



Robin Solomon Quoted on Payroll Practices for Terminating Employees

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"Ten Things to Prepare for an Employee's Last Day"

By Katherine Muniz

Squaring away time off is important. Has the employee accrued any vacation time, sick time, and/or personal leave? If so, this is where your HR policy manual should come in handy.

If you decide to cash out, Attorney Robin Solomon, a partner in Ivins, Phillips & Barker's Employee Benefits practice, advises that "The cashout is paid as additional wages and reported on Form W2. If paid at termination, it is typically included in the employee's final paycheck."

If the exiting employee owes the company any cash, now is the time to collect. According to Attorney Robin Solomon, "An employer generally should determine any necessary deductions BEFORE the employee's final paycheck. These deductions might include reimbursement for expenses, such as training costs or moving costs, that were explicitly advanced by the employer to the employee. Before deducting these amounts from a final paycheck, however, employers should check with counsel as to whether state law could limit their ability to withhold from the final paycheck."