PAYROLL PRACTICES AND COMPENSATION POLICY (IL)

**Administration of This Policy**

The {d.humanResourcesDepartment} is responsible for the administration of this Policy. If you have any questions about this Policy, please contact the {d.humanResourcesDepartment} .

{d.employer} expressly reserves the right to change, modify, or delete the provisions of this Payroll Practices and Compensation Policy without notice.

Any employee who abuses this Policy will be subject to disciplinary action, up to and including termination of employment.

**Employee Classifications**

{d.employer} designates each employee as either exempt or nonexempt in compliance with applicable federal, Illinois, and local law.

**Exempt Employees**. Employees designated as exempt are paid a fixed salary and are not entitled to [minimum wage or] overtime pay. Specific rules apply to exempt employee salary deductions. For more information, please see the Payroll Deductions section of this Policy.

**Nonexempt Employees**. Employees designated as nonexempt are entitled to overtime pay at a rate of [1.5/{d.otheroneAndhalfNumber}] times their regular rate of pay for all hours worked over [40 in a workweek/8 in a workday/{d.otherApplicableThreshold}], as required by applicable federal, Illinois, and local law.

{d.employer} also assigns each employee to one of the following categories:

**Regular Full-Time Employees**. Regular full-time employees are normally scheduled to work at least {d.other40Number} hours per workweek, except for approved time off.

**Regular Part-Time Employees**. Regular part-time employees are normally scheduled to work {d.number} hours or less per workweek. [Part-time employees are not eligible for most {d.employer} benefits.]

**Temporary Employees**. Temporary employees are generally hired on a temporary or project-specific basis, with either full- or part-time hours. Temporary employees are not eligible for most {d.employer} benefits.

**Workweek and Business Hours**

{d.employer}'s workweek begins on Sunday at 12:00 a.m. and ends on Saturday at 11:59 p.m., and our normal business hours are from {d.time} to {d.time}, [DAY] to [DAY].

[Full-time employees are expected to work [eight/{d.number}] hours each workday, [five/{d.number}] days each workweek[, exclusive of meal or lunch breaks and rest periods.] [Employees may be required to come in early, work late, or work overtime hours from time to time, depending on various factors, such as workloads, staffing needs, and special projects.]

[Employees will receive their specific work schedule from their manager or supervisor. If you have any questions about your work schedule, you should speak with your manager or supervisor to avoid any misunderstanding.]

[[Nonexempt] [E/e]mployees are required to record all hours worked, including any hours worked outside of their normal schedule. For more information, please see the Timekeeping section of this Policy.]

[Nonexempt employees must have permission from their supervisor before working overtime. For more information, please see the Overtime section of this Policy.]

**Payday**

Employees are paid [weekly/every other week/twice per month/monthly] on {d.dayOfTheWeekOrMonth} for the pay period that ends on the previous end of day period. If a particular payday falls on a weekend or holiday, employees normally will be paid on the last business day before the weekend or holiday.

[Employees enrolled in direct deposit will have their pay deposited in their designated account on payday. For all other employees,] [[P/p]ay checks will be mailed to the employee's home address on file with the {d.department}P/p]ay checks will be delivered to employees by a {d.department} representative/[E/e]mployees may pick up their check from the {d.department} on payday].

If you do not receive your [direct deposit] or pay check, notify the {d.department} immediately.

Employees should review their pay checks and the corresponding wage statements or paystubs for errors. If you find a possible error, report it to the {d.department} immediately. {d.employer} will correct any errors, including any under or overpayment, as soon as possible. For information on how to report errors, please see the Employee Complaint Procedure section of this Policy.

**Payroll Deductions**

{d.employer} is required by law to make certain deductions from your pay each pay period, including deductions for:

* Federal and state income taxes.
* Social Security (FICA) taxes.
* {d.stateDisabilityInsuranceTaxes}
* Deductions required by wage garnishment, child support, and other income withholding orders or notices.
* [Deductions required by collective bargaining agreements, such as union dues.]
* {d.otherRequiredDeducations}.

{d.employer} may also make other deductions from your pay, including deductions for:

* Wages you have authorized, such as your employee contribution to health, dental, life, or other type of insurance premiums and your voluntary contributions to [a 401(k)/retirement plan/a pension plan,] [a charitable giving campaign,] [transit or parking benefits,] and {d.otherVoluntaryDeductions}.

[**Nonexempt Employees**

Other deductions from a nonexempt employee's pay may be permitted under federal, Illinois, or applicable local law, including deductions for:

* [Cost and maintenance of uniforms.]

{d.employer} prohibits deductions from a nonexempt employee's pay except as required or permitted by applicable law. If deductions reduce a nonexempt employee's wages significantly, {d.employer} will ensure that applicable minimum wage and overtime pay requirements are satisfied.]

