



NEVADA DEPARTMENT OF
BUSINESS AND INDUSTRY

Office of the Labor Commissioner

Nevada Tip Guide

Nevada Revised Statutes (NRS) 608

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NRS 608.160 Taking or making deduction on account of tips or gratuities unlawful; employees may divide tips or gratuities among themselves.

NRS 608.160 – Primarily governs tips and gratuities and states in pertinent part:

1. It is unlawful for any person to:
 - (a) Take all or part of any tips or gratuities bestowed upon the employees of that person.
 - (b) Apply as a credit toward the payment of the statutory minimum hourly wage established by any law of this State any tips or gratuities bestowed upon the employees of that person.
2. Nothing contained in this section shall be construed to prevent such employees from entering into an agreement to divide such tips or gratuities among themselves.

NRS 608.010 Employee Defined

NRS 608.011 Employer Defined

- ❖ NRS 608.010 “Employee” defined. “Employee” includes both male and female persons in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed.
- ❖ NRS 608.011 “Employer” defined. “Employer” includes every person having control or custody of any employment, place of employment or any employee.

TIP CREDIT PROHIBITED UNDER NEVADA LAW

- ❖ Tip credit permits an employer to fulfill part of its hourly minimum wage obligation to a tipped employee with the employee's tips. 29 United States Code (U.S.C.) § 203(m).
- ❖ Although recognized under the Fair Labor Standards Act (FLSA), Nevada law specifically prohibits tip credits.
- ❖ NRS 608(1)(b): It is unlawful for any person to: apply a credit toward the payment of the statutory minimum hourly wage established by any law of this State any tips or gratuities bestowed upon the employees of that person.

Tip pooling

Pursuant to NRS 6018.160(2) and Nevada Case Law Mandatory Tip

Pooling in Nevada is Permissible

- ❖ Under Nevada Statutes employees are able to enter into valid tip pooling agreements:

NRS 608.160(2) “Nothing contained in this section shall be construed to prevent such employees from entering into an agreement to divide such tips or gratuities among themselves.

- ❖ Nevada Case Law permits mandatory tip pooling:

Employers may establish mandatory tip pools, that include employees of different ranks, so long as all the tips are distributed amongst the employees, and the employer does not keep any portion of the tips for themselves. *Wynn Las Vegas, LLC v. Baldonado, et al.*, 129 Nev., Advance Opinion 78 (Oct. 31, 2013).

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