

HOURLY PAY

All non-exempt employees will be paid an hourly pay based on job assignments and qualifications. *Pay Codes: H1, H2, H3, H4, H6, H7, H8, H9, AH.* AH means wages are allocated to different businesses. (*H = Hourly & AH = Allocated Hourly*)

WEEKEND PREMIUM PAY

Hourly non-exempt employees will be compensated an additional \$1.50 per hour when working weekend hours as described in the Employee Handbook. Weekend premium pay will be applied to time worked between the hours of 6:00 PM on Friday through 12:00 AM on Sunday. Premium pay refers to the higher wages given to employees who work less desirable hours.

OVERTIME PAY

Hourly non-exempt employees will be compensated 1 ½ times their regular hour pay for all hours worked over 40 hours per week. Overtime hours worked during Weekend Premium Pay time will be compensated the premium pay at 1 ½ times the regular rate (\$2.25 per hour when applicable). *Pay Codes: OT1, OT2, OT3, OT4, OT6, OT7, OT8, OT9, AO.* Holiday Pay hours will not be counted as hours worked for the purpose of determining overtime hours. Overtime hours worked must be approved by employee's supervisor. (*O = Overtime Hourly, AO = Overtime Allocated Hourly*)

WAITRESS TIPS REPORTED

As of January 1, 2002, waitresses are liable to report 100% of all tips on the ISolved portal and their wait staff closing sheet which lists the number of customers, sales, etc. Employees are required by law to report 100% of their tips. If the IRS determines you have been underreporting tips, you may be assessed back income and FICA taxes, interest and penalties.

- If the IRS determines that an employee has under reported tips, the employee may be assessed back income and FICA taxes, interest and penalties up to 50 percent of the back taxes owed.
- Unemployment compensation (UC) is determined by payroll records. If tips are under reported and the employee becomes unemployed, (s)he will receive smaller UC payments than what (s)he would have otherwise been entitled to receive.
- If the employee has disability insurance and has an accident, the insurance company will compute the loss of income based on payroll records (under reported tips = lesser payments).
- Social Security payments are based on tax contributions. If tips are under reported, the employee will receive less Social Security money when (s)he retires.
- Reporting 100% of tips gives the employee an accurate record of income. This is critical when the employee applies for a loan to purchase a car or home or tries to obtain a credit card (banks do call employers to check on this)!

The IRS recommends (but does not require) employers to distribute tips received on credit cards through the regular payroll system rather than as cash. CnD, however, allows a waitress to take the tip as cash paid out. The cash paid out of register as a tip should include the paid-out receipt and be stapled to the signed credit card slip. CnD is allowed to deduct a credit card processing fee from the charged tip, but does not do so at this time. *If an employee would like to exchange their tip money for larger bills from the cash register, a co-worker must verify and perform the exchange.*