



## Frequently Asked Questions

### **Why is USHG eliminating tipping?**

Eliminating tipping will allow us to compensate our employees more equitably, competitively, and professionally, and provide clear paths for professional advancement for every role on our team. We believe that the best way to take care of our guests is to take care of our employees, first and foremost. To that end, we're motivated by a desire to make restaurant careers more sustainable for the talented, hard-working people who work in our restaurants.

### **Why is eliminating tipping the solution?**

Hospitality is a team sport; it takes an entire team, working together, to create outstanding dining experiences for our guests. It's critical to understand that tipping is a heavily regulated form of compensation, and cooks and kitchen staff in New York are legally excluded from sharing in tips. As a result, tipping creates an unbridgeable wage disparity between our cooks and our servers: if we raise menu prices to better compensate our cooks, tips increase accordingly, because they're a percentage of the cost of your meal. This wage disparity is not reflective of the hard work that everyone on our team contributes to your dining experience. So, in order to address that wage disparity and reward our people professionally, we have to operate outside the heavily regulated tipping model.

### **When and where will this change happen?**

Hospitality Included is in effect at Cafe 2 & Terrace 5 at MoMA, Caffe Marchio, Daily Provisions, Gramercy Tavern, INTERSECT by Lexus, Jazz Standard, Maialino, Manhatta, Marta, Martina, Tacocina, The Modern, Union Square Cafe, Untitled, and Vini e Fritti. We will gradually eliminate tipping at our other New York restaurants.

### **Will USHG need to raise menu prices? By how much?**

Yes—rather than paying a tip, the entire cost of your dining experience will be built into the prices you see on the menu, so you can expect to see them increase. Increases will be different for each restaurant, and every item requires its own calculation and considerations: for example, we don't plan to raise prices on wine by a flat percentage. Instead, we'll approach each item individually to make sure it still provides exceptional value for our guests.

### **Will USHG's servers make less money under the new system?**

No. Our servers' wages will be fortified by a revenue share program, whereby they'll share in the success of the restaurant in which they work. We fully expect that most of our servers will see improvements in their compensation as well as their work-life balance.

### **How will USHG keep its servers motivated without the promise of tips?**

We hire people who love to make our guests happy—we don't hire people who only provide excellent service in the hopes of receiving a tip. For 30 years, we've seen that motivation comes from thoughtful, attentive management, teamwork, and a personal pursuit of excellence, all of which we expect will be strengthened under Hospitality Included. Our staff are skilled professionals and they deserve to be developed and rewarded as such.

### **Why is USHG eliminating tipping rather than instituting a service charge or administrative fee?**

Service charges and administrative fees come with their own legal implications and limitations about who can benefit and how. We made the choice to build the entire cost of your dining experience into menu prices because it allows us to pay our employees equitably, competitively, and professionally.

### **Tipping is a way for the guest to give feedback about service. How can guests give feedback now, and what if service is unsatisfactory?**

We hope that if your experience in our restaurants is anything less than excellent, you'll let us know by sharing feedback with a manager or another member of our team so that we can address it immediately. If you're not getting warm hospitality and well-informed service in our restaurants, that's on us, and we will do everything we can to right the situation.