

LOYOLA ENTERPRISES, INC.

POLICIES & PROCEDURES

CLASSIFICATION: Compensation & Payroll Practices

Number: II-1

Effective Date: 08-28-00

SUBJECT: Payroll Processing

Revision Date: 07-09-09

For the convenience of its employees, LOYOLA automatically deposits employee's net wages into their bank account on a semi-monthly basis. There are twenty-four (24) pay periods per year. Pay periods are from the 1st through the 15th and the 16th through the last day of the month. Employees are paid on the 15th and the last day of each month.

If the normal payday falls on a Saturday, the paychecks will be deposited into the employee's bank account on the preceding Friday. If the normal payday falls on a Sunday, the paycheck will be deposited into the employee's bank account on the following Monday.

If the normal payday falls on a Company recognized holiday, paychecks will be deposited into the employee's bank account the day following the holiday.

There are some select positions in the Company that pay commission on top of the employee's base salary. Commission payment dates vary based on department. The employee must refer to his/her offer letter of employment for commission payment breakdown.

Only under the gravest circumstances will the Company release any paychecks prior to the aforementioned schedule. In the event of an emergency such as an accident, catastrophic illness, or some other compelling misfortune, and the employee can prove there is not adequate financial resources of their own to handle the emergency, the President may be asked (through supervisory channels) to approve a payroll advance.

Statement of Earnings

A statement of earnings is distributed each pay period to employees indicating:

- Gross Pay
- Net Pay
- Statutory Deductions
- Voluntary Deductions

The amount of federal withholding is affected by the number of exemptions claimed on Form W-4 "Employee's Withholding Allowance Certificate". If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resources Department.

Error in Paycheck

If a salary discrepancy is noted that impacts an employee's net pay, the Accounting Department will work out a mutually agreeable solution with the employee in order to ensure the error does not cause a financial burden. Non-salary discrepancies will be corrected as soon as administratively feasible.

LOYOLA relies on the personal integrity of each employee to report overpayments as well as underpayments.