

CONNECTICUT DEPARTMENT OF LABOR

Wage & Workplace Standards Division

WAGE PAYMENT LAWS

*The following represent a summary of selected laws; sections 31-69a through 31-76k –
For Review of full text consult Connecticut General Statutes*

Sec. 31-71a. Payment of Wages; Definitions. Whenever used in sections 31-71a to 31-71i; inclusive; (1) “Employer” includes any individual, partnership, association, joint stock company, trust, corporation, the administrator or executor of the estate of a deceased person, the conservator of the estate of an incompetent, or the receiver, trustee, successor or assignee of any of the same, employing any person; including the State and any political subdivision thereof; (2) “Employee” includes any person suffered or permitted to work by an employer; (3) “Wages” means compensation for labor or services rendered by an employee, whether the amount is determined on a time, task, piece, commission or other basis of calculation; (4) “Commissioner” means the labor commissioner.

Sec. 31-71b. Payment of wages. Electronic direct deposit of wages for state employees. Exemptions. (a)(1) Except as provided in subdivision (2) of this subsection, each employer, or the agent or representative of an employer, shall pay weekly, or once every two weeks, all wages, salary or other compensation due each employee on a regular pay day, designated in advance by the employer using one or more of the following methods: (A) Cash; (B) by negotiable checks; (C) upon an employee's written or electronic request, by direct deposit; or (D) by payroll card, provided the requirements of section 31-71k are satisfied.(2) Unless otherwise requested by the recipient, the Comptroller shall, as soon as is practicable, pay all wages due each state employee, as defined in section 5-196, by electronic direct deposit to such employee's account in any bank, Connecticut credit union or federal credit union that has agreed with the Comptroller to accept such wage deposits.(b) The end of the pay period for which payment is made on a regular pay day shall be not more than eight days before such regular pay day, provided, if such regular pay day falls on a nonwork day, payment shall be made on the preceding work day.(c) This section shall not be construed to (1) prohibit a local or regional board of education or an entity called a state-aided institution pursuant to section 5-175 and a recognized or certified exclusive bargaining representative of its certified or noncertified employees from including within their collective bargaining agreement a schedule for the payment of wages to certified employees or noncertified employees that differs from the requirements of subsections (a) and (b) of this section, or (2) prohibit a private or parochial school from entering into a written agreement with its certified or noncertified employees for the payment of wages to such employees that differs from the requirements of subsections (a) and (b) of this section.(d) Any agreement entered into pursuant to subdivision (2) of subsection (c) of this section shall be null and void if such private or parochial school ceases to operate prior to completing payment of all wages due to its certified or noncertified employees and such private or parochial school shall be liable for the payment of all wages due to its certified or noncertified employees.(e) Nothing in this section shall be construed to apply to employees swapping workdays or shifts as permitted under a collective bargaining agreement.

Sec. 31-71c. Payment of wages on termination of employment. (a) Whenever an employee voluntarily terminates his employment, the employer shall pay the employee's wages in full not later than the next regular pay day, as designated under section 31-71b, either through the regular payment channels or by mail. (b) Whenever an employer discharges an Employee, the employer shall pay the employee's wages in full no later than the business day next succeeding the date of such discharge. (c) When work of any employee is suspended as a result of a labor dispute, or when an employee for any reason is laid off, the employer shall pay in full to such employee the wages earned by him not later than the next regular pay day, as designated under section 31-71b.

Sec. 31-71d. Payment where wages disputed. (a) In case of a dispute over the amount of wages, the employer shall pay, without condition and within the time set by sections 31-71a to 31-71i, inclusive, all wages, or parts thereof, conceded by him to be due, and the employee shall have all remedies provided by law, including those under said sections as to recovery of any balance claimed. (b) The acceptance by an employee of a payment under this section shall not constitute a release as to the balance of his claim and any release required by an employer as a condition to payment shall be void.

Sec. 31-71e. Withholding of part of wages. No employer may withhold or divert any portion of an employee's wages unless (1) the employer is required or empowered to do so by state or federal law, or (2) the employer has written authorization from the employee for deductions on a form approved by the commissioner, or (3) the deductions are authorized by the employee, in writing, for medical, surgical or hospital care or service, without financial benefit to the employer and recorded in the employer's wage record book, or (4) the deductions are for contributions attributable to automatic enrollment, as defined in section 31-71j, in a retirement plan described in Section 401(k), 403(b), 408, 408A or 457 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, established by the employer, or in the Connecticut Retirement Security Exchange established pursuant to section 31-418, or (5) the employer is required under the law of another state to withhold income tax of such other state with respect to (A) employees performing services of the employer in such other state, or (B) employees residing in such other state.

