

WISCONSIN EMPLOYMENT LAW Wage Payment Requirements



Several federal laws regulate employers' wage payments, including the Fair Labor Standards Act (FLSA), the Davis-Bacon Act and the Service Contract Act. Wisconsin law also imposes state wage payment requirements. When federal and state laws are different, the law that is more favorable to the employee will apply.

The [Equal Rights Division](#) (ERD), part of the [Wisconsin Department of Workforce Development](#) (DWD), enforces wage payment standards throughout the state.

STATE RESOURCES

Wisconsin Department of Workforce Development
<https://dwd.wisconsin.gov/>

Overview

The DWD maintains a [web page](#) on wage and hour standards.

METHOD OF PAYMENT

Wisconsin law requires employers to pay employee wages in lawful U.S. currency. Generally acceptable means of payment include cash, check, draft and direct deposit.

FREQUENCY OF PAYMENT

Employers must pay employee wages **at least once per month** on established paydays. Regular paydays must generally be **within 30 calendar days** after the end of the period, unless employers reach a different mutual agreement with their employees. If an employee is not available at the time payments are ordinarily made, the employee must be paid **within six days** of requesting the payment.

These requirements do not apply to:

- Employees covered under a valid collective bargaining agreement with different pay frequency requirements;
- School district and private school employees who voluntarily request different payment periods for personal services performed during the school year;
- Unclassified employees of the University of Wisconsin system;
- Employees who receive compensatory time off in lieu of overtime compensation;
- Part-time fire fighters or part-time emergency medical technicians of a volunteer fire department or emergency medical services program who must be paid at least annually at regular intervals; and
- Employees employed in logging operations and farm labor (they must be paid at least quarterly).

LAST PAYMENT OF WAGES

Employers must pay an employee's wages in full by the next regular payday when the employee resigns or is discharged. In the case of death, employers must wait five days to deliver an employee's unpaid wages to the employee's survivors. If the employee

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does not have any survivors, employers may pay these wages to the employee's creditors. In addition, employers must pay all wages due to employees who are separated because of a merger, liquidation, termination or relocation of the employer's business **within 24 hours**.

WITHHOLDINGS AND DEDUCTIONS

Employers may not withhold all or a portion of an employee's wages unless the withholding or deduction is authorized by law or in writing by the employee.

- Common **deductions authorized by law** include taxes, union dues, FICA contributions, garnishments and court-ordered deductions such as child support. Employers may also make some deductions for employer-provided room and board.
- Common **deductions authorized by employees** include funds for employee participation in hospitalization and medical insurance plans, savings plans and deposits to financial institutions, stock purchases, charitable donations, retirement plans, supplemental retirement plans, loan payments, loan or wage advances, employer goods or services and employer equipment or property. Authorizations must be made through a valid legal agreement.

An employee may also authorize their employer to withhold or deduct funds from his or her wages for defective or faulty workmanship or lost, stolen or damaged property. Employers do not need to get employee authorization if the issue was caused by the employee's negligence, carelessness or willful and intentional conduct.

Employers that violate the withholding and deduction requirements must compensate their employees with twice the amount of the illegal deduction or withholding. In addition, employers must record each withholding accurately. In general, wage deductions and withholdings cannot reduce an employee's gross wages below the minimum wage rate, unless authorized by law. Employers may not derive any financial gain from wage deductions.

WAGE STATEMENTS

Employers must provide each of their employees with an itemized wage statement at the time employee wages are paid. The itemized wage statement for each employee must show:

- Gross and net wages earned;
- The rate of pay;
- The number of hours worked during the pay period; and
- The amount and reason for each withholding and deduction.

PENALTIES

Employers that violate Wisconsin's wage payment and collection laws may be ordered to pay all due and unpaid wages in addition to the following criminal, civil and administrative penalties:

Type	Penalty	Conditions
Criminal Penalty	A fine of up to \$500, imprisonment for up to 90 days or both	Employers must have the ability to pay the wages in question and must not have paid them with the intent to discount them or to annoy, harass, hinder, oppress, or defraud the affected employee. Each failure or refusal to pay each employee is a separate offense.

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Type	Penalty	Conditions
Civil Penalty	Up to 50 or 100 percent of unpaid and due wages	The fine is up to 50 percent if the complaint is filed before the DWD completes a violation investigation. The fine is up to 100 percent if the complaint is filed after the DWD completed an investigation and the employer is found to have violated wage payment requirements.
Administrative Penalty	An additional 50 percent of unpaid and due wages	Unless the employer can prove the penalty would cause an extreme hardship.

Employees have the right to sue their employers for any unpaid wages. An employee's right to initiate a lawsuit to collect unpaid wages expires after two years from the date the wages were due. If necessary, employees can request that a court place a lien on all of the employer's property (real or personal) located within the state until all payments and fines are collected.

RETALIATION PROHIBITED

Employers are prohibited from discharging, threatening to discharge or in any other way discriminating against an employee who testifies, is about to testify or assists the DWD in a wage investigation. Employers that retaliate against their employees commit a misdemeanor, punishable by a **fine of \$25 for each offense**.

Migrant workers have heightened protections against retaliation by their employers. An employer that retaliates against a migrant worker may be required to reinstate the employee and pay back wages, reasonable attorney fees and exemplary damages of **up to double the amount of back wages due**.

MORE INFORMATION

Please contact Heffernan Insurance Brokers for more information on Wisconsin wage and hour laws.