

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1881

5 By: Representative Leding
6

For An Act To Be Entitled

8 AN ACT TO PROVIDE FOR PAYMENT OF WAGES AFTER
9 TERMINATION OF EMPLOYMENT WITHIN 7 DAYS OR THE NEXT
10 REGULAR PAYDAY; TO PROHIBIT UNAUTHORIZED DEDUCTIONS
11 FROM EMPLOYEES' PAY; AND FOR OTHER PURPOSES.
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Subtitle

14 AN ACT TO PROVIDE FOR PAYMENT OF WAGES
15 AFTER TERMINATION OF EMPLOYMENT AND TO
16 PROHIBIT UNAUTHORIZED DEDUCTIONS FROM
17 PAY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 11-4-405 is amended to read as follows:
24 11-4-405. Payment on discharge after termination of employment.

25 ~~(a)(1) Whenever any railroad company or corporation or any receiver~~
26 ~~operating any railroad engaged in the business of operating or constructing~~
27 ~~any railroad or railroad bridge shall discharge, with or without cause, or~~
28 ~~refuse to further employ any servant or employee thereof, the unpaid wages of~~
29 ~~the servant or employee then earned at the contract rate, without abatement~~
30 ~~or deduction, shall be and become due and payable on the day of the discharge~~
31 ~~or refusal to longer employ.~~

32 ~~(2) Any servant or employee may request of his foreman or the~~
33 ~~keeper of his or her time to have the money due him or her, or a valid check~~
34 ~~therefor, sent to any station where a regular agent is kept. If the money or~~
35 ~~a valid check therefor does not reach the station within seven (7) days from~~
36 ~~the date it is so requested, then, as a penalty for the nonpayment, the wages~~



1 ~~of the servant or employee shall continue from the date of the discharge or~~
 2 ~~refusal to further employ at the same rate until paid. However, the wages~~
 3 ~~shall not continue more than sixty (60) days unless an action therefor shall~~
 4 ~~be commenced within that time. An employer shall pay in full all wages owed~~
 5 ~~an employee who is discharged from employment not later than the seventh day~~
 6 ~~after the date the employee is discharged, or the next regularly scheduled~~
 7 ~~payday, whichever occurs first.~~

8 (b) ~~This section shall apply to all companies and corporations doing~~
 9 ~~business in this state and to all servants and employees thereof. Any~~
 10 ~~servants or employees who shall hereafter be discharged or refused further~~
 11 ~~employment may request or demand the payment of any wages due and, if not~~
 12 ~~paid within seven (7) days from discharge or refusal to longer employ, then~~
 13 ~~the penalties provided in subdivision (a)(2) of this section for railway~~
 14 ~~employees shall attach. An employer shall pay in full all wages owed an~~
 15 ~~employee who leaves employment other than by discharge no later than the next~~
 16 ~~regularly scheduled payday after the employee leaves employment.~~

17 (c) ~~Any servant or employee whose employment is for a definite period~~
 18 ~~of time and who is discharged without cause before the expiration of that~~
 19 ~~time may, in addition to the penalties prescribed by this section, have an~~
 20 ~~action against any employer for any damages he or she may have sustained by~~
 21 ~~reason of the wrongful discharge, and the action may be joined with an action~~
 22 ~~for unpaid wages and penalty. Wages paid on commission and bonuses are due~~
 23 ~~under subsection (a) or (b) of this section, unless a different time period~~
 24 ~~is provided by:~~

25 (1) A written agreement between the employee and employer; or

26 (2) A collective bargaining agreement.

27 (d) ~~No servant or employee who secretes or absents himself to avoid~~
 28 ~~payment to him or her, or refuses to receive payment when fully tendered,~~
 29 ~~shall be entitled to any benefit under this section for the time as he or she~~
 30 ~~so avoids payment. Accrued vacation payable upon termination of employment by~~
 31 ~~agreement of the parties is due under subsection (a) or (b) of this section,~~
 32 ~~unless a different time period is provided by:~~

33 (1) A written agreement between the employee and employer; or

34 (2) A collective bargaining agreement.

35 (e) An employer may pay wages after termination of employment by:

36 (1) Delivering the wages to the employee at a place and in a

1 manner agreed upon by the employer and employee;

2 (2) Mailing the wages to the employee by certified mail,
 3 restricted delivery, to the employee's last known address;

4 (3) Delivering the wages by any means or manner authorized by
 5 the employee in writing; or

6 (4) Delivering the wages by direct deposit to the employee's
 7 account in the same manner that previous wage payments had been made to the
 8 employee.

9 (f) An employer who fails to pay wages under this section is liable
 10 for a civil penalty to the employee, or the Department of Labor for the
 11 benefit of the employee, in an amount equal to the final wages, or one
 12 hundred dollars (\$100), whichever is greater.

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 14 SECTION 2. Arkansas Code Title 11, Chapter 4, Subchapter 4 is amended
 15 to add an additional section to read as follows:

16 11-4-406. Deduction from wages.

17 An employer shall not withhold or divert any part of an employee's
 18 wages unless the employer:

19 (1) Is ordered to do so by a court of competent jurisdiction;

20 (2) Is authorized to do so by state or federal law; or

21 (3) Has written authorization from the employee to deduct part
 22 of the wages for a lawful purpose and a deduction under this subdivision is
 23 not otherwise prohibited by state or federal law.