

# House Study Bill 67

## Conference Committee Text

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1 1 Section 1. Section [91A.4](#), Code 1995, is amended to read as  
1 2 follows:  
1 3 91A.4 EMPLOYMENT SUSPENSION OR TERMINATION &dash; HOW WAGES  
1 4 ARE PAID.  
1 5 When the employment of an employee is suspended or  
1 6 terminated, the employer shall pay all wages earned, less any  
1 7 lawful deductions specified in section 91A.5 by the employee  
1 8 up to the time of the suspension or termination not later than  
1 9 the next regular payday for the pay period in which the wages  
1 10 were earned as provided in section 91A.3. However, if any of  
1 11 these wages are the difference between a credit paid against  
1 12 wages determined on a commission basis and

~~such~~

- the wages

1 13 actually earned on a commission basis, the employer shall pay  
1 14

~~such~~

- the difference not more than thirty days after the date  
1 15 of suspension or termination. If vacations are due an  
1 16 employee under an agreement with the employer or a policy of  
1 17 the employer establishing pro rata vacation accrued, the  
1 18 increment shall be in proportion to the fraction of the year  
1 19 which the employee was actually employed.

1 20 EXPLANATION

1 21 The bill provides that wages earned by an employee whose  
1 22 employment is suspended or terminated shall be paid at the  
1 23 next regular payday in the pay period for which the wages were  
1 24 earned.

1 25 BACKGROUND STATEMENT

1 26 SUBMITTED BY THE AGENCY

1 27 Several interpretations are being made about when an  
1 28 individual is to be paid after a suspension or termination.  
1 29 This language clarifies that people must be paid on the payday  
1 30 identified for the pay period in which wages were earned. For  
1 31 example, if pay periods are from the 1-14 and the 15-31 with  
1 32 regular paydays on the seventh and 21st, and the person is  
1 33 terminated on the 20th, that person would be paid for the 1-14  
1 34 pay period on the 21st and for the 15-20 pay period on the  
1 35 next regular payday, which would be the seventh. Without this

2 1 language and under this scenario, an argument could be made  
2 2 that the person's next regular payday is the 21st.

2 3 LSB 1175DP 76

2 4 kh/cf/24