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New York's pioneering 'no tipping' restaurateur sued over tips

Danny Meyer caused a stir when he began banning tips at his New York restaurant. But while some others are beginning to follow suit, Meyer is now being sued over the existing policy, which he plans to phase out

By Harriet Alexander, New York

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Danny Meyer Photo: Getty

One of New York's most prominent restaurateurs, who shocked the culinary world last month when [he banned tipping at his flagship restaurant](#), is being sued by two former employees over his tip policy.

Danny Meyer, whose 13 restaurants across the city range from Michelin-starred fine dining establishments to the Shake Shack chain of burger bars, ignited a storm of controversy with his ban on tips.

He argued that tipping was unfair because it meant waiters were receiving a disproportionate sum, and kitchen staff missing out. At the end of November [he ended tipping at The Modern](#), his restaurant inside the MoMA art gallery by Central Park, and raised his prices instead to give all staff a fairer wage. By the end of 2016 all of his restaurants will have a "no tipping" policy.

Eyebrows were raised, but the policy is spreading. Eleven Madison Avenue, described as offering one of New York's finest tasting menus, followed suit shortly after. On Monday, a celebrated Basque restaurant in the East Village, Huertas, became the [latest to announce that they too were banning tipping](#).



Patrons have lunch at Eleven Madison Park, a restaurant located at 11 Madison Avenue in New York, U.S. Photo: Chris Goodney/Bloomberg

But on Friday two former employees of Gramercy Tavern began legal action against Mr Meyer over his current policy on tipping – which will be replaced next year under the new scheme.

Uzzol Siddiky was employed as a “busser” – clearing plates from the tables – for five months this year, from July to November. Kawsar Maruf did the same job, from June 2010 to the end of December 2012.

Both men are demanding that they be paid damages for a failure to pay them the correct wage. They argue that they were paid a lower [minimum wage of \\$5 an hour](#), the amount given to staff who receive tips, when they should have been paid \$8.75 – the amount for those who do not benefit from gratuities. They say that the fact they had to share their tips with other staff, including glass polishers and wine servers, meant that the higher minimum wage should have applied.

“New York restaurant mogul Danny Meyer, the celebrity chef who owns and operates the Michelin star-rated Gramercy Tavern, is the so-called ‘poster child of all that is good about American food today,’” said Jeanne Christensen, lawyer for the pair, [in court documents](#).



Restaurateur Danny Meyer Photo: Getty

“Unfortunately for service employees, all that is good about American food today appears to include the practice of nickel and diming employees out of wages and tips they are lawfully entitled to receive.”

Ms Christensen accused Mr Meyer’s group of “an attempt at ‘robbing Peter to pay Paul’; that is, to unlawfully augment the wages Defendants pay to tip-ineligible employees with the tips earned by Plaintiffs and other service staff through their hard work and dedicated service to customers.”

Mr Siddiky and Mr Maruf said they were taking the case as a class-action suit, on behalf of over 100 other employees in a similar position.

But Mr Meyer’s group insist that they always treat their employees fairly.

"Union Square Hospitality Group has systems in place to comply with all employment regulations," said Kate Lindquist, spokesman for the restaurant company.

“We have always cared deeply about cultivating a strong employee-first culture, and we will review this matter thoroughly.”