

RÉSUMÉ DIGEST

ACT 556 (HB 352)

2024 Regular Session

Tarver

New law provides relative to final payment concerning certain forms of compensation that a former employer may be entitled to receive after termination of employment.

New law provides that compensation available in the form of commission, incentive pay, or a bonus shall be considered an amount then due only if, at the time of separation, the compensation has been earned and not modified in accordance with a written policy addressing the commission, incentive pay, or bonus.

New law provides that the following shall be lawful:

- (1) A policy providing for adjustments to the amount based on changes to the order generating a commission which affects the amount of the commission.
- (2) A policy providing that a payment to the laborer or employee is not earned unless and until the employer has received the payment which generates the commission, incentive pay, or bonus.

New law provides that, in the case of a bonus, the amount of which is determined by financial information reflecting the employee's or employer's performance on an annual, quarterly, or other periodic basis, a reasonable amount of time, not to exceed 120 calendar days from the end of such periodic basis, shall be allowed based on standard accounting practices used by the employer to make the determination as to whether a bonus is due and the amount thereof.

Effective August 1, 2024.

(Adds R.S. 23:631(E))