Sec. 31-71f. Employer to furnish employee certain information. Each employer shall: (1) Advise his employees in writing, at the time of hiring, of the rate of remuneration, hours of employment and wage payment schedules, and (2) make available to his employees, either in writing or through a posted notice maintained in a place accessible to his employees, any employment practices and policies or change therein with regard to wages, vacation pay, sick leave, health and welfare benefits and comparable matters

Sec. 31-71g. Penalty. Any employer or any officer or agent of an employer or any other person authorized by an employer to pay wages who violates any provision of this part: (1) Shall be guilty of a class D felony, except that such employer, officer or agent shall be fined not less than two thousand nor more than five thousand dollars for each offense if the total amount of all unpaid wages owed to an employee is more than two thousand dollars; (2) may be fined not less than one thousand nor more than two thousand dollars or imprisoned not more than one year, or both, for each offense if the total amount of all unpaid wages owed to an employee is more than one thousand dollars but not more than two thousand dollars; (3) may be fined not less than five hundred nor more than one thousand dollars or imprisoned not more than six months, or both, for each offense if the total amount of all unpaid wages owed to an employee is more than five hundred but not more than one thousand dollars; or (4) may be fined not less than two hundred nor more than five hundred dollars or imprisoned not more than three months, or both, for each offense if the total amount of all unpaid wages owed to an employee is five hundred dollars or less.

Sec. 31-71h. Regulations. The commissioner is authorized to issue regulations for the establishment of procedures for carrying out the provisions of sections 31-71a to 31-71i, inclusive.

Sec. 31-71i. Waiver of payment schedule requirement. The commissioner may, upon application, waive the provisions of section 31-71b with respect to any particular week or weeks, and may also, upon application, permit any employer, subject to the provisions of this section, to establish regular pay periods less frequently than once every two weeks, provided each employee affected shall be paid in full at least once in each calendar month on a regularly established schedule.

Sec. 31-71k. Payment of wages by payroll cards. Study of payroll card usage. Regulations. (a) As used in this section: (1) "Direct deposit" means the electronic payment of an employee's wages, salary or other compensation that is deposited into such employee's account in any bank, Connecticut credit union or federal credit union that has agreed with the employer to accept such wages, salary or other compensation; (2) "Payroll card" means a stored value card or other device used by an employee to access wages from a payroll card account and that is redeemable at the employee's election at multiple unaffiliated merchants or service providers, bank branches or automated teller machines. Payroll card does not mean a gift certificate, as defined in section 3-56a; and (3) "Payroll card account" means an account in any bank, Connecticut credit union or federal credit union that is directly or indirectly established through an employer to which transfers of the employee's wages, salary or other compensation are made and accessed through the use of a payroll card and that is subject to the requirements of Regulation E, 12 CFR Part 1005, as from time to time amended. (b) An employer may offer the use of payroll cards to deliver wages, salary or other compensation to employees, provided: (1) Each employee has the option of receiving wages, salary or other compensation by direct deposit and by negotiable check; and (2) The employee voluntarily and expressly authorizes, in writing or electronically, the payment of wages, salary or other compensation by means of a payroll card account without any intimidation, coercion or fear of discharge or reprisal from the employer for the employee's refusal to accept such payment of wages, salary or other compensation by means of a payroll card account. No employer shall make the payment of wages, salary or other compensation by means of a payroll card account a condition of employment or a condition for the receipt of any benefit or other form of remuneration for any employee. (c) Prior to an employee electing to receive wages, salary or other compensation by means of a payroll card account, each employer using payroll card accounts to deliver wages, salary or other compensation to an employee shall provide such employee with clear and conspicuous notice, in writing, and in the language the employer normally uses to communicate employment-related policies to his or her employees, of the following: (1) That payment of wages, salary or other compensation by means of a payroll card account is voluntary and the employee may instead choose to receive wages, salary or other compensation by either direct deposit or by negotiable check; (2) The terms and conditions relating to the use of the payroll card, including an itemized list of fees that may be assessed by the card issuer and their amounts; (3) The methods available to employees both for accessing their full wages, salary or other compensation in lawful money of the United States without any transaction fee to the employee for such access and for avoiding or minimizing fees for use of the payroll card, including, but not limited to, a clear and conspicuous notice describing how to access wages, salary or other compensation without cost at automated teller machines, depository financial institutions or other convenient locations; (4) The methods available to employees for checking their balances in the payroll card account without cost; and (5) A statement indicating that third parties may assess additional fees. (d) Each pay period, but not more frequently than each week, an employee with a payroll card shall be allowed to make at least three withdrawals from the payroll card account at no cost to the employee, one of which permits withdrawal of the full amount of the employee's net wages, salary or other compensation for the pay period at a depository financial institution or other convenient location. (e) None of the employer's costs associated with paying wages, salary or other compensation using a payroll card or establishing the payroll card account shall be deducted from or charged against the wages, salary or other compensation delivered to the employee. (f) (1) Neither the employer nor the payroll card issuer shall assess a fee to the employee for any of the following, regardless of how such fee is labeled: (A) Issuing the initial payroll card; (B) transferring wages, salary or other compensation from the employer to the payroll card account; (C) maintaining a payroll card account; (D) providing one replacement card per calendar year upon the employee's request; (E) closing the payroll card account; (F) maintaining a low balance; (G) inactivity or dormancy of the payroll card account for the first twelve months of inactivity or dormancy; or (H) point-of-sale transactions. (2) A payroll card may bear an expiration date, provided (A) the funds in the payroll card account do not expire; and (B) prior to the expiration date, the employee is provided with a replacement card, without charge, during the period when wages, salary or other compensation are applied to the payroll card account by the employer and for sixty days after the last transfer of wages, salary or other compensation is applied to the payroll card account by the employer. (3) The payroll card account may escheat to the state pursuant to the provisions of section 3-57a. (g) Each employer shall provide the employee a means of checking his or her payroll card account

