

## PAY PERIOD AND PAY DAY RULES GUIDANCE

- Wages must be paid at least twice a month (rare exceptions for exempt employees are allowed)
- Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid no later than the 26th of that month
- Wages earned between the 16th and last day of the month must be paid by the 10th day of the following month.

Other payroll periods such as weekly, biweekly (every two weeks) or semimonthly (twice per month) when the earning period is something other than between the 1st and 15th, and 16th and last day of the month, must be paid within seven (7) calendar days of the end of the payroll period within which the wages were earned.

SAMPLE BIWEEKLY PAYROLL – PAY PERIODS EVERY TWO WEEKS						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

The chart above sets out a sample pay PERIOD and pay DAY program. The pay PERIOD is bi-weekly, that is, employees' time cards are collected every two weeks (14 days). The pay DAY is 5 working days after the end of the pay PERIOD.

**Code:**

- Blue is the first pay **period**, from the 1st through the 14th of the month (say, January)
- Pink is the second pay **period**, from the 15th through the 28th of the month
- Yellow is the third pay **period**, from the 29th through the 11th of the next month (say, February)
- Blue is the fourth pay **period**, from the 12th through the 25th of the month
- Green are the **paydays**.

Employees work from the 1st through the 14th and put their time on their time cards, including overtime. The next week payroll processing figures it all out and pays them on the 19th. Then they work from the 15th through the 28th; payroll processes their cards and pays them on the 2nd. Next, they work from the 29th through the 11th of the next month; they get paid on the 16th.

SAMPLE BIMONTHLY PAYROLL – TWO PAY PERIODS PER MONTH						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

The chart above is a **bi-monthly** payroll. Dark green shows **PAYDAYS – set at the days allowed by rule.**

Employees’ time cards are collected twice a month, on the 15<sup>th</sup> and the last day of the month, regardless of the length of the month. **Pay days** have to be **no later than the 26<sup>th</sup> for work done during the first half of the month and no later than 10 calendar days after work done during the second half of the month.**

The first pay period is from the 1<sup>st</sup> through the 15<sup>th</sup> and the **pay day** for that first pay period is the 26<sup>th</sup>.

In the second half of the month, the number of days between the end of the pay period and the pay day may have to change, depending on whether the 10<sup>th</sup> day falls on a weekend or not. The effect of the rule can be seen in the second pay period (purple-pink). Here it turns out that the second pay day (the 10<sup>th</sup>) is a Saturday. Employees have to be paid by the 9<sup>th</sup> unless Saturday is a business day. Note, too, that the number of working days per pay period varies.

Confusion about bi-monthly pay may arise if people think it means that employees are paid on the 15<sup>th</sup> and the end of the month (i.e., the **paydays** are on the 15<sup>th</sup> and last day of the month). That could be the rule, but then the **pay periods have to be adjusted to take into account the rule that says employers have to pay no later than 7 days after the end of the pay period:**

SAMPLE 15 <sup>TH</sup> AND END OF THE MONTH PAY DAYS – SHOWN IN GREEN						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

(Ignore the pay day on the 31<sup>st</sup> on the top row).

- The first **pay day** on the 15<sup>th</sup> is for the **pay period** from the 25<sup>th</sup> through the 8<sup>th</sup> (blue)
- The second **pay day** on the 31<sup>st</sup> is for the **pay period** from the 9<sup>th</sup> through the 24<sup>th</sup> (pink)
- The third **pay day** on the 15<sup>th</sup> is for the **pay period** from the 25<sup>th</sup> through the 8<sup>th</sup> (yellow)
- The fourth **pay day** on the 30<sup>th</sup> is for the **pay period** from the 9<sup>th</sup> through the 23<sup>rd</sup> (white)
- The pay period in mustard is incomplete.

The pay day schedule has to be adjusted if the 15<sup>th</sup> or last day of the month falls on a weekend because employers have to be paid no later than 7 days after the last day of the preceding pay period.

**Note of warning:** The end of the pay period and the pay day should not coincide because that arrangement requires employees to guess how many hours they will be working on the last day — or days — of the pay period. An employer can correct an underpayment on the next pay day, but overpayments may only be collected if the employee enters into a written repayment agreement with the employer. This repayment agreement must be entered into on a case-by-case basis; it cannot be a “blanket” agreement that applies throughout employment. If the employee will not agree to a repayment, the employer’s only recourse is a small claims action.