



International Caterers Association

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Peer to Peer Learning – ICA Roundtable

On Call Compensation

Abbey Duke- July 6, 2015

Q: Hi everyone. I'm revisiting the compensation that I offer my oncall servers and cooks. Right now, I pay them \$15 to \$18 an hour plus tips (which I automatically add onto the bill as a service charge). But my labor cost is way too high and I've determined that the problem is that I'm not adequately accounting for all of the planning, packing, etc. So.... I'm thinking about increasing my labor charge to clients and changing the 20% service fee to a 20% Operations Fee (with description like in previous very helpful discussion). And then I would increase on-call staff hourly rate to at least \$20 an hour, with the understanding that tips are not guaranteed. What do you do?

A: Enjolik R Oree-Bailey- We pay our servers between \$15-\$18 but we bill the client \$30 for servers and \$35 for bartenders.

Daniel Liesener- It depend on location of your business. I like the operation fee, since there is so much work which go into the set up no one sees.

Carl Franklin Jones- Many times the problem isn't the labor cost, it is "not charging enough."

If you are giving all the "service charge" to your staff, consider changing the terminology to "gratuity". You have to collect and pay sales taxes on service charges, but not on a gratuity.

Ryan Crafts- We pay the on-call event staff \$7 - 11 / hour in wages, plus another \$8 - \$12 / hour in bonuses distributed from service charges for \$15 - 23 / hour total out the door.

We typically charge for the event staff as a line item on the invoice. The cost is typically \$195 - \$245 for each staff. However we bump those numbers up or down for unique events.

We also charge a service charge of 20% on food, beverage, service ware, and linens. The service charge is primarily distributed to the event staff, but some is also distributed to team members in other departments (sales / planning, prep kitchen, etc.).

Roy Porter- A few points... not knowing all the ins and outs of your place. 1. Slow down on the pay increases...causes a lot of other costs to increase...workers comp, taxes. 2. Charge for the planning directly or add to event costs. 3. Work on reducing hours especially overtime. If not already take advantage of the earned tip credit from the feds.