PAY PRACTICES AND TIP REPORTING

**PAY PERIODS**

Isaac’s Deli, Inc.’s payroll follows a two-week cycle commencing on Monday morning and ending the second-following Sunday night. Isaac’s Deli, Inc. has a five-day processing cycle between the time the pay period ends and the pay stubs are issued. This processing cycle may be adjusted from time to time to accommodate legal and banking holiday schedules.

## **DIRECT DEPOSIT AS A CONDITION OF EMPLOYMENT**

An individual who accepts an offer of employment from Isaac’s Deli, Inc. understands that mandatory participation in the Direct Deposit Program is a condition of accepting employment with Isaac’s Deli, Inc. A properly completed Direct Deposit Form must be presented before an employee can go through the orientation process.

**Employees without a Bank Account** – Several banks in our communities offer enhanced banking services for Isaac’s Deli, Inc. employees with Direct Deposit. Many of these banks offer free checking and other free services when payroll is directly deposited into their account.

**Employees unable to open a bank account** – Isaac’s Deli, Inc. has alternative banking solutions available. If you are an employee unable to open a bank account, please talk to your General Manager for these alternative solutions.

**Employees needing to change Direct Deposit information** – Employees must notify the Payroll Department BEFORE they make any changes to the bank account where their pay is being directly deposited. This will ensure an employee’s pay is not delayed or lost due to a closed or changed bank account.

Employees who notify Isaac’s Deli, Inc. that they are planning to change their banking information will have 30 days to provide Isaac’s Deli, Inc. Payroll Department with an updated Direct Deposit Authorization Form complete with the new banking information.

## **PAYCHECK/PAY STUB DISTRIBUTION**

Paycheck/pay stubs shall only be distributed by the manager on duty in accordance with the time schedule and stipulations outlined below.

Restaurant employees may pick up their pay stubs at the restaurant location, where they work, on Payday, anytime after 3:00pm. Pay checks/stubs not picked up within seven days will be mailed, via first class mail, to the address of record for the employee.

No one other than the employee may pick up his or her paycheck/stub without prior written authorization from the employee. Proper identification will be required for all unrecognized employees or others authorized to pick up the paycheck/stub. Written authorizations remain in effect until revoked in writing. The parent or legal guardian of a

minor employee may pick up the employee’s paycheck/stub after providing adequate proof of identification.

**TIPS PAID TO EMPLOYEES**

All tips, other than cash tips earned by servers, will be paid to employees on their biweekly paycheck.

Paying non-cash tips to servers on paychecks has become necessary to enable Isaac’s Deli, Inc. to:

1. Collect the correct amount of tax withholding as mandated by law.
2. Calculate and contribute the maximum amount possible for 401(k) contributions and employer match.
3. Withhold employee costs of company provided benefits
4. Comply with court ordered withholding of funds from employee pay.

# TIP REPORTING

**POLICY**

All tips are to be reported as earned income. The tip reporting procedure is outlined in other instructional materials.

**The Law**

The Internal Revenue Service requires you to ***report ALL tips*** as earned income and pay the required taxes on these amounts.

**ISAAC’S DELI, INC. Position**

1. Tip reporting is an individual responsibility! Additionally, Isaac’s Deli, Inc. believes that employees are complying with the law and do, in fact, report all tips as earned income in accordance with the Internal Revenue Code.
2. The tips an employee receives is a ***direct reflection*** of the ***level*** and ***quality*** of service a customer receives. Your manager uses this information as part of the evaluation of your overall work performance.
3. Tipped employees have the ability to earn between 12% and 20% of sales in tips, depending on the level of service they provide to their customers.
4. Service warning letters may be issued to employees who do not earn a reasonable level of tips.
5. Employees may be asked to sign for their paycheck as a means of sales and tip reporting verification.

**PAY/HOURS DISPUTE AND RESOLUTION**

It is the intent of Isaac’s Deli, Inc to accurately track and pay our employees. If an employee believes they have been paid incorrectly, they should notify their General Manager within one week of the time he or she became aware of the possible mistake.

**REQUESTS FOR PAY STUB/W2**

Isaac’s Deli, Inc. provides employees with pay stubs and W2’s as a way for employees to have a physical record of wages earned and deductions withheld. It is the employee’s responsibility to keep these records for future reference; however Isaac’s understands sometimes extenuating circumstances arise, such as man-made or natural disasters, which require employees to request copies of their pay stub/W2’s from time to time.

Requests for copies of these records must be made in writing to Isaac’s HR department and include the following information: employee’s entire name (former last name if different), current mailing address, social security number and list of applicable dates. Requested information may be mailed or emailed to the employee at the email address on record with Isaac’s Deli.Inc. The employee also has the option to pick up the information at Isaac’s Corporate Office during regular office hours in which case photo identification will be required. Please allow 5 business days for processing.