

Dear Team,

December 2, 2025

I want to follow up on our December 7 launch of Tippy. Any change involving gratuities can bring up strong feelings — questions, frustration, uncertainty, and sometimes anxiety. Your concerns are real, and they matter to me.

### **I Understand This Change May Feel Unsettling**

This is new, and for many of you it's different from what you're used to. Some have shared that cash feels immediate or that the tax implications create stress — I hear you, and I respect that. My priority is to make sure you feel supported and not left to navigate change alone.

### **What's Changing — and What's Not**

#### *Not Changing*

You will continue to receive 100% of your gratuities  
Guests may still leave cash  
Your earning potential is not reduced  
Your gratuities remain your earnings, deposited into your Branch account  
Venmo remains an optional choice for those who wish to use it

#### *Changing*

Guests will now have an additional digital option (Tippy)  
Digital gratuities deposit instantly into your Branch account  
Digital gratuities appear on your paystub, supporting long-term financial planning.

### **Why We're Making This Change**

Many guests simply do not carry enough cash to leave a 20–25% gratuity — or a more generous custom amount when they genuinely want to. Without realizing it, this can create an invisible ceiling on what you receive. You may be surprised to learn that some of you have unintentionally been limiting your own gratuities because clients often default to whatever cash they happen to have with them.

Adding a digital option removes that barrier. It makes tipping easier, more accurate, and more aligned with the appreciation clients already feel.

This supports:  
your earning potential  
the guest experience  
AB's ability to remain modern and competitive  
a smoother, more thoughtful gratuity process for everyone

Nothing is being taken away — we are simply expanding the options available to clients and strengthening the value of the gratuities you already earn.

## **A Perfect Moment to Introduce This Change**

This update aligns with one of the most meaningful financial changes our industry has seen in decades: federal income tax on gratuities is now significantly reduced or even zero for most team members.

This is something the service community has lobbied for and hoped for — and now it's finally here.

Because this change significantly reduces the tax impact on tips, it creates an ideal moment to add a cashless option that protects your income, supports your financial growth, and aligns AB with new national standards.

This shift:

allows you to keep more of what you earn

strengthens future Social Security benefits

increases documented income when it benefits you (loans, leases, major life decisions)

still allows you full freedom with cash and Venmo at your discretion

This is about strengthening your financial future — not restricting it.

## **Common Questions**

*“Will this affect certain benefits I receive?”*

Everyone's circumstances are different. Because we cannot provide individual tax or benefit guidance, the best next step is to speak with a tax professional who knows your specific situation.

*“Will I still have immediate access to my tips?”*

Yes — even faster. Digital gratuities are instant, not next day.

*“Will my earnings go down?”*

In luxury environments like AB, digital tipping generally keeps gratuities stable or increases them.

*“Is my information private?”*

Yes. Your Branch activity is private.

*“Do clients pay a fee to use Tippy at the register?”*

Yes. Clients pay a small processing fee when they leave a gratuity through Tippy. This is standard for digital tipping platforms and is handled directly by Tippy.

*“Does AB make any money from Tippy Transactions?”*

No. AB does not make money on Tippy. We do not take a portion of your gratuities, and we do not benefit financially from the platform. Tippy handles the processing, and your gratuity goes to you.

## **How to Communicate Gratuity Options Professionally**

Gratuities at AB are never expected; they are simply an expression of appreciation for exceptional service. Gratuity conversations should always remain professional, positive, and free of personal opinions about taxes or preferred payment methods.

If a client asks, here is polished language you can use:

### 1. Tippy (Digital)

“If it’s easiest for you, we now offer a digital option for gratuities through Tippy.”

### 2. Venmo

If a client specifically asks, you may share your Venmo information if you choose.

### 3. Cash

“If cash is easier for you, our envelope method is still available.”

## **Support During Transition**

We will assist with Tippy and Branch setup

Leadership will be fully present throughout launch

Every process question will be answered — as many times as needed.

## **My Commitment to You**

I will stay transparent, available, and supportive throughout this update. I value you, the work you do, and the care you give to our clients every day. My goal is for you to feel informed, confident, and respected.

If you ever want to talk privately or share concerns, I am here.

If you have no additional concerns, please sign up. If you have concerns come see me and we can discuss so that you are in a more informed position to sign up this week.

In gratitude,

A handwritten signature in black ink, appearing to read "Adam", with a long, sweeping underline that extends across the width of the signature.