

1 HB49
2 188941-1
3 By Representative England
4 RFD: Commerce and Small Business
5 First Read: 09-JAN-18
6 PFD: 01/04/2018

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8 SYNOPSIS: Existing law does not dictate when an
9 employer must pay final wages to an employee upon
10 separation of employment.

11 This bill would establish requirements for
12 when and how an employer must pay final wages to an
13 employee upon separation of employment.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT

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19 Relating to employment; to establish requirements
20 for when and how an employer must pay final wages to an
21 employee upon separation of employment.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. (a) When an employee quits or resigns or
24 is discharged, suspended, or laid off, the wages earned by the
25 employee shall become due and payable by the employer on the
26 next regularly scheduled payday. The employee may choose

1 whether to be paid through his or her usual method of payment
2 or by mail.

3 (b) If an employer, without any reasonable grounds
4 for dispute, fails to pay an employee his or her final wages,
5 as required by this section, the employer shall also be liable
6 to the employee for liquidated damages in the amount of 10
7 percent of the unpaid wages for each day beyond the final
8 payday that the wage payment is late, excluding Sundays and
9 legal holidays.

10 (c) If an employer who owes final wages to an
11 employee files a petition of bankruptcy, failure to pay
12 liquidated damages under subsection (b) will not be actionable
13 beyond the date of the petition if the employer is declared
14 bankrupt by the court.

15 (d) An employer who is unable to timely prepare
16 payroll due to a labor dispute, power failure, weather
17 catastrophe, epidemic, fire, state of emergency, terrorist
18 attack, act of God, or any other circumstance beyond the
19 employer's control will not be in violation of this section if
20 the final payroll payment is made late as a result.

21 Section 2. This act shall become effective on the
22 first day of the third month following its passage and
23 approval by the Governor, or its otherwise becoming law.