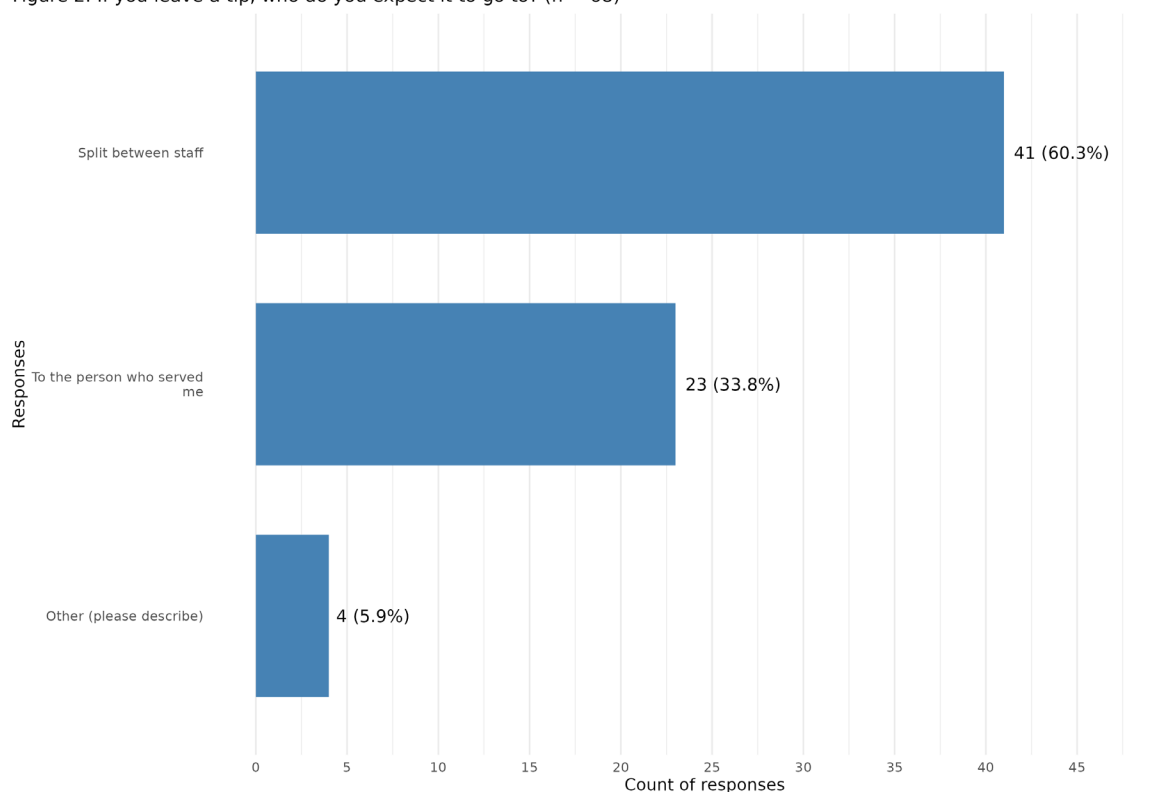
Customer Expectations and Tipping – Questions 1 to 3

This part of the consultation focused on customer experience and expectations surrounding tipping. Respondents were able to select multiple answers for most of these questions, so some of the figures are higher than the total number of individual respondents.

A fairly even spread of methods of payment was noted. Of 94 responses, exactly half (47) stated they usually tip via card payment, while 36 use cash and 10 indicated that they don't usually tip.

As can be seen on Figure 2, a range of customer views were expressed. The majority of respondents within the sample stated that they expect tips to be split between staff, while over a third stated they expect tips to go to the person who served them. A number of respondents also chose to input their own answers as free text responses. Broadly these responses reflected the sentiment that they expected tips to be shared among “all staff who contributed to the service”, indicating a preference for tips being fairly shared out between workers.

Figure 2. If you leave a tip, who do you expect it to go to? (n = 68)



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Over half of respondents (37 out of 68), meanwhile, stated that they would like to know how the tips were distributed at the business where they were a customer.

Government Response

We were pleased to see strong engagement from customers, noting that many who responded as workers or business representatives would also be customers for other businesses in tipping industries.

The range of responses about how precisely tips are distributed among workers i.e. “split between staff” vs. “to the person who served me” suggests there is no clear consensus among customers on a preferred approach. This indicates that a single prescriptive model of tip allocation may be difficult to apply consistently across different settings and unhelpful, reinforcing the importance of preserving flexibility for employers.

Whilst it is not a legal requirement for businesses to publicly display their tipping policy to customers, we note some level of enthusiasm for customers to know how the tips they leave are to be distributed. This suggests that greater transparency could help align customer expectations with business practices, and employers should therefore be encouraged (where feasible) to provide some of this information publicly, in the interests of promoting transparency.

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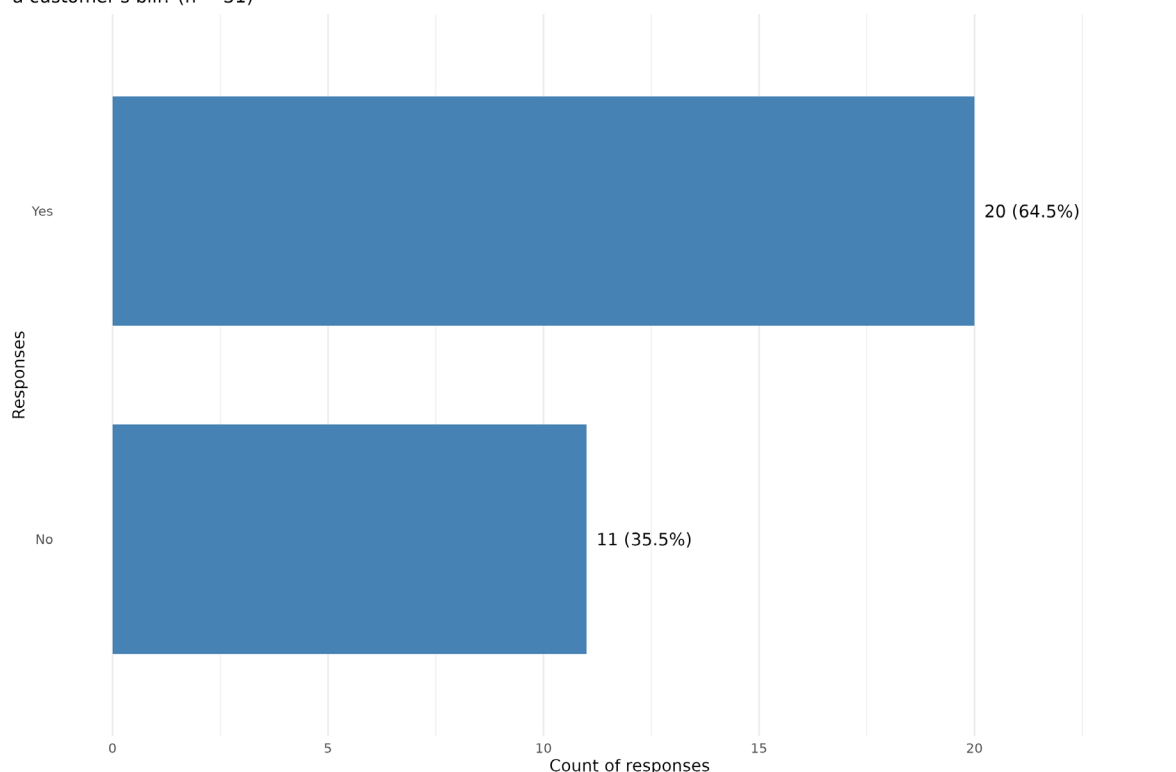
Current Tipping Arrangements and Compliance with Legislation – Questions 4 to 9

This part of the consultation was targeted towards employers and their representatives, and covered the existing processes used for dealing with tips at their workplaces.

All respondents to this section stated that their workplace receives tips from customers.

As can be seen on Figure 3, almost two thirds of respondents to the consultation said that their workplace automatically adds a tip or service charge to customers' bills. A number of written responses from individuals objected to this practice and regarded it as undermining the nature of discretionary reward from customers for service.