balance through an automated telephone system, automated teller machine or electronically without cost to the employee twenty-four hours per day and seven days per week.(h) Neither the payroll card nor the payroll card account shall be linked to any form of credit and, to the extent technologically feasible, the payroll card account shall not allow for overdrafts. No fees or interest may be imposed upon the employee for an overdraft or the first two declined transactions of each calendar month.(i) The employer shall furnish the employee with a statement of deductions made from his or her wages, salary or other compensation for each pay period in accordance with section 31-13a.(j) Each employee with a payroll card shall be permitted, on timely notice to the employer and without cost or fear of reprisal or discrimination or the assessment of any penalty, to receive his or her wages, salary or other compensation by direct deposit into a personal account at any bank, Connecticut credit union or federal credit union that has agreed to accept such deposits or by negotiable check. The employer shall begin payment by direct deposit as soon as practicable but not later than the first pay day after fourteen days from receiving both the employee's request and the account information necessary to make the deposit, or by check as soon as practicable but not later than the first pay day after fourteen days from receiving the employee's request.(k) Consumer protections, including transaction histories and advanced notice of changes in terms and conditions, shall be provided to each employee with a payroll card in accordance with Regulation E, 12 CFR Part 1005, as from time to time amended. Notwithstanding the foregoing, employees shall be provided the option to receive, on a monthly basis, automatic written transaction histories at no cost to the employee for a term of at least twelve months or until such option is cancelled by the employee. Renewal of the option to receive written transaction histories at no cost to the employee may be required by the employer upon expiration of the initial twelve-month term, and each twelve-month term thereafter.(l) The payroll card shall be associated with an automated teller machine network that ensures the availability of a substantial number of in-network automated teller machines in the state.(m) Wages, salary or other compensation paid to an employee using a payroll card shall be deposited in a payroll card account that is insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration on a pass-through basis to the employee.(n) A payroll card account that is used to receive only employee wages, salary or other compensation shall be exempt from execution or attachment (1) by creditors of the employer, and (2) under section 52-367b.(o) All notices required by the provisions of this section shall be clear and conspicuous.(p) Nothing in this section shall be construed to preempt or override the terms of any collective bargaining agreement with respect to the methods by which an employer provides payment of wages, salary or other compensation to employees.(q) Nothing in this section shall be construed to restrict the fees that a payroll card issuer may charge the employer pursuant to a payroll card agreement between the payroll card issuer and the employer, provided those fees are not charged to or passed on to any employee.(r) The employer's obligations to the employee pursuant to the provisions of this section shall cease sixty days after the employer-employee relationship has ended.(s) The Labor Commissioner, within available appropriations, may conduct a study of payroll card usage and the actual incidence of associated fees. Not later than October 1, 2018, the commissioner shall determine whether such a study shall be conducted, and shall report such determination, or the status or results of such a study if such a study has already been initiated or conducted, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to labor.(t) The Labor Commissioner may adopt regulations, in accordance with the provisions of chapter 54, to ensure compliance with this section.

