

**House File 19 - Introduced**

HOUSE FILE 19

BY HUNTER

**A BILL FOR**

1 An Act relating to employee leave by providing for time  
2 off and vacation leave, and including effective date and  
3 applicability provisions.

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

1 Section 1. Section 91A.2, Code 2013, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 6A. *"Paid time off"* means a benefit  
4 provided by an employer that allows an employee to take time  
5 off from work with pay without regard to the reason the  
6 employee chooses to take the time off.

7 Sec. 2. Section 91A.2, subsection 7, paragraph b, Code 2013,  
8 is amended to read as follows:

9 *b.* Vacation, holiday, paid time off, sick leave, and  
10 severance payments which are due an employee under an agreement  
11 with the employer or under a policy or practice of the  
12 employer.

13 Sec. 3. Section 91A.4, Code 2013, is amended by striking the  
14 section and inserting in lieu thereof the following:

15 **91A.4 Employment suspension or termination — calculation and**  
16 **payment of wages.**

17 1. An employee's employer shall pay all wages earned by the  
18 employee up to the time of the suspension or termination, less  
19 any lawful deductions specified in section 91A.5, no later than  
20 the next regular payday after suspension or termination, except  
21 as follows:

22 *a.* Earned wages that are the difference between a credit  
23 paid against wages determined on a commission basis and the  
24 wages actually earned on a commission basis shall be paid  
25 by the employer not more than thirty days after the date of  
26 suspension or termination.

27 *b.* If while employed, an employee earned paid time off  
28 but did not earn vacation, an employer may reduce pay for  
29 accumulated paid time off by up to one-third.

30 *c.* If while employed, an employee earned both vacation pay  
31 and paid time off, no payment for accrued paid time off is  
32 required.

33 2. An employer shall not adopt a policy or practice of  
34 denying payment for vacation or for paid time off upon the  
35 suspension or termination of an employee's employment unless

1 the employee's employment was terminated by the employer for  
2 misconduct pursuant to section 96.5, subsection 2, and the  
3 rules of the department of workforce development defining  
4 misconduct.

5 3. Except as provided in subsection 1, upon suspension or  
6 termination of an employee's employment, the amount of pay owed  
7 for accrued paid time off or accrued vacation shall be the  
8 amount of pay the employee would have received if the employee  
9 had not been suspended or terminated and had begun taking the  
10 total amount of accrued paid time off or accrued vacation on  
11 the date the suspension or termination occurred.

12 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
13 immediate importance, takes effect upon enactment.

14 Sec. 5. APPLICABILITY. This Act applies only to the  
15 suspension or termination of an employee's employment that  
16 takes place on or after the effective date of this Act.

17 EXPLANATION

18 This bill provides employee leave by providing for time off  
19 and vacation leave.

20 The bill relates to payments for accrued vacation time and  
21 for accrued paid time off for all employees who are terminated  
22 or suspended.

23 Current law requires an employer to pay accrued vacation pay  
24 to a terminated or suspended employee only if the employer has  
25 a policy, procedure, or contract that requires the employer to  
26 do so.

27 The bill defines "paid time off" as a benefit allowing an  
28 employee to take time off from work with pay without regard to  
29 the reason the employee chooses to take the time off. "Paid  
30 time off" is also added to the definition of "wages".

31 The bill provides that if an employee is suspended or  
32 terminated, upon request the employer must pay all earned  
33 wages, now including paid time off, by the next regular payday.  
34 The bill provides for an employee who earned paid time off  
35 while employed but did not earn vacation, that the employer may

1 reduce the pay for the accrued paid time off by one-third. For  
2 an employee who earned both vacation and paid time off while  
3 employed, the employer is not required to make payment for the  
4 paid time off.

5 An employer shall not adopt a policy or practice to deny  
6 payment for accrued vacation or accrued paid time off upon the  
7 suspension or termination of an employee unless the employee's  
8 employment ended due to misconduct. Misconduct is not defined  
9 in statute but is defined in the department of workforce  
10 development's administrative rules.

11 The bill provides for the calculation and payment of an  
12 employee's accrued paid time off or vacation if the employee  
13 is suspended or terminated. The amount of such pay owed to an  
14 employee is the amount of pay equal to the accrued vacation or  
15 paid time off as if the employee began taking the vacation or  
16 paid time off the day the suspension or termination took place.

17 The bill takes effect upon enactment. The bill is made  
18 applicable only to the suspension or termination of an  
19 employee's employment that occurs on or after that date.