

EMPLOYMENT LAW SUMMARY

Connecticut: Wage Payment Requirements



Because You're Different

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

The Connecticut Department of Labor (CDOL), enforces wage payment standards throughout the state.

METHOD AND FREQUENCY OF PAYMENT

Connecticut law requires employers to pay wages in lawful United States currency with cash, check or direct deposit in a financial institution of the employee's choice. In addition, employers must provide each employee with an itemized statement at the time his or her wages are paid. The itemized statement must show:

- The number of hours the employee worked during that pay period;
- The employee's gross wages (straight and overtime wages must be shown separately); and
- A list of itemized withholdings and deductions applied to the employee's wages for that pay period.

Employee wages must be paid **at least once per week**, on established paydays. If an established payday falls on a nonworking day, employees must be paid on the preceding workday. Regular paydays must be **within eight calendar days** after the end of each workweek.

However, an employer may apply for an exemption from the weekly payment requirement. The CDOL may grant this type of exemption if wages are paid at least monthly. Collective bargaining agreements may also establish other payment arrangements.

LAST PAYMENT OF WAGES

Employers must pay any outstanding wages, in full, **by the next regular payday** to employees who resign or quit their positions. The final payment may be sent through the employer's regular methods or via mail. An employee's final wages may include the cash value of fringe benefits such as vacation, holiday, sick and other earned leave days, if prescribed by an employer's policy or a collective bargaining agreement.

If an employer decides to terminate or discharge an employee, the employer must be ready to pay all of that employee's outstanding wages no later than **the next business day** after the employee is terminated or discharged. The same requirement applies to employees whose work is suspended because of a labor dispute or who are laid off.

If a dispute over the amount of an employee's final wages arises, the employer must pay any undisputed portion of the wages according to the rules above. Employers and employees retain their right to initiate or defend against a lawsuit for the remaining unpaid balance. An employee's acceptance of an undisputed amount is not a waiver or release on his or her claim for the balance. Any release required by an employer on an undisputed wage amount is void.

WITHHOLDINGS AND DEDUCTIONS

Employers may not withhold any portion of an employee's wages unless the withholding or deduction is authorized—either by law or in writing by the employee. An employee may provide this authorization on a CDOL form for medical, surgical or hospital care or automatic enrollment in a retirement plan, such as a 401(k). Other common deductions authorized by law include taxes, union dues, FICA contributions, garnishments and court-ordered deductions, such as child support.

Employers must accurately record each withholding and may not derive any financial gain from wage deductions. Unless authorized by law, wage deductions and withholdings may not reduce an employee's gross wages below the minimum wage rate.

SCALING WAGES

Connecticut law prohibits employers from making discounts or deductions to an employee's wages when the employee's wages are paid, in full or in part, before a regular payday. Employers that violate this provision are subject to a \$100 fine.

REFUND OF WAGES

Connecticut law prohibits employers from directly or indirectly demanding, requesting, receiving or deducting a refund from their employees' wages as a condition of hiring or employment. Employers that violate this provision are subject to a **\$100 fine** (\$500 for second or subsequent offenses), **imprisonment for up to 30 days** (six months for second or subsequent offenses) **or both**.

PENALTIES

Employers that fail to pay wages as required may be subject to criminal charges punishable by fines and imprisonment. The maximums for these depend on the amount of unpaid wages tied to a violation.

Noncompliant employers may also be sued in court. In civil lawsuits under Connecticut's wage laws, employees may recover **up to twice the full amount** of the wages they should have been paid, plus **interest, court costs** and **reasonable attorney's fees**. Agreements between an employer and employee for wages below the minimum is not a valid defense in these lawsuits.

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