Sec. 31-72. Civil action to collect wage claim, fringe benefit claim or arbitration award. When any employer fails to pay an employee wages in accordance with the provisions of sections 31-71a to 31-71i, inclusive, or fails to compensate an employee in accordance with section 31-76k or where an employee or a labor organization representing an employee institutes an action to enforce an arbitration award which requires an employer to make an employee whole or to make payments to an employee welfare fund, such employee or labor organization shall recover, in a civil action, (1) twice the full amount of such wages, with costs and such reasonable attorney's fees as may be allowed by the court, or (2) if the employer establishes that the employer had a good faith belief that the underpayment of wages was in compliance with law, the full amount of such wages or compensation, with costs and such reasonable attorney's fees as may be allowed by the court. Any agreement between an employee and his or her employer for payment of wages other than as specified in said sections shall be no defense to such action. The Labor Commissioner may collect the full amount of any such unpaid wages, payments due to an employee welfare fund or such arbitration award, as well as interest calculated in accordance with the provisions of section 31-265 from the date the wages or payment should have been received, had payment been made in a timely manner. In addition, the Labor Commissioner may bring any legal action necessary to recover twice the full amount of unpaid wages, payments due to an employee welfare fund or arbitration award, and the employer shall be required to pay the costs and such reasonable attorney's fees as may be allowed by the court. The commissioner shall distribute any wages, arbitration awards or payments due to an employee welfare fund collected pursuant to this section to the appropriate person.

Sec. 31-76k. Payment of fringe benefits upon termination of employment. If an employer policy or collective bargaining agreement provides for the payment of accrued fringe benefits upon termination, including but not limited to paid vacations, holidays, sick days and earned leave, and an employee is terminated without having received such accrued fringe benefits, such employee shall be compensated for such accrued fringe benefits exclusive of normal pension benefits in the form of wages in accordance with such agreement or policy but in no case less than the earned average rate for the accrual period pursuant to sections 31-71a to 31-71i, inclusive.

Sec. 31-69a. Additional penalty. (a) In addition to the penalties provided in this chapter and chapter 568, any employer, officer, agent or other person who violates any provision of this chapter, chapter 557 or subsection (g) of section 31-288 shall be liable to the Labor Department for a civil penalty of three hundred dollars for each violation of said chapters and for each violation of subsection (g) of section 31-288, except that (1) any person who violates (A) a stop work order issued pursuant to subsection (c) of section 31-76a shall be liable to the Labor Department for a civil penalty of one thousand dollars and each day of such violation shall constitute a separate

offense, and (B) any provision of section 31-12, 31-13 or 31-14, subsection (a) of section 31-15 or section 31-18, 31-23 or 31-24 shall be liable to the Labor Department for a civil penalty of six hundred dollars for each violation of said sections, and (2) a violation of subsection (g) of section 31-288 shall constitute a separate offense for each day of such violation.(b) Any employer, officer, agent or other person who violates any provision of chapter 563a may be liable to the Labor Department for a civil penalty of not greater than five hundred dollars for the first violation of chapter 563a related to an individual employee or former employee, and for each subsequent violation of said chapter related to such individual employee or former employee, may be liable to the Labor Department for a civil penalty of not greater than one thousand dollars. In setting a civil penalty for any violation in a particular case, the Labor Commissioner shall consider all factors which the commissioner deems relevant, including, but not limited to, (1) the level of assessment necessary to insure immediate and continued compliance with the provisions of chapter 563a; (2) the character and degree of impact of the violation; and (3) any prior violations of such employer of chapter 563a.(c) The Attorney General, upon complaint of the Labor Commissioner, shall institute civil actions to recover the penalties provided for under subsections (a) and (b) of this section. Any amount recovered shall be deposited in the General Fund and credited to a separate non-lapsing appropriation to the Labor Department, for other current expenses, and may be used by the Labor Department to enforce the provisions of chapter 557, chapter 563a, this chapter and subsection (g) of section 31-288 and to implement the provisions of section 31-4.

Sec. 31-69b. Discharge, discipline, penalty or discrimination prohibited. Right of action. (a) An employer shall not discharge, discipline, penalize or in any manner discriminate against any employee because the employee has filed a claim or instituted or caused to be instituted any investigation or proceeding under part III of chapter 557 or this chapter, or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any right afforded by part III of chapter 557 or this chapter.(b) Any employee who believes that he has been discharged, disciplined, penalized or otherwise discriminated against by any person in violation of this section may file a complaint with the Labor Commissioner alleging violation of the provisions of subsection (a) of this section. Upon receipt of any such complaint, the commissioner shall hold a hearing. After the hearing, the commissioner shall send each party a written copy of his decision. The commissioner may award the employee all appropriate relief including rehiring or reinstatement to his previous job, payment of back wages and reestablishment of employee benefits to which he otherwise would have been eligible if he had not been discharged, disciplined, penalized or discriminated against. Any employee who prevails in such a complaint shall be awarded reasonable attorney's fees and costs. Any party aggrieved by the decision of the commissioner may appeal the decision to the Superior Court in accordance with the provisions of chapter 54.