

FILED FEB 15 1995

*Substituted for
HF 178
4-6-95
R1364*

SENATE FILE 159
BY COMMITTEE ON BUSINESS AND
LABOR RELATIONS

(SUCCESSOR TO SSB 65)
(COMPANION TO LSB 1175HV)

Passed Senate, ^(p.456) Date 2/27/95 Passed House, ^(p.1429) Date 4-11-95
Vote: Ayes 48 Nays 0 Vote: Ayes 98 Nays 0
Approved April 19, 1995

A BILL FOR

1 An Act relating to the payment of wages to a suspended or
2 terminated employee under the Iowa wage payment collection
3 law.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

S.F. 159

1 Section 1. Section 91A.4, Code 1995, is amended to read as
2 follows:

3 91A.4 EMPLOYMENT SUSPENSION OR TERMINATION -- HOW WAGES
4 ARE PAID.

5 When the employment of an employee is suspended or
6 terminated, the employer shall pay all wages earned, less any
7 lawful deductions specified in section 91A.5 by the employee
8 up to the time of the suspension or termination not later than
9 the next regular payday for the pay period in which the wages
10 were earned as provided in section 91A.3. However, if any of
11 these wages are the difference between a credit paid against
12 wages determined on a commission basis and such the wages
13 actually earned on a commission basis, the employer shall pay
14 such the difference not more than thirty days after the date
15 of suspension or termination. If vacations are due an
16 employee under an agreement with the employer or a policy of
17 the employer establishing pro rata vacation accrued, the
18 increment shall be in proportion to the fraction of the year
19 which the employee was actually employed.

20

EXPLANATION

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

25

26

27

28

29

30

31

32

33

34

35

Giannetto
Dearden
Fremmen

SSB.65

Business & Labor
Succeeded By

SENATE/HOUSE FILE SE/HF 159

BY (PROPOSED DEPARTMENT OF
EMPLOYMENT SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the payment of wages to a suspended or
2 terminated employee under the Iowa wage payment collection
3 law.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

VB be 2

1 Section 1. Section 91A.4, Code 1995, is amended to read as
2 follows:

3 91A.4 EMPLOYMENT SUSPENSION OR TERMINATION -- HOW WAGES
4 ARE PAID.

5 When the employment of an employee is suspended or
6 terminated, the employer shall pay all wages earned, less any
7 lawful deductions specified in section 91A.5 by the employee
8 up to the time of the suspension or termination not later than
9 the next regular payday for the pay period in which the wages
10 were earned as provided in section 91A.3. However, if any of
11 these wages are the difference between a credit paid against
12 wages determined on a commission basis and such the wages
13 actually earned on a commission basis, the employer shall pay
14 such the difference not more than thirty days after the date
15 of suspension or termination. If vacations are due an
16 employee under an agreement with the employer or a policy of
17 the employer establishing pro rata vacation accrued, the
18 increment shall be in proportion to the fraction of the year
19 which the employee was actually employed.

20 EXPLANATION

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

25 BACKGROUND STATEMENT
26 SUBMITTED BY THE AGENCY

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

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

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

increment shall be in proportion to the fraction of the year which the employee was actually employed.

SENATE FILE 159

AN ACT

RELATING TO THE PAYMENT OF WAGES TO A SUSPENDED OR TERMINATED EMPLOYEE UNDER THE IOWA WAGE PAYMENT COLLECTION LAW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 91A.4, Code 1995, is amended to read as follows:

91A.4 EMPLOYMENT SUSPENSION OR TERMINATION -- HOW WAGES ARE PAID.

When the employment of an employee is suspended or terminated, the employer shall pay all wages earned, less any lawful deductions specified in section 91A.5 by the employee up to the time of the suspension or termination not later than the next regular payday for the pay period in which the wages were earned as provided in section 91A.3. However, if any of these wages are the difference between a credit paid against wages determined on a commission basis and such the wages actually earned on a commission basis, the employer shall pay such the difference not more than thirty days after the date of suspension or termination. If vacations are due an employee under an agreement with the employer or a policy of the employer establishing pro rata vacation accrued, the

LEONARD L. BOSWELL
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 159, Seventy-sixth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved  1995

TERRY E. BRANSTAD
Governor