Figure 3. If yes, does your workplace automatically add a tip/service charge to a customer's bill? (n = 31)

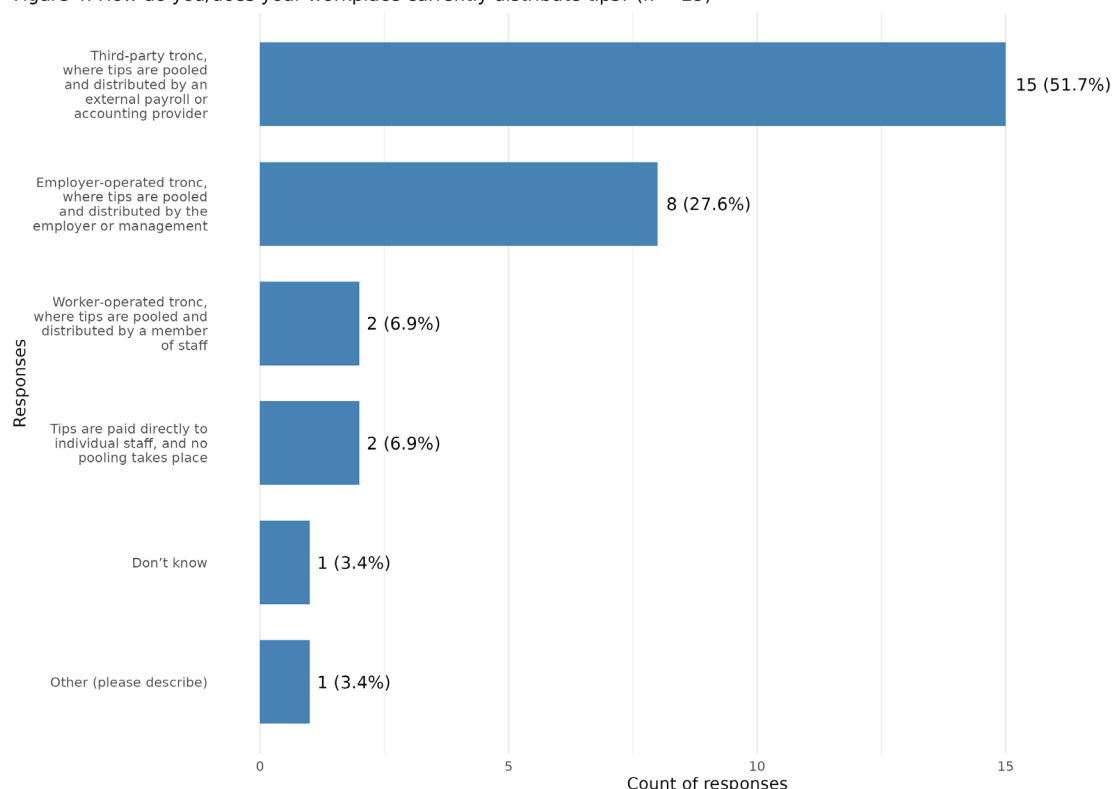


As can be seen on Figure 4, just over half of respondents (15 out of 29) stated that they use a third party tronc (where tips are pooled and distributed by an external payroll or accounting provider), but several other methods of distributing tips were also indicated.

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Figure 4. How do you/does your workplace currently distribute tips? (n = 29)



Among respondents, a slight majority of employers and their representatives (16 out of 29) pass on tips to workers exclusively through payroll, while only around a tenth (3 out of 29) do this completely separately from payroll, for example cash or a separate payment method. However, a considerable number recorded a hybrid response, with some tips passed on through payroll and some tips passed on separately from pay.

Within the sample, nearly all the respondents (27 out of 29) stated that they believe the requirements to pass on all tips, gratuities and service charges, without deductions, to workers are followed in their workplace. However, a couple of respondents left comments detailing the difficulties in ensuring this is the case. These comments included reference to the logistical challenges of paying tips to agency workers, the “unnecessary bureaucracy of recording”, and a lack of transparency between employers and workers, but the most common theme cited was the financial burden on employers.

As described by one respondent:

“We now have to cover the costs of everything tip related as we cannot make deductions, we only take card in our venue so we have to cover the card processing charges, bank charges and the cost of our troncmaster services (these are separate to and on top of our payroll costs and provided by a different company), these costs are high and mean our payroll

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processing is more complex and time consuming. All of these costs we have to cover in a very challenging hospitality market.

Government Response

We were pleased to see the general picture of strong compliance reported by employers.

The government does not take a view on whether or how much individuals should tip. Evidence currently available suggests that tipping remains a common practice within these industries, with limited indication of behavioural change since the existing legislation came into effect in October 2024.

The government recognises the administrative and financial burdens identified by a number of respondents. Under the legislation, tips must be passed on in full to workers without deductions, including for card payment charges. In developing any further guidance, the government will remain mindful of the need to avoid imposing additional burdens.

We also recognise the objections stated, including by a number of individuals in written responses, to the practice of automatically applied service charges. The government does not take a view on this practice, but we reiterate the importance of strong protections against customer coercion. The Digital Market, Competition and Consumers Act 2024 prohibits commercial practices which, through false information or misleading presentation, including omitting important information, cause, or are likely to cause the average consumer to make a different decision (for example, to purchase goods or services they would not otherwise have purchased).

The regulations prohibit traders from providing material information in an unclear, unintelligible, ambiguous or untimely manner. This would include the application of tips to bills in restaurants or elsewhere. It should always be clear on the bill, or in communication with staff, whether any tip automatically added to the bill is optional or mandatory for the consumer to pay. If it is an optional payment, there should be no pressure to agree it.

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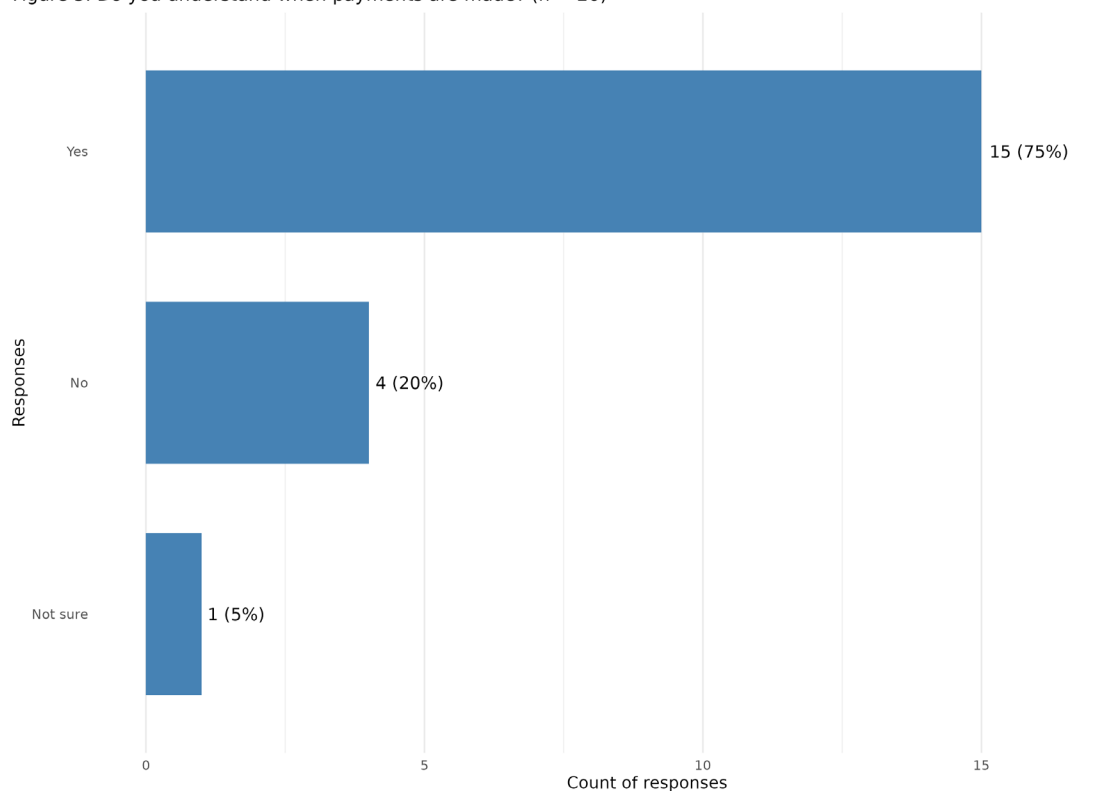
Transparency and Understanding – Questions 10 to 13

This part of the consultation was targeted towards workers and their representatives and covered existing processes for dealing with tips in the workplace.

