Tip Calculation

Tips should be calculated based on the pre-tax amount and should not exceed 20%. However, if due to rounding to the next whole dollar, the percentage is slightly higher than the 20% threshold, it is allowable. For example, if 20% is $10.88 of the pre-tax amount, and the individual rounds up to $11.00, even though it is above 20%, this is reasonable rounding and is permissible.