**Accrued Leave Payouts**

Payouts of accrued leave are required under the Texas Payday Law only if such a payment is promised by the employer in a written policy or agreement. The payout would be controlled by the wording of the policy or agreement. If no such policy exists, the company would not owe such a payment. A sample policy for accrued leave payouts might look something like this:

Unused paid leave is forfeited when an employee separates from employment. However, employees who are laid off for economic reasons, or who resign with at least two weeks' advance written notice, will receive the balance of any unpaid leave remaining at the time of the work separation. Paid or unpaid leave time may not be counted toward such a notice period.

To illustrate, assume that a company has a written policy similar to the above example - on a Wednesday, the employee gives what she says is two weeks' notice ("I'm quitting and taking the final two weeks as vacation"), but admits she's starting a new job on the following Monday. Clearly, that would not be two weeks' notice, since 1) taking a vacation is not the same as working out a notice period and 2) even if she were to work until the new job started, there would not be two weeks of work possible within that time. In such a case, the company could legally deny the accrued leave payout otherwise payable under the written policy.

Under the same policy, an employee who is terminated for any reason other than an economic layoff would have no claim to accrued leave when leaving the company. For a more detailed policy regarding accrued leave payouts, [click here](http://www.twc.state.tx.us/news/efte/vacation_and_sick_leave.html#accruedleave).

In general, an employer is not required to pay an employee for whatever portion of a notice period that the employee does not work - see "Quit or Discharge - Close Cases" in the article ["Types of Work Separations"](http://www.twc.state.tx.us/news/efte/types_of_work_separations.html#closecases).

When a company is acquired by another company, there is a work separation for purposes of the unemployment compensation program and the Texas Payday Law, and if the company being acquired has a written policy promising a payout of accrued paid leave, the acquisition will trigger the acquired company's duty to make the payout under that policy.

A 2007 amendment to the Texas Family Code provides that garnishment for support obligations applies to certain post-termination lump-sum payments, such as a payout of accrued leave, a bonus, or a commission, (see Texas Family Code [§ 158.215](http://www.statutes.legis.state.tx.us/Docs/FA/htm/FA.158.htm#158.215)): if such a lump-sum payment is $500 or more, the employer must notify the Attorney General's office (do it in writing or electronically - see <https://portal.cs.oag.state.tx.us/wps/portal/WageWithholdingResponsibilities#lumpsum>) before making the payment so that that agency can determine whether a support deduction should be made. The agency then has ten days after that date to notify the employer about its duty to make the support deduction; if no such notification occurs, the employer may make the payment without the deduction. If, however, the agency informs the employer that the support order would apply to the lump-sum payment, the employer would need to make the deduction. Since such a garnishment would be pursuant to a court order, it would not have to be authorized in writing by the employee.