In the evidence received, half of respondents (10 out of 20) receive tips exclusively via payroll, while only a small number (3 out of 29) receive them completely separately from payroll. However, a considerable number recorded a hybrid response, with some tips passed on through payroll and some tips passed on separately from pay.

As can be seen on Figure 5, there was good understanding from respondents of when payments are made and a reasonable understanding how shares of tips are calculated on Figure 6. However, as can be seen on Figure 7, worker confidence about asking about how tips are distributed paints more of a mixed picture, with several respondents stating they are “not at all confident”, and one respondent stating in a free text response that an outright tipping ban has been imposed at their workplace.

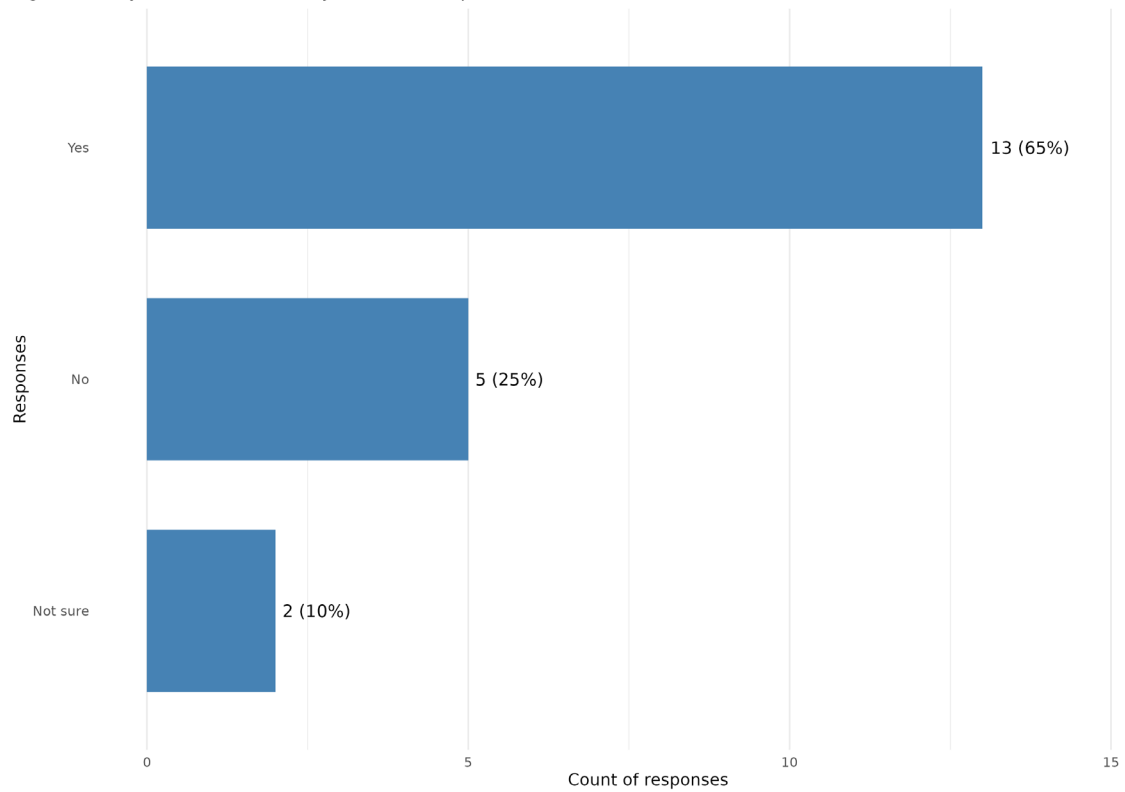
Figure 5. Do you understand when payments are made? (n = 20)



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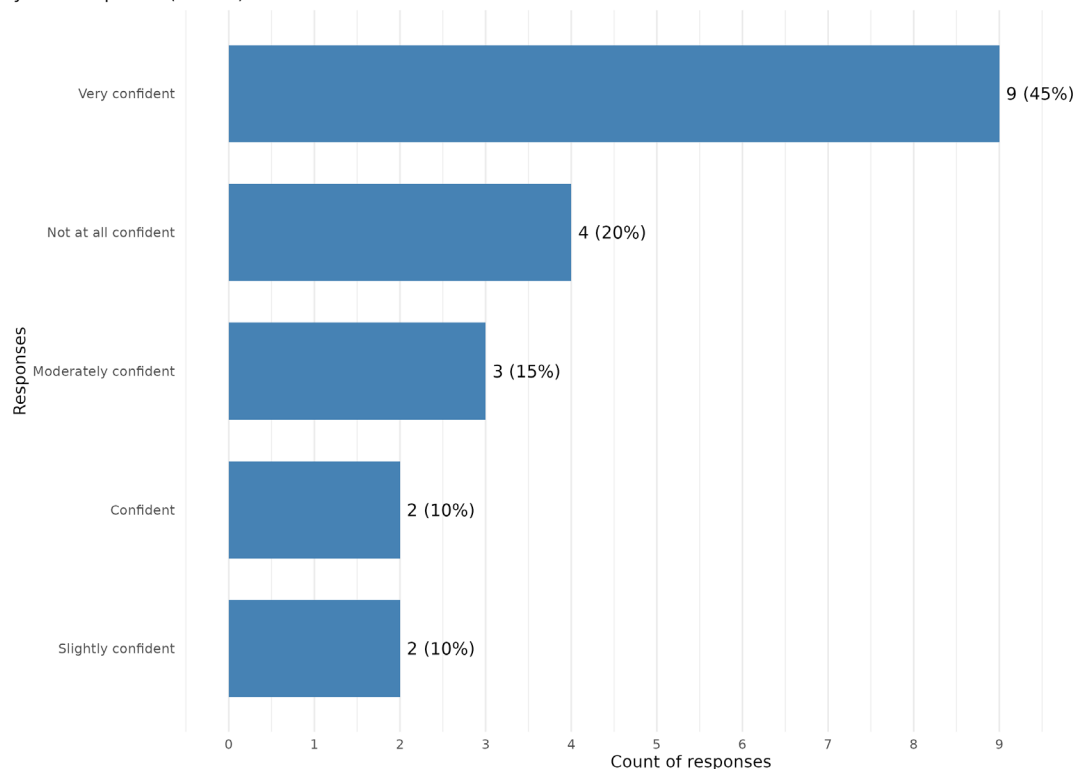
Figure 6. Do you understand how your share of tips is calculated? (n = 20)



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Figure 7. How confident do you feel asking about how tips are distributed in your workplace? (n = 20)



Government Response

We were pleased to see a generally positive picture of engagement, pointing towards good promotion of transparency in tipping industries.

However, a continued lack of confidence among some respondents is cause for concern. The new measures will seek to address this, with the required greater engagement during the policy setting process. This also perhaps indicates the need for some positive communications to both workers and employers when the new measures are coming into effect.

Although the sample size is limited, the mention of outright tipping bans – even if there is no strong evidence for widespread practice – could lead to the suggestion of unintended consequences from legislation in this space, and a continued need to implement guidance with care.

