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New Gratuity Regulations effective January 1, 2026



Effective **January 1, 2026**, the legal framework governing gratuities (tips) will undergo a comprehensive restructuring. Below is an overview of the most significant changes.

Social Security: Clarification of the Rules and Reduced Burden

- **No Social Security Contributions Above the Gratuity Flat Rate**
  The established gratuity flat rates will henceforth explicitly serve as **maximum amounts**. Even if employees receive higher actual tips, these excess amounts are not to be included in the social security contribution base.
- **"Amnesty for Past Periods"**
  For periods **prior to 1 January 2026**, the social security authorities' right to assess additional contributions on tips exceeding the flat rate will lapse, **provided that** new flat-rate mounts are officially published **by 30 September 2026** at the latest. Any additional contribution assessments already issued may be reviewed by the competent social security institution in cases of hardship.

New Information Obligations from 2026

As **of January 1, 2026,** expanded information and disclosure duties will apply:

- Duty to inform **about the gratuity distribution key**:
  - For new hires: At the commencement of the employment relationship.
  - For existing employees: **By February 28, 2026**, at the latest.
- Employees' right to **information** regarding the amount of **tips received via cashless payment methods**.

Uniform Gratuity Flat Rates in the Hotel and Catering Industry

From 2026 onwards, the Austrian Health Insurance Fund will introduce uniform **nationwide gratuity flat-rate amounts**.
These apply to employees (including apprentices and mandatory interns) in member companies of the **Hotel and Gastronomy** trade associations.

Monthly Gratuity Flat Rates

Employees with collection duties
- 2026: € 65,–
- 2027: € 85,–
- 2028: € 100,–

Employees without collection duties
- 2026: € 45,–
- 2027: € 45,–
- 2028: € 50,–

Apprentices & Mandatory Interns
- 2026: € 20,–
- 2027: € 20,–
- 2028: € 25,–

Starting in **2029**, an annual indexation (**valorization**) will take place.

For part-time and casual employees, the flat rates must be applied on a pro rata basis.

Important Exceptions

The flat rate system **excludes**, among others, the following:

- Employees in **system catering**
- Staff in **student, apprentice, and senior citizen residences**.
- **Back-office** staff and maintenance personnel who do not receive tips
- Employees whose actual tips are **demonstrably** below **50%** of the flat-rate amount.

Absences

Gratuity flat rates continue to apply during periods of **sick leave, vacation, or attendance at vocational school**, provided that the absence **does not exceed one continuous month**.
If the uninterrupted absence **exceeds one month**, the flat rate does not apply.

Tax Clarifications (Wage Tax Guidelines)

- **The local customary practice** of tips is not dependent on the ratio between tips and wages.
- Tips received **via distribution systems** (e.g. tronc systems) remain exempt from income tax, provided that a predefined and transparent distribution key is in place.

Conclusion:
The new regulations offer clear advantages for both employers and employees but require timely organizational and administrative adjustments. We recommend reviewing your internal gratuity distribution systems and information processes at your earliest convenience.
Should you have any questions or require assistance, we will be happy to support you.