

Senate Study Bill 65

Conference Committee Text

PAG LIN

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 ‐ 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