CPA

Practice **Advisor**

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extends to terminations. While many states allow payment for voluntary termination to occur on the next scheduled pay date, several states have accelerated timelines even for

James Paille • Jan. 25, 2016



From the Thomson Reuters Blog.

Every now and again, we all have certain employees that need to be let go. While an involuntary termination is never a pleasant event, care should be taken with final pay to avoid complicating the matter and possibly incurring more expenses.

Each state has its own laws that dictate when employees are to be paid and this

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ID	Earlier of next regular payday, or 0 working days not including
	weekends and holidays; different rules apply if employee gives employer
	written request for earlier payment
IL	At separation if possible, and never later than the next regular payday
KY	Later of the next regular payday or within 14 days after termination
ME	Earlier of next regular payday or 2 weeks after demand
MI	As soon as the amount can with due diligence be determined
MN	Next regular payday unless next payday is less than five days
	from employee's last day, then the second regular payday, but not more
	than 20 days
MT	Earlier of next regular payday or 15 days from the date of separation
NE	Earlier of next regular payday or within 2 weeks of termination
NH	Next regular payday; 72 hours if notice given
NV	Earlier of next regular payday or 7 days
ОН	Wages earned in the first half of the month must be paid by the first day
	of the following month; wages earned in the last half of the month
	must be paid by the 15th of the following month
OR	Immediately if given 48 hours' notice; otherwise, the earlier of the next
	regular payday or 5 days, excluding weekends or holidays
SC	Within 48 hours or by next regular payday, not to exceed 30 business
	days
TN	Later of next regular payday or 21 days after resignation
WA	At end of pay period (with certain exceptions)
WI	Next regular payday; within 24 hours if employer merges, liquidates,
	ceases business or relocates

Involuntary termination rules are quite different. Several states require immediate

payment of wages and some states even require unused accruals (i.e. vacation, etc.) to

be paid at time of termination. Below is a list of states that require accelerated

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CA	Immediately (with exceptions in certain industries)
CO	Immediately, unless—at the time the employee is fired—the
	employer's payroll department is not operational
CT	Next business day (employees laid off must be paid by next
	regular payday)
DC	Next working day
HI	Immediately or, if unable to do so, next working day
ID	Earlier of next regular payday, or 10 working days not
	including weekends and holidays
IL	At separation if possible, and never later than the next regular payday
KY	Later of the next regular payday or within 14 days after termination
LA	Earlier of next regular payday or within 15 days after termination
MA	Immediately, except in Boston
ME	Earlier of next regular payday or 2 weeks after demand
	(certain exceptions for employers in manufacturing or
	mechanical businesses)
MI	As soon as the amount can with due diligence be determined
MN	Within 24 hours of demand
MO	Immediately
MT	Immediately, unless the employer has a written policy that extends the
	time for payment of final wages to the earlier of the employee's next
	regular payday or within 15 days of separation
NE	Earlier of next regular payday or within 2 weeks of termination
	(different rules apply to employees of a political subdivision)
NH	Within 72 hours
NM	Within 5 days; 10 days if wages are paid by piece-work or commission
NV	Immediately

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TN	Later of next regular payday or 21 days after discharge
TX	Within 6 days
UT	Within 24 hours
VT	Within 72 hours
WI	Next regular payday; within 24 hours if employer merges, liquidates,
	ceases business or relocates

Users of Accounting CS Payroll have detailed help available to assist in these matters. You will often need to make the employee inactive after the final payroll check has been issued. Learn more information about working with inactive employees.

More Articles From James Paille.

James Paille, CPP has been an executive manager in the payroll service industry for more than 30 years, specializing in managing multi-location offices. He is currently director of Operations, MyPay Solutions, Thomson Reuters. Jim is a member of the APA's Board of Directors and National Speakers Bureau, and chairs the CPP Certification Review Panel. He holds a Bachelor of Science in Accounting from St. John Fisher College in Rochester, NY.

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