



TIP CREDIT ACKNOWLEDGMENT

As allowed by the Fair Labor Standards Act and applicable state law, Maggie McFly's is utilizing the tip credit provision outlined in the Act. Under this provision, you will be paid a base hourly rate of \$6.38 per hour while serving and \$8.23 per hour while bartending. Maggie McFly's will claim a tip credit of \$7.62 for servers and \$5.77 per hour for bartenders

We are required to notify you of our intention to utilize the tip credit. This memo serves as that notification. You also should know that the additional amount claimed by Maggie McFly's on account of tips as the tip credit may not exceed the value of the tips received by you.

In addition, all tips received by you must be retained by you. The only exception to this is tip pooling arrangements, which are reserved for employees who customarily and regularly receive tips.

Finally, you should be aware that the IRS requires employees to report all their tips as taxable income on annual tax returns.

For more information on tip credit, please see the Tip Credit Policy in the Company's Handbook.

Please sign below as the acknowledgment that you have read this notice and understand its contents.

Employee Name: _____

Signature: _____

Date: _____