

Tips and gratuities

You're required to report all of your workers' assessable earnings up to the maximum earnings amount (\$104,600 in 2024; \$106,400 in 2025). Assessable earnings are the portion of your workers' gross earnings that are used to help determine the premium you pay.

For WCB purposes, assessable earnings may include, but aren't limited to, what's reflected on your workers' T4 slips. For more information on assessable earnings, please see the [Reporting Assessable Earnings](#) fact sheet.

How do tips and gratuities affect assessable earnings?

Tips and gratuities, where applicable, are assessable for WCB coverage. When the tips or gratuities can be directly attributed to specific workers, these amounts are included in the calculation of their earnings up to the yearly maximum assessable amount.

When attributing the amount to specific workers isn't possible, a gross amount of the tips and gratuities can be attributed to the overall group of workers.

You must maintain records of all earnings. If you can't provide detailed and accurate records of all assessable earnings including tips and gratuities when subject to a premium audit, WCB may assess a figure that represents fair value of your workers' tips and gratuities. Non-compliance penalties may also be considered if the requested records aren't available.

Recorded tips and gratuities may be earned through:

- Monies transacted through a point of sale or debit or credit card machine above the required goods and services amount.
- Mandatory service charges added to a customer's bill such as a service charge for room service.
- A set percentage added to a bill for parties of a certain size (e.g. a compulsory gratuity that is added to the bill for a group of six or more).

- Monies that are collected and pooled that are later distributed to various staff.
- Any other means where these earnings can be substantiated.

An employer's record of tips and gratuities may include but isn't limited to:

- Daily sales reports showing the amount of tips and gratuities collected that day.
- Debit and credit processing reports that show the amount of tips paid via debit and credit cards.
- Catering or room service invoices or reports that show service charges or similar fees.

How do tips and gratuities affect a worker's claim?

Tips and gratuities are included in calculating workers' earnings loss benefits as they are reported as assessable earnings.