[**Exempt Employees**

Unless prohibited by applicable state or local law, other permissible deductions from an exempt employee's salary include deductions for:

* Full-day absences for personal reasons other than sickness or disability, including vacation.
* Full-day absences for sickness or disability.
* Full-day or partial-day absences taken as unpaid leave under the Family and Medical Leave Act (FMLA).
* Amounts employees receive as jury duty or witness fees or military pay, as an offset to the employee's salary.
* Unpaid full-day disciplinary suspensions imposed in good faith for workplace conduct rule infractions.
* Penalties imposed in good faith for infractions of safety rules of major significance.
* A proportionate amount of the employee's full salary for time not worked in the employee's first or last week of employment.

[In any workweek in which an exempt employee performs any work, {d.employer} will not reduce the employee's salary because of:

* Partial-day absences for personal reasons, sickness, vacation, or disability (unless the leave is covered by the FMLA).
* Absence because the employee's worksite is closed on a scheduled work day.
* Absences for jury duty, witness attendance, or military leave, except that {d.employer} may offset against the employee's salary any jury duty or witness fees or military pay the employee receives for those services.
* Any other deductions prohibited by applicable federal or state law.

{d.employer} prohibits deductions from an exempt salaried employee's pay except as required or permitted by applicable law.]

**All Employees**

{d.employer} prohibits deductions from your pay except as required or permitted by applicable law.

All deductions from your pay will be identified on your pay stub or wage statemen. You should carefully review your pay stub or wage statement each pay period. If you have questions about any deductions or if you believe an improper deduction has been made, you must immediately report your concerns to your manager or the {d.department}.{d.employer} will promptly investigate all complaints concerning an employee's pay. If {d.employer} has made an improper deduction from your pay, it will reimburse you as soon as practicable. For more information on how to report concerns about your pay, please see the Employee Complaint Procedure section of this Policy.

**Timekeeping**

To ensure that {d.employer} has complete and accurate time records and that employees are paid for all hours worked, nonexempt employees are required to record all working time. Employees must record their time using an {d.employer} time card, time sheet, punch clock, or other Employer provided timekeeping application. Employees should record on a daily basis all actual time worked, including the starting and stopping times of each workday, and all time away from work, including the starting and stopping times of unpaid meal or lunch periods and sick leave, vacation days, and company holidays. Your supervisor will review your time entries and ask you to verify them at the end of each [day/week/pay period].

Employees must report corrections to their time entries immediately.

[Exempt employees are also required to record all working time /not required to record working time].

Falsifying time entries, including by working "off the clock," is strictly prohibited. If you falsify your time entries or work off the clock, you will be subject to discipline, up to and including termination.

You must immediately report to the {d.department} any supervisor or manager who falsifies your time entries or encourages or requires you to falsify your time entries or work off the clock. For information on how to report a supervisor or manager, please see the Employee Complaint Procedure section of this Policy.

**[[Meal/Lunch] and Rest Periods**

[Nonexempt/All] employees [who work more than {d.number} hours in a workday] must take a [30-minute/one-hour] meal/lunch break as scheduled by their supervisor]. Employees [may take a 15-minute break period for every four hours worked].

Meal/Lunch breaks [and rest periods] are intended to provide [nonexempt] employees an opportunity away from work. [Nonexempt] [E/e]mployees are not permitted to perform any work during meal/lunch breaks [or rest periods]. Employees [must/are encouraged to] take meal/lunch breaks [and rest periods] away from their work area. [Employees may use the [cafeteria/lunch room/break room/[LOCATION]] to take their [meal/lunch] breaks [and rest periods]. Employees may [not] leave {d.employer} 's premises during meal/lunch breaks [or rest periods].]

[Nonexempt/All] employees must record the starting and stopping times of meal/lunch breaks. [Meal//lunch breaks do not count as hours worked [for nonexempt employees] and are unpaid. [Nonexempt] [E/e]mployees must also record the starting and stopping times of rest periods.

[Nonexempt] [E/e]mployees must immediately report to the {d,department} any supervisor or manager who encourages or requires [nonexempt] employees to perform work during unpaid meal/lunch [or rest] breaks. For information on how to report a supervisor or manager, please see the Employee Complaint Procedure section of this Policy.

Any [nonexempt] employee who performs work during their meal/lunch break must correct their time entries to record the time spent working during their meal/lunch break or notify their supervisor or manager so the appropriate time-entry adjustment can be made.

[[Nonexempt] [E/e]mployees who do not take meal/lunch or rest breaks as scheduled, take unauthorized meal/lunch [or rest breaks], or take longer meal/lunch [or rest breaks] than permitted, may be subject to discipline, up to and including termination.]