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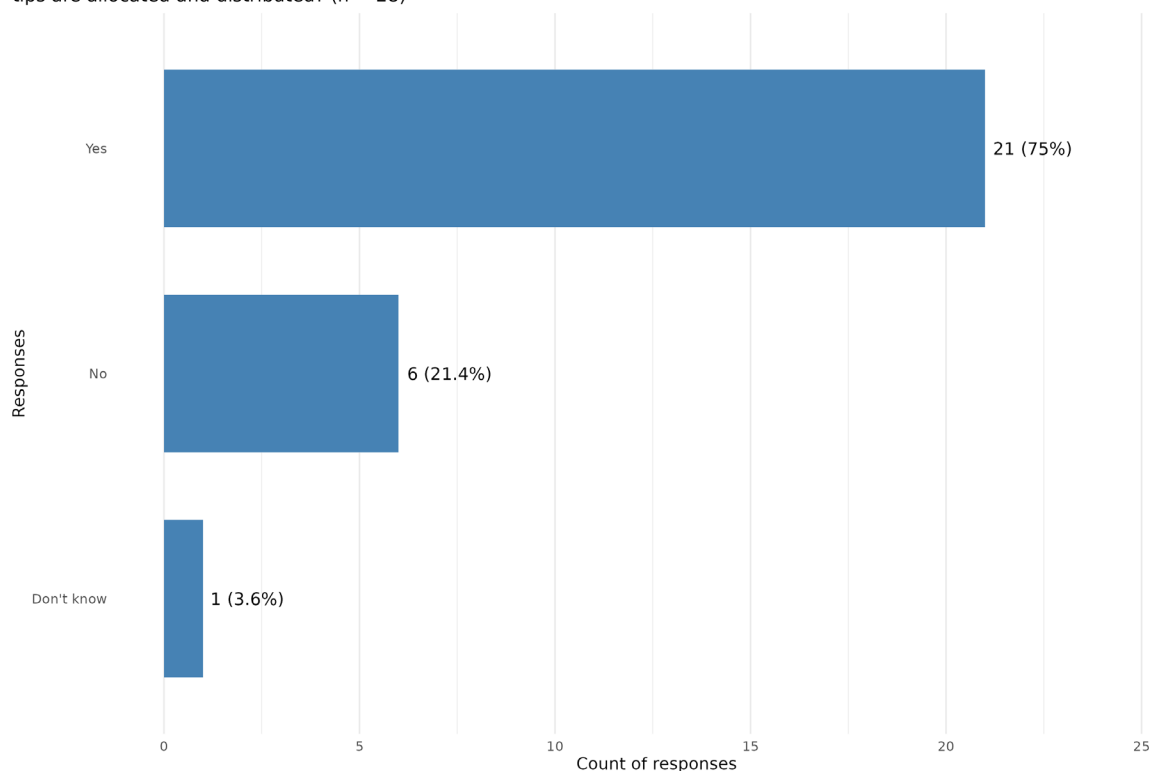
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Consultation on Allocating Tips – Questions 14 to 29

This part of the consultation was targeted towards employers. The questions dealt with the new requirements for employers to consult with their workers on their tipping policy, as well as the existing operation of tip allocation and distribution in workplaces.

As seen on Figure 8, Three quarters of employer respondents (21 out of 28) stated they had consulted with their workers or sought agreement on the distribution of tips.

Figure 8. Have you ever consulted your workers or sought their agreement on how tips are allocated and distributed? (n = 28)



Among respondents to the consultation, the vast majority of indicated that they had fulfilled their existing responsibilities under the law on tipping; 24 out of 26 have produced a tipping policy and 23 out of 26 have made this policy accessible to all workers.

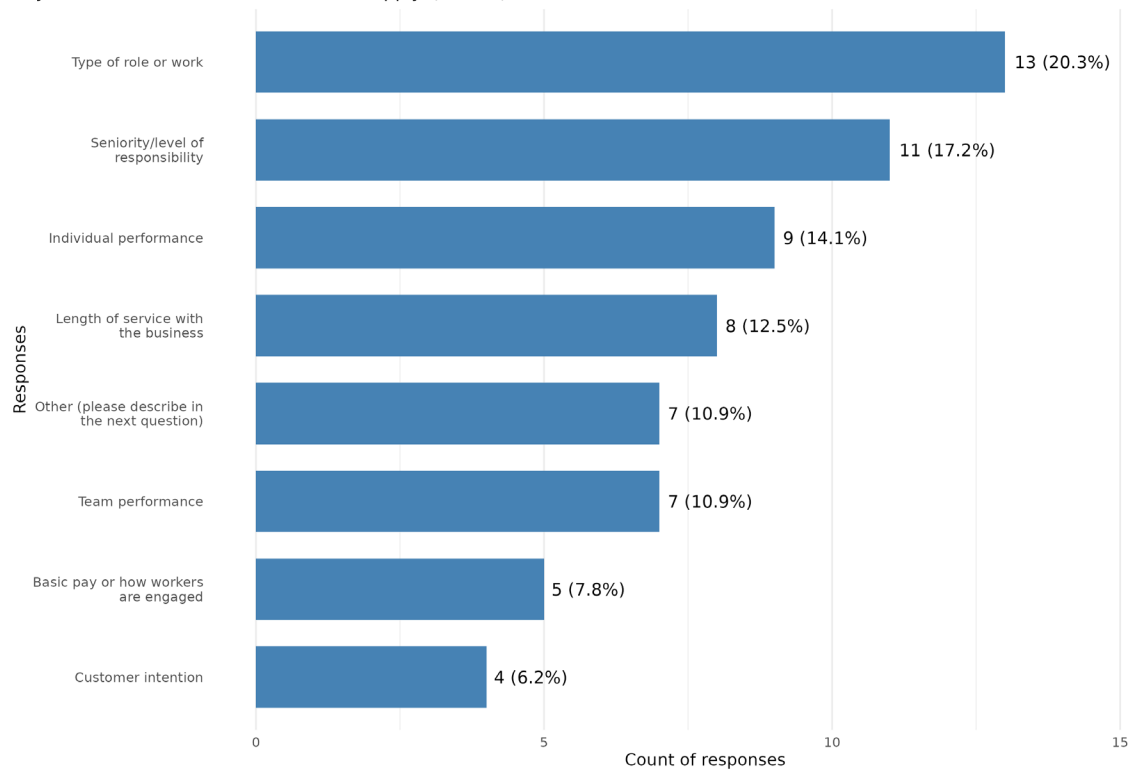
Of those respondents operating as an employer across multiple sites or departments, almost three quarters (12 out of 16) currently apply the same policy consistently across sites or departments.

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As seen on Figure 9, the questions about which factors are considered by workers when determining the allocation of tips elicited a wide range of responses, with no clear pattern across employers and every respondent selecting more than one of the options.

Figure 9. What factors do you consider when determining how tips are allocated in your business? Please select all that apply. (n = 64)



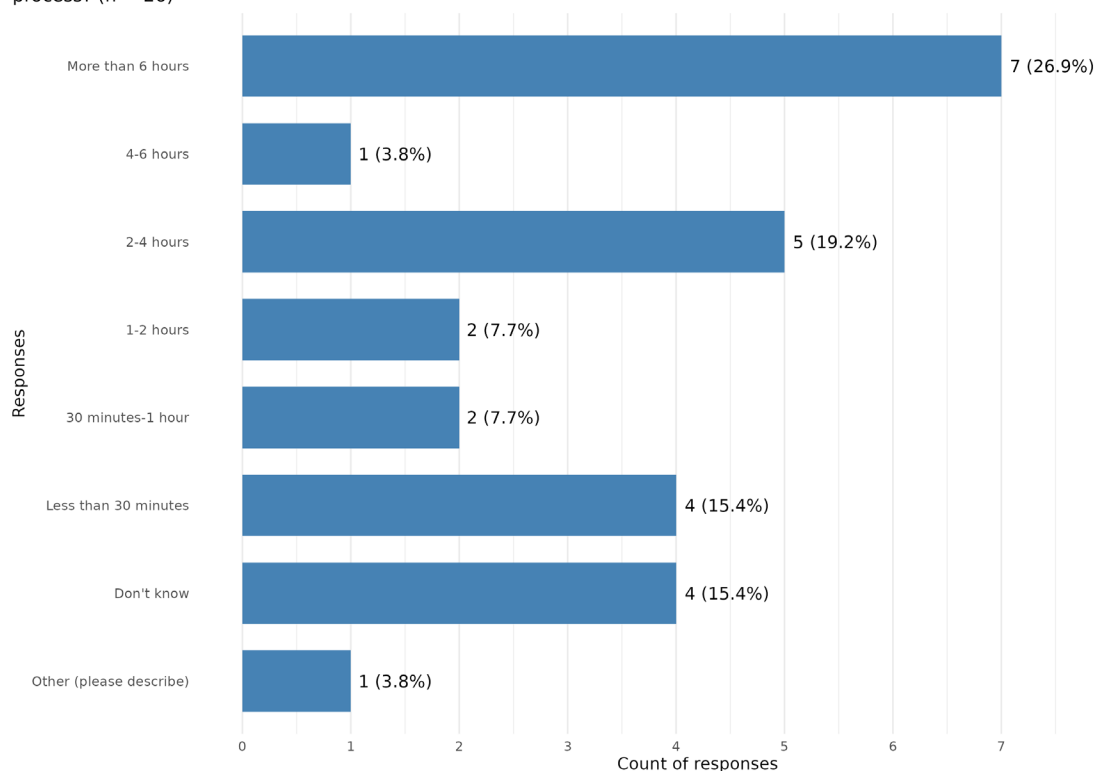
The expected preparation work for implementing the new requirements of consultation also drew a mixed response. Of 22 respondents, 12 stated that they would need to introduce new processes or systems in order to consult with workers on their tipping policy, with a view to reaching an agreement, while 10 stated that they would not need to.

