

Kay J. Christofferson proposes the following substitute bill:

Wage Payment Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kay J. Christofferson

Senate Sponsor: Heidi Balderree

LONG TITLE

General Description:

This bill modifies the payment of wages provisions.

Highlighted Provisions:

This bill:

- removes references that require an employee separating from an employer to provide a written demand for payment;
- removes the requirement that an employee make a demand in writing 15 days before bringing a suit for wages;
- requires that an employee, who disputes the amount an employer pays to the employee upon separation, provide notice to the employer before initiating a legal action; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

34-27-1, as last amended by Laws of Utah 2024, Chapter 365

34-28-5, as last amended by Laws of Utah 2018, Chapter 307

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **34-27-1** is amended to read:

34-27-1 . Reasonable amount -- Taxed as costs.

[Whenever a mechanic, artisan, miner, laborer, servant, or other employee shall have cause to bring suit for wages earned and due according to the terms of that individual's

29 employment and shall establish by the decision of the court that the amount for which the
 30 plaintiff has brought suit is justly due, and that a demand has been made in writing at least 15
 31 days before suit was brought for a sum not to exceed the amount so found due, then it shall be
 32 the duty of the court before which the case shall be tried to allow to the plaintiff a reasonable
 33 attorneys' fee in addition to the amount found due for wages, to be taxed as costs of suit.] If a
 34 mechanic, artisan, miner, laborer, servant, or other employee has cause to bring suit for wages
 35 according to the terms of that individual's employment, and is awarded wages in a court with
 36 jurisdiction, the court shall:

37 (1) establish the amount that the plaintiff is due; and

38 (2) award attorney fees ~~to be taxed as costs of suit~~ .

39 Section 2. Section ~~34-28-5~~ is amended to read:

40 **34-28-5 . Separation from payroll -- Resignation -- Cessation because of**
 41 **industrial dispute.**

42 (1)(a) When an employer separates an employee from the employer's payroll:

43 (i) the unpaid wages of the employee become due immediately~~;~~ ; and

44 (ii) the employer shall pay the wages to the employee within ~~[24 hours]~~ three business
 45 days of the time of separation at the specified place of payment.

46 (b) An employer satisfies the ~~[24-hour]~~ three business days time requirement described
 47 in Subsection (1)(a) if:

48 (i)(A) the employer mails the wages to the employee; and

49 (B) the envelope that contains the wages is postmarked with a date that is no more
 50 than one day after the day on which the employer separates the employee from
 51 the employer's payroll; or

52 (ii) within ~~[24 hours]~~ three business days after the employer separates the employee
 53 from the employer's payroll, the employer:

54 (A) initiates a direct deposit of the wages into the employee's account; or

55 (B) hand delivers the wages to the employee.

56 (c)(i) In case of failure to pay wages due an employee within ~~[24 hours of written~~
 57 ~~demand,]~~ three business days, the wages of the employee shall continue, at the
 58 same rate that the employee received at the time of separation, from the date of [
 59 demand until paid, but in no event to exceed 60 days, at the same rate that the
 60 employee received at the time of separation.] separation until the earlier of:

61 (A) the date of payment; or

62 (B) 60 days after the date of separation.

63 (ii) The employee may recover the penalty [~~thus~~] accruing to the employee in a civil
64 action.

65 (iii) When an employer pays the owed wages and the employee disputes the amount,
66 the employee shall:

67 (A) give written notice to the employer; and

68 (B) allow the employer three business days to respond before the employee may
69 initiate legal action.

70 (iv) [~~This action shall be commenced-~~] The employee shall commence an action to
71 recover the penalty within 60 days from the later of:

72 (A) [~~within 60 days from-~~] the date the employee exhausts the employee's
73 administrative remedies described in Section 34-28-9 and rules made by the
74 commission under Section 34-28-9, if the employee filed a wage claim with the
75 division; or

76 (B) the date of separation.

77 [(iii) ~~An employee who has not made a written demand for payment is not entitled to~~
78 ~~any penalty under this Subsection (1)(c).]~~

79 (2) If an employee[-] does not have a written contract for a definite period and resigns[-] the
80 employee's employment, the wages earned and unpaid together with any deposit held by
81 the employer and properly belonging to the resigned employee for the performance of
82 the employee's employment duties become due and payable on the next regular payday.

83 (3) If work ceases as the result of an industrial dispute, the wages earned and unpaid at the
84 time of this cessation become due and payable at the next regular payday, as provided in
85 Section 34-28-3, including[-] :

86 (a) [~~without abatement or reduction,-]~~ all amounts due [all persons whose work has been
87 suspended as a result of the industrial dispute, together with] without abatement or
88 reduction; and

89 (b) any deposit or other guaranty held by the employer for the faithful performance of
90 the duties of the employment.

91 (4) For a sales agent employed in whole or in part on a commission basis who has custody
92 of accounts, money, or goods of the sales agent's principal, this section does not apply to
93 the commission-based portion of the sales agent's earnings if the net amount due the
94 agent is determined only after an audit or verification of sales, accounts, funds, or stocks.

95 **Section 3. Effective Date.**

96 This bill takes effect on May 7, 2025.