

Timely Payment of Wages

When paying wages to employees, government regulations do not make a distinction between staff and freelance workers. All employers are required to establish regular pay cycles. Typically these are weekly, bi-weekly or semi-monthly. Some states follow general federal regulations, others have very specific requirements. Failure to follow these regulations can result in substantial penalties.

Federal: Failure to pay on a regular payday is considered a violation of minimum wage regulations. Employers may be assessed civil money penalties of up to \$1,100 for each willful or repeated violation.

States: Most states follow federal regulations with some significant exceptions:

- **California:** *Requires payment upon termination.* Completing a freelance assignment is considered to be a termination.
Penalties: One day's pay for every day delayed, accrued from last day of work for up to 30 days. There is an exemption that allows employers in the "Motion Picture Industry" to pay freelance workers on the "next regular payday". The same penalties apply starting on that date.
- **Connecticut:** Terminated: Pay by next business day.
- **Hawaii:** Termination: At time of discharge, but no later than next day.
- **Illinois:** At time of separation if possible, but no later than next regular payday.
- **Minnesota:** Terminated: Pay within 24 hrs. of receiving demand. Otherwise pay by next Payday, but within 20 days.
- **Nevada:** Termination: Immediately at time of discharge. Penalties: A day's pay for every day delayed, accrue from last day of work if pay is 3 or more days late up to 30 days.
- **Oregon:** Terminated: Next business day
- **Texas:** Terminated: 6 days
- **Virginia:** Terminated: Within 4 business days or next payday, whichever sooner. Late/Non-payment subject to triple damages.

Questions: Contact Carl Zucker: VP Production Business Affairs czucker@theTEAMcompanies.com.