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As seen in Figure 10, the question about how much time employers expect it will take to design the consultation drew responses ranging from less than 30 minutes to more than 6 hours, with more than a quarter estimating that it's going to take more than 6 hours.

Figure 10. How much time do you expect it will take to design the consultation process? (n = 26)



Qualitative responses from employers detailed a variety of methods used to consult workers about how tips are allocated and distributed, including in person and online discussion with workers, tronc-operated voting and other methods for workers to provide feedback about proposed systems of distribution.

However, details were also provided about barriers to consultation with workers and reasons why consultation has not been carried out to date. Some employers simply pointed out – correctly – that this is not yet a legal requirement, but others set out more substantive challenges to the upcoming requirements on worker consultations. One multi-site operator expressed their concerns as follows:

“A single consultation or approach to tipping policy would not be appropriate or effective across the whole business... This variation means that team members’ experiences of tipping, and the relevance of particular policy choices, differ substantially depending on where they work... A consultation that relied on going with the preference of the majority may not lead to a tipping policy that is fair and equitable. For example, front-of-house roles, i.e.

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those where there are face-to-face interactions with customers, outnumber back-of-house roles where people are working in the kitchen and do not often interact directly with customers.

Were you to undertake a consultation involving all workers, it could result in outcomes that disproportionately reflect front-of-house preferences. For example, many front-of-house team members may feel that tips have been left for the service they have provided and prefer that tips are distributed among front-of-house teams or kept directly by the individual who has served a particular customer. Therefore, consulting and then basing the tipping policy on the majority view risks unintentionally disadvantaging back-of-house team members, despite their hugely important contribution to the customer experience.

Taken together, these factors have meant that consulting workers on tipping policy has not, to date, been a proportionate or effective approach across our estate and we feel that introducing a requirement would be a negative step without a chance of any positive outcomes.”

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We were greatly encouraged to see the strong compliance among respondents reported in relation to the existing requirements on tipping, and indeed the significant numbers of employers who have already been consulting with their workers about their tipping policy. This is testament to the work of employers to prepare for the changing legislation – both in 2024 and now – and suggests a good level of awareness across affected sectors.

We have noted the significant variation of approaches taken by employers, both in the factors considered when distributing tips between their workers and in their practical approach to consulting, including the need for new processes or systems and the time taken to design the consultation process. Whilst this is not unexpected, it reinforces the need to preserve flexibility for different industries and different employers, and to proceed with care when implementing new burdens, when developing a new framework through the updated Code of Practice and additional non-statutory guidance. The challenges of consulting, for instance through the qualitative feedback reproduced above in detail, have been useful to see as a reminder that the new requirement to consult with workers, though a significant development, should not replace or supersede the overall framework of fairness and transparency.

Perceived Fairness of Allocation – Questions 30 to 40

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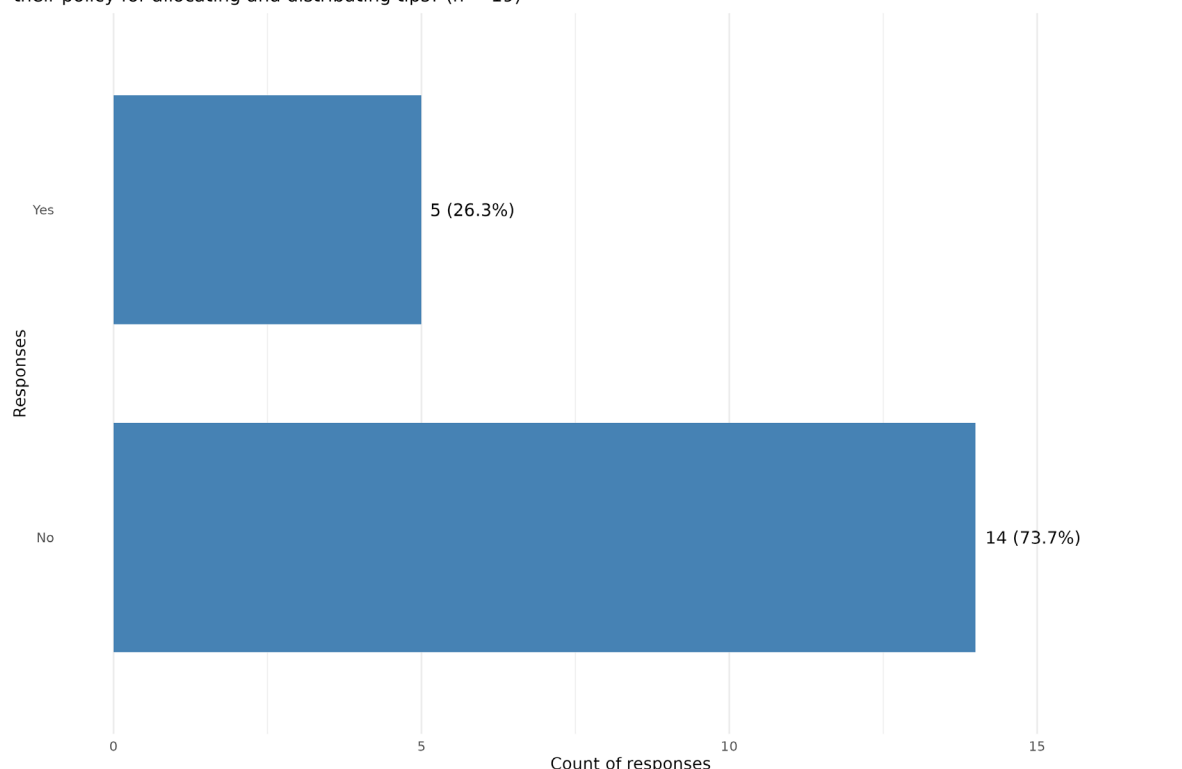
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This part of the consultation was targeted towards workers and dealt with the new requirements for employers to consult with their workers on their tipping policy, as well as the existing operation of tip allocation and distribution in workplaces.

Questions about worker satisfaction with tipping allocation and distribution paint a mixed picture. 15 out of 26 respondents stated that they are either “very satisfied” or “somewhat satisfied” with the system in their workplace, while 9 out of 26 stated that they are “somewhat dissatisfied” or “very dissatisfied”.

On Figure 11, of the 19 respondents, only 5 stated their employer has previously consulted with them or sought their agreement on their tipping policy, while 14 stated that this has not been the case.

Figure 11. Has your employer ever consulted with you or sought your agreement on their policy for allocating and distributing tips? (n = 19)