**Overtime**

All employees may be required to work more than 8 hours in a workday or 40 hours in a workweek.

Nonexempt employees will be paid overtime compensation in accordance with applicable federal, Illinois, and local law at a rate of 1.5/ times their regular rate of pay for all hours worked over 8 hours in any workday or 40 hours in any workweek. Overtime pay is based on hours actually worked. For example, hours attributable to paid vacation, holiday, sick leave, time off are not included in calculating hours of overtime.

[Nonexempt employees must obtain approval from their supervisors in advance of working overtime. Failure to obtain approval for working overtime may result in discipline, up to and including termination of employment.]

[Exempt employees do not receive overtime pay and instead are paid a salary that is intended to compensate them for all hours worked, including any hours worked over 8 hours in any workday or 40 hours in any workweek.]

If you believe that you have not been compensated for all hours worked, including overtime pay you believe you are owed, you must immediately report your concerns to the {d.department}. For more information on how to report concerns about your pay, please see the Employee Complaint Procedure section of this Policy.

**[Discretionary Bonuses**

Employees may be eligible to receive a bonus at the complete and sole discretion of {d.employer}. Specifically, {d.employer} reserves complete and sole discretion to determine whether any bonuses will be paid, and if so, to set any eligibility criteria, the amount of bonuses (if any), and the timing of bonus payments (if any).

**Equal Pay**

{d.employer} prohibits pay discrimination on the basis of sex. Employees in the same work location who perform substantially equal work will be paid at the same rate regardless of their sex, except where differences in pay are based on:

* A seniority, merit, or incentive system.
* Any factor other than an employee's sex.

This Policy covers jobs that require substantially equal skill, effort, and responsibility and are performed under similar working conditions.

If you believe that you have been discriminated against in violation of this Policy, you must immediately report your concerns to the {d.department}.For more information on how to report concerns about your pay, please see the Employee Complaint Procedure section of this Policy.

**Employee Complaint Procedures**

If you believe there are any errors in your pay, including that you have been overpaid or underpaid, that improper deductions have been made from your pay, that you have been misclassified as exempt from overtime pay, or that your pay does not properly compensate you for all hours worked, including overtime hours, off-the-clock work, and work performed during lunch, meal, or rest breaks, you must immediately report your concerns to [your manager or] {d.department}. {d.employer}.{ will promptly investigate all reported complaints. If appropriate, [EMPLOYER] will take corrective action as soon as practicable, including reimbursing any improper pay deductions.

[EMPLOYER] prohibits and will not tolerate retaliation against any employee because that employee filed a good faith complaint under this Policy. Specifically, no one will be denied employment, promotion, or any other benefit of employment or be subjected to any adverse employment action based on their good faith complaint. In addition, no one will be disciplined, intimidated, or otherwise retaliated against because they exercised their rights under this Policy or applicable law. If you believe you have been the victim of retaliation in violation of this Policy, report your concerns immediately to [your manager or] {d.department} .

**[Employees Covered Under a Collective Bargaining Agreement**

The employment terms set out in this Policy work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in any collective bargaining agreement that a union has with {d.employer} Employees should consult the terms of their collective bargaining agreement.

**[Acknowledgment of Receipt and Review**

[I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (employee name), acknowledge that on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date), I received a copy of {d.employer} 's Payroll Practices and Compensation Policy and that I read it, understood it, and agree to comply with it. I understand that {d.employer} has the maximum discretion permitted by law to interpret, administer, change, modify, or delete this Policy at any time [with or without notice]. No statement or representation by a supervisor or manager or any other employee, whether oral or written, can supplement or modify this Policy. Changes can only be made if approved in writing by the [POSITION] of {d.employer} . I also understand that any delay or failure by {d.employer} to enforce any work policy or rule will not constitute a waiver of {d.employer} 's right to do so in the future. I understand that neither this Policy nor any other communication by a management representative or any other employee, whether oral or written, is intended in any way to create a contract of employment. I understand that, unless I have a written employment agreement signed by an authorized {d.employer} representative, **I am employed at will and this Policy does not modify my at-will employment status.** If I have a written employment agreement signed by an authorized [EMPLOYER] representative and this Policy conflicts with the terms of my employment agreement, I understand that the terms of my employment agreement will control.

**OR**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (employee name), acknowledge that on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date), I received and read a copy of the {d.employer} 's Payroll Practices and Compensation Policy[, dated {d.date}] and understand that it is my responsibility to be familiar with and abide by its terms. I understand that the information in this Policy is intended to help {d.employer} ]'s employees to work together effectively on assigned job responsibilities. This Policy is not promissory and does not set terms or conditions of employment or create an employment contract.

[signature page follows]

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|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Employee's Signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Employee's Printed Name  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date |