

Pay for Accrued PTO at Termination is Not Guaranteed

News

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Pavneet Uppal was quoted in *AC Central* on October 11, 2015. In the article, "Pay for Accrued PTO at Termination is Not Guaranteed," Pavneet answered the question, "If it's law to pay out any earned and unused vacation upon separation from a company?"

Pavneet answered: Failure to pay wages on time, even after termination, can subject an Arizona employer to damages for three times the amount of the unpaid wages. But the question of whether unused vacation time counts as wages owed depends on a number of factors.

Under Arizona law, an employer generally must pay unused vacation time after an employee separates from employment if the employee has a reasonable expectation of payment. There is a reasonable expectation of payment if the employer has promised to pay for unused vacation time. Such promises are often found in employee handbooks or paid-time-off policies.

If there is no express written promise to pay, an employee still may have a reasonable expectation of payment if the employer has a practice of paying for unused vacation time

In other words, if your employer has a habit or practice of paying employees for accrued but unused vacation time upon their departure, you probably are entitled to payment for your unused vacation.

To read the full article, please visit [AZ Central](#).

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