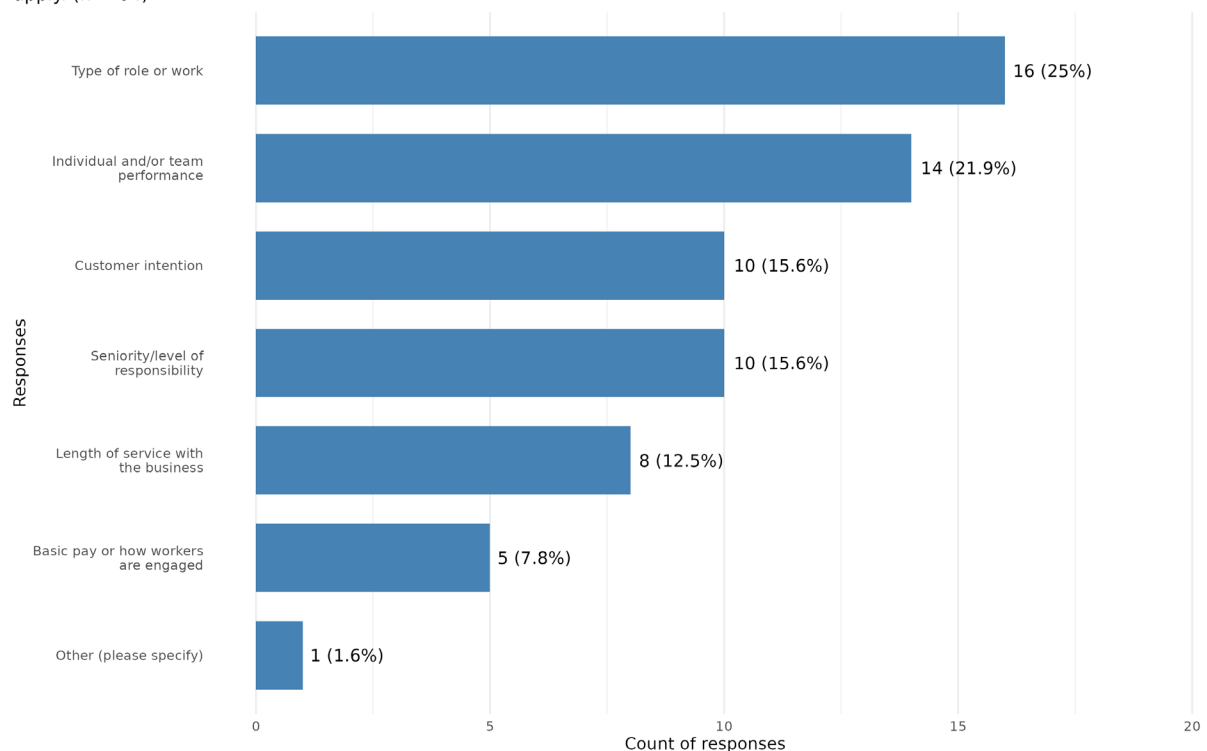


As seen in Figure 12, similarly to the employer feedback detailed above, questions about which factors should be considered by employers when determining the allocation of tips elicited a wide range of responses, with no clear pattern across workers and every respondent selecting more than one of the options.

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Figure 12. Which factors do you think should be considered in your workplace when determining the allocation and distribution of tips? Please select all that apply. (n = 64)



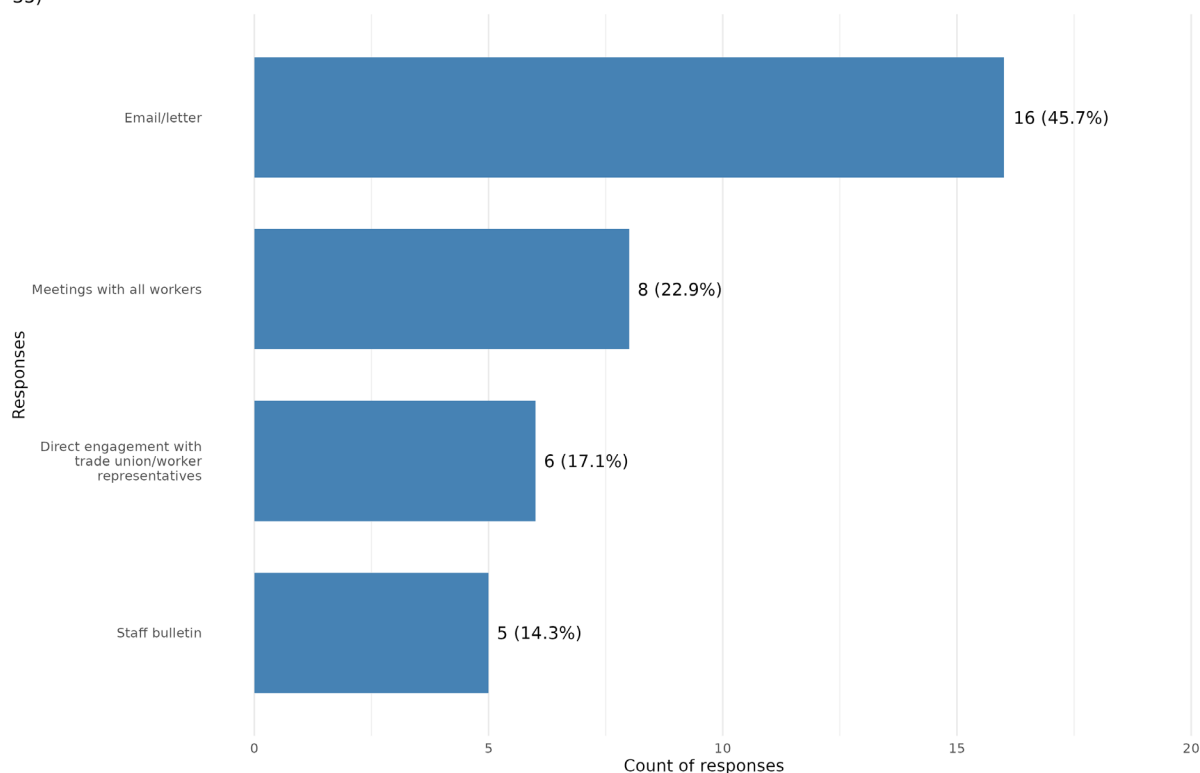
Worker respondents expressed a number of concerns about the operation of their employers' existing tipping policies, with lack of a written policy, unfair allocation between staff and employer retention of tips all cited.

As seen in Figure 13, consultation, a range of methods were looked upon favourably by respondents, including engagement via trade union representatives, staff bulletins and meetings with all workers. However, there was clear preference among respondents for the involvement of written communication i.e. emails or letters.

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Figure 13. How would you like to be consulted about the allocation of tips? (n = 35)



The expected time for workers or their representatives to respond to a consultation exercise drew a mixed response. Of 18 respondents, 5 stated the process would take 10-20 minutes, 2 stated it would take 20-30 minutes, 3 stated it would take 30 minutes-1 hour, while 8 stated it would take more than 1 hour.

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Initial responses about satisfaction provide a useful snapshot about the interaction of workers and employers with regard to tipping.

We note that a clear majority of worker respondents report not having been consulted about tipping to date. Whilst the requirement is not yet in effect, this finding is markedly different to the comparable question to employers (detailed in the section above) who report that they have already undertaken consultation. This divergence may indicate a gap between employer perceptions of consultation and worker experiences of it in practice.

Given the relatively small numbers involved, this should be interpreted with caution. This could be taken to demonstrate a mixed picture across the board, but it could also indicate

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differences of interpretation between workers and employers. Either way, it demonstrates the need for strong guidance about what constitutes meaningful consultation, including expectations around communication, documentation, and worker involvement before the requirements come into effect.

Worker respondents are more in line with employer respondents about the range of factors which should be considered when determining tipping allocation and distribution, further strengthening the need for flexibility.

We were concerned to see worker complaints about the operation of tipping policies which include details of conduct which are already prohibited, for example employers retaining a portion of tips. This highlights the need for continued clear communications to employers and workers to promote awareness of their responsibilities and rights and to ensure compliance with regulations and support consistent practice across employers

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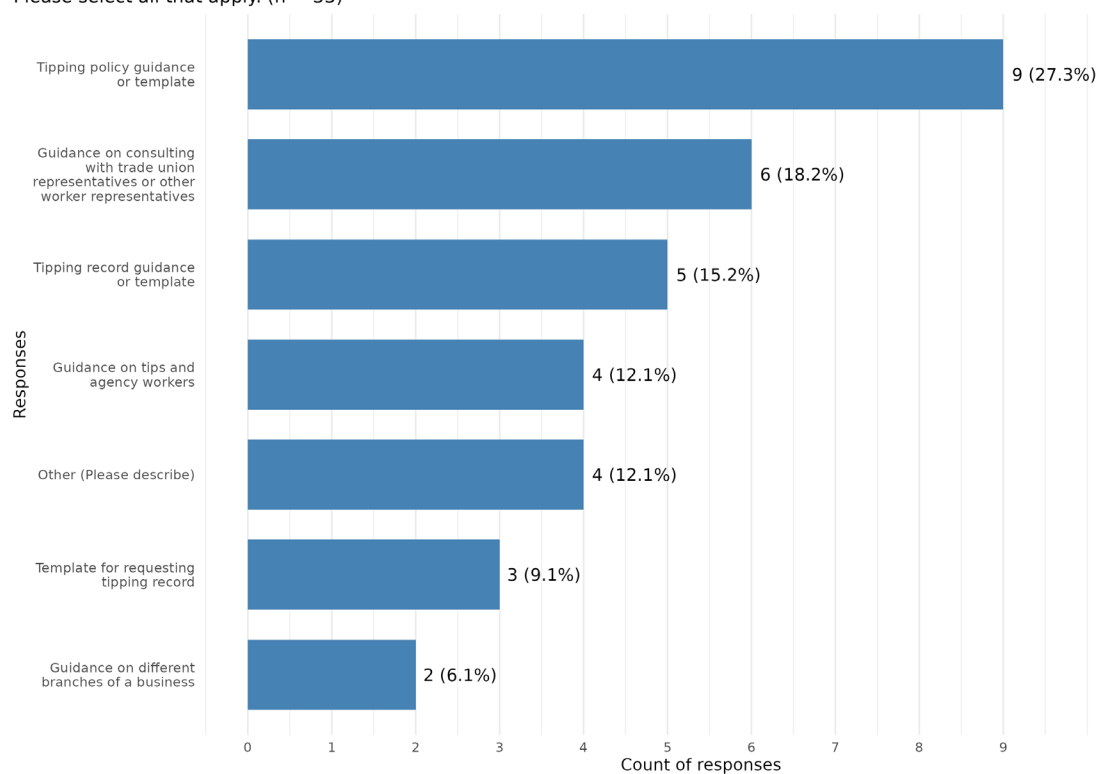
Code of Practice and Guidance – Questions 41 to 45

