



ESSENTIAL SOFTWARE INC

Texas State Supplement



Effective as of January 1, 2025

ABOUT THIS TEXAS STATE SUPPLEMENT

Essential Software Inc. (ESI) is committed to workplace policies and practices that comply with federal, state and local laws. The additional information in the Texas State Supplement applies only to ESI's Texas State employees. It is intended as a resource containing specific provisions derived under Texas State law that apply to our Texas State staff.

It should be read together with the complete ESI National Full-Time Employee Handbook and, to the extent that the policies in the Texas State