



**CSD Tip Pooling Policy**  
Effective May 2020

**Purpose**

The purpose of Papa Murphy's Tip Pooling Policy is to outline our tip pooling practices for those employees who are eligible to participate in the tip pooling arrangement.

In addition to Human Resources, all managers and supervisors understand the specific procedures for participation and can answer detailed questions regarding the workings of the tip pool program for Team Members.

**Eligibility**

Team Members who are hourly, non-exempt employees and are not eligible for additional bonus programs (i.e. the CSD Store Manager Bonus Program), are eligible to participate in tip pooling arrangements under this policy. Store Managers, Multi-Unit Managers and Area Supervisors are not eligible to participate in this program.

Each eligible Team Member will receive a copy of this policy and will sign the policy acknowledgement form.

**Procedures**

Tips will be counted each night and entered into the POS under the 'paid in' option and placed in the safe with the daily deposit. At the end of the two week pay period, tips will be allocated based on hours worked. Tips will be paid out on the regularly scheduled pay dates.

For example – In a store that receives \$150 in cash tips for the pay period and has 150 labor hours (less Store Managers hours), the tip allocation would be \$1 for every hour worked. A Team Member that worked 25 hours would receive \$25 in tips, while a Team Member that worked 8 hours would receive \$8 tips.

**Legal Compliance**

It is the policy of Papa Murphy's to comply with federal and state tax laws requiring all tips/gratuities to be reported. Taxes will be taken out of the employees' paycheck as



directed by federal and state tax laws. If any provision of this policy conflicts with either federal or state law, employee will be paid in accordance with the most generous applicable law.

The Tip Policy can change or be amended at any time.

**Receipt and Acknowledgement of the Papa Murphy's Company Stores – Tip Pooling Policy**

Please read and sign below to indicate your receipt and acknowledgment of the Papa Murphy's Company Stores – Tip Pooling Policy.

I understand that my signature below indicates that I have read and understand the Tip Pooling Policy. I also understand that the rules and benefits described in the policy are subject to change at the sole discretion of Papa Murphy's at any time.

\_\_\_\_\_  
Employee Printed Name      Employee Signature      Date