This part of the consultation was targeted towards all respondents in relation to the existing statutory Code of Practice and non-statutory guidance and the plans for updating both.

Broadly, respondents expressed good understanding of government guidance. 21 out of 22 employer respondents and their business representatives were aware of the Code of Practice, with 19 of them expressing a good understanding of it, while 27 out of 35 worker/individual respondents expressed awareness of the Code of Practice, with 15 of them expressing a good understanding of it.

As seen on Figure 14, worker respondents demonstrated a desire for a range of additional guidance, same for employers on Figure 15. Overall, amongst employers and workers, the templates of tipping policies were the most popular request, but there was no significant additional pattern.

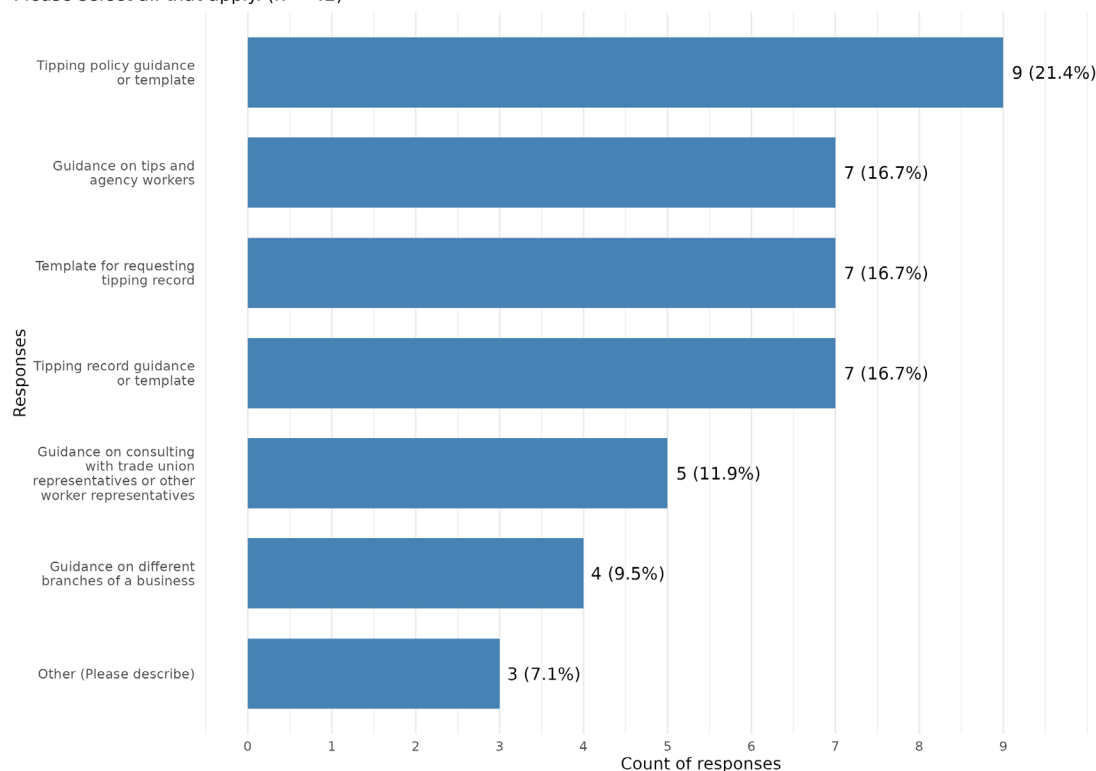
Figure 14. Would you like to see further guidance provided on any of the below?
Please select all that apply. (n = 33)



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Figure 15. Would you like to see further guidance provided on any of the below?
Please select all that apply. (n = 42)



Stakeholders provided extensive qualitative feedback about the existing Code of Practice, and where it could be changed or improved.

Some positive feedback was received, with one employer stating that “the standards and principles...are fair and reasonable...I do not want to see these factors curtailed or reduced and would be concerned if the Code became more proscriptive” and one worker stating “I like the flexibility that we have in place currently and see no need for change”.

On the other hand, some areas of concern and suggested improvement to the guidance were also flagged. One individual stated their view that the current Code of Practice is “difficult to understand, complex and...quite narrow on what employers can do to distribute the tips”, while a business representative organisation stated that sections of the guidance “are poorly worded and not for clear understanding”.

A few specific areas were cited by respondents as potential loopholes, where clearer government direction should be issued, including how to treat workers who produce food for a location off-site and how tipping mobile apps should be treated.

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Government Response

We were pleased to see such detailed engagement on the existing Code of Practice and non-statutory guidance, and feedback about what improvements could be made.

It is a positive that so many respondents are aware of the government guidance, and we will continue to promote this so that nobody is excluded, and everyone can be aware of their rights and obligations.

We are glad that many respondents regard the Code of Practice as clear and helpful, and we have sought to ensure we do not add unnecessary detail or length while updating it, while preserving the flexibility valued by so many employers and workers.

We are grateful to respondents for pointing out potential loopholes in the current wording; changes to the Code of Practice and non-statutory guidance will address these where possible and appropriate.

We recognise that the publications will always divide opinion in some way, with the same section being regarded by one respondent as an appropriate level of detail and by another as excessive and complex.

We commit to continuing engagement with relevant stakeholders as we develop additional non-statutory guidance in the coming months.

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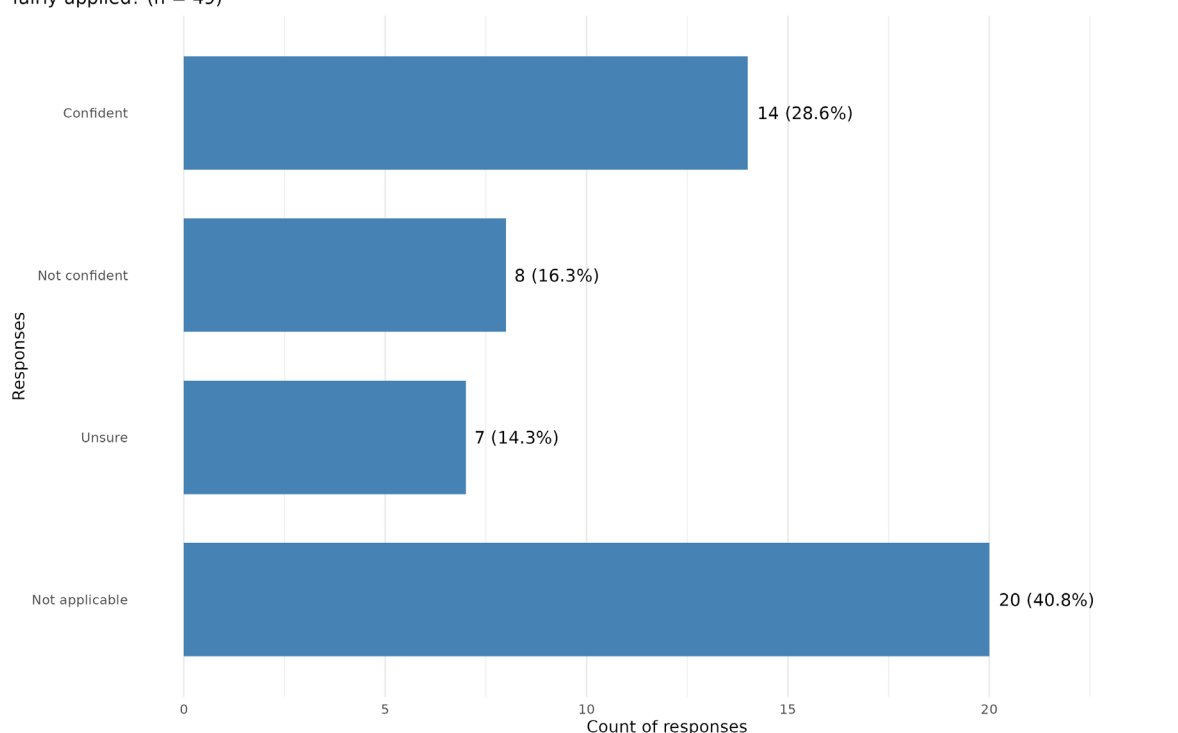
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Enforcement and Redress – Questions 46 to 47

This part of the consultation was targeted towards workers and was related to the processes for pursuing further action, such as through Acas or the employment tribunal system, to ensure the requirements on tipping are effectively and fairly applied.

It is difficult to draw any firm conclusions about how confident workers feel about pursuing further action on tipping, but it would appear some further work is required, given a considerable number of respondents stating that they are not confident or unsure.

Figure 16. If you are a worker or worker representative, how confident do you feel about pursuing further action, such as through acas or the employment tribunal system, to ensure the requirements on tipping are effectively and fairly applied? (n = 49)



Qualitative feedback suggests some concerns about Acas and tribunal capacity, and the impact of timeframes, with some requests for standardised templates, targeted guidance and fast-track case management to help make substantive progress.

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We are committed to a robust enforcement regime, so that issues with tips can be properly addressed. We will continue to work carefully across government, including with Acas, to create an efficient and effective system.

We note that some of the feedback received went beyond the scope of this legislation. Whilst the government does not take a view on whether a tip should be left, whether a service charge should be applied, or how much is a reasonable level of tipping/service charge for any particular service, we remain grateful for the views expressed, and recognise the importance of obtaining feedback about the operation of the entire tipping framework.

In relation to the practice of automatically applied service charges, we would once again highlight the importance of protection against customer coercion and point to the provisions of the Digital Market, Competition and Consumers Act 2024 (as detailed on Page 11).

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Additional Written Feedback from Consultation

The government is grateful to have received a range of cross-cutting feedback in written email responses to the public consultation. All the responses received during the consultation period have been considered when drafting changes to the statutory Code of Practice and will continue to inform the development of additional non-statutory guidance.

A selection of key themes is set out below, but respondents and other stakeholders should be assured that the absence of any particular theme, point, or account should not be taken to suggest it has been dismissed.

Some employers and business representative organisations highlighted their concerns about adding cost, complexity and potential confusion by introducing stringent requirements on consultation, while noting the benefit of the current framework in providing flexibility and fairness. As one trade association summarised: “It is essential that the Government is not overly prescriptive in how it applies this new legislation.”

A running theme, across a range of stakeholders, was the perceived risk of adding burdens to employers without actually benefitting workers. One tronc operator stated: “A number of employers believe that the update to the rules in recent years have led to a disproportionate level of administrative complexity, some citing that the changes have little to no meaningful change in employee outcomes.”

Trade unions provided feedback about ensuring workers are fully and properly represented in the distribution of tips. Whilst noting their preference for further legislative action to grant workers full control over tips, over and above employer-led consultation, several trade unions set out their preferred key principles for a robust consultation process, marked by full transparency and worker/union involvement at every stage. They urged longer consultation timeframes, to avoid a procedural or tick-box exercise, with a number of these unions detailing specific proposed timelines, involving initial meetings, weeks-long consultation periods and follow up action.

Conversely, some other stakeholders spoke of the potential unintended consequences of consultation requirements. One employer noted their concern about “a more rigid process leading to ‘majority rule’ outcomes that risk disadvantaging smaller or less visible teams”, while another stated the following: “It is unrealistic to expect any consultation to produce unanimous agreement. As now, some individuals will feel satisfied and others will not. This does not indicate unfairness; it reflects the reality that a fixed pool of money cannot satisfy every individual preference.”

Stakeholders highlighted the importance of striking an appropriate balance during consultation. One tronc operator helpfully set out a “gold standard” approach, where

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“consultation takes place, is genuine, is open to all workers, and outcomes are communicated to teams in writing”, while acknowledging that broad agreement from workers, rather than full consensus, should be the correct test, in the context of a zero sum game where increasing someone’s share of tips is inevitably at the expense of someone else’s share.

Feedback also highlighted the importance of awareness among all groups of workers, including vulnerable groups, to ensure effective enforcement of the rules on tipping. One organisation drew attention to the more precarious position of “[some] workers [who] may lack confidence, time, or knowledge of employment rights to pursue formal processes, particularly where they are employed only temporarily”.

Going further on enforcement, a number of trade unions stated the case that tipping should be brought into the remit of the Fair Work Agency, to allow direct sanctions of employers which fail to fulfil the requirements. Trade unions and other organisations also suggested that employers should be encouraged – or perhaps mandated – to provide information about tipping processes to customers, for example displaying their policy on menus or at point of payment.

Several loopholes in current guidance were flagged by respondents. Several employers and tronc operators made reference to the situation of holiday pay and tronc distribution, particularly in the context of ongoing or upcoming employment tribunal cases, while a number of employers also requested clear guidance about practices such as fixed or guaranteed tronc allocations, allocation of non-monetary tips, and scope for inclusion of support centres and dark kitchens in troncs. Criticism for the practice of guaranteed tronc allocations was put forward by one tronc provider as follows: “This practice is causing unfair competitive pressure in talent markets as employers who offer such schemes are perceived as offering favourable terms for senior roles, to the detriment of employers who comply with the Act through fair tipping distribution schemes.”

With a request for strengthened guidance to avoid employers getting around the spirit of the legislation and avoiding transparency, by citing data protection requirements, one employer stated the following: “If a policy cannot be shared, it is highly likely that it relies on named individuals, lacks objectivity and is not fair.”

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Next Steps

A [draft updated Code of Practice](#) has been laid before Parliament and published alongside this government consultation response. The updated Code is subject to parliamentary approval.

If this approval is secured, commencement regulations will follow to bring the new measures and the updated Code into effect. They are expected to come into effect in October 2026; the government will confirm next steps and timings in due course.

We will continue to work with stakeholders in tipping industries to help businesses to implement the new requirements and to help workers be informed about their new rights.

Further information about additional non-statutory guidance will be communicated by the Department for Business and Trade in due course.

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Change Log

This is summary of the main, substantive amendments made to the Code of Practice.

Location	Change
Opening Text and Foreword	Updates to legislation references to incorporate changes made in ERA.
Paragraphs 1 to 5	Updates to legislation references to incorporate changes made in ERA, including new requirements for review and consultation.
Paragraph 2	Clarification that employers should not rebrand a service charge to avoid the requirements, but that some genuine non-staffing charges can be permissible.
Paragraph 6	Inclusion in list of new requirements on employers – review of tipping policies; consultation with workers; summary of consultation views.
Paragraphs 13 to 17	Rearranged structure for greater clarity about how different types of payment may or may not be defined as qualifying tips.
Paragraph 27	Strengthening of language about which workers should be regarded as involved in providing service.
Paragraph 29	Discouraging of fixed/guaranteed tip allocation to specific workers.
Paragraph 31	Encouragement for employers and tribunals to consider entire scheme, rather than isolated examples, to ascertain true fairness.
Paragraph 30a	Additional context about consideration of factors, to mitigate any risk of equal pay complaint.
Paragraphs 33 to 39	Detailing of new requirements for employers to consult with workers on tipping policies, including keeping records, applying proportionality and ensuring all groups of workers are properly considered and engaged.

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Paragraphs 49 to 50	Added content about requirement to consult adding to transparency.
Paragraph 57	Encouragement for employers (though not a requirement) to share their tipping policy with customers/the public.
Paragraph 64	Addition of statement that data protection, though important to respect, should not be unduly relied upon to withhold information about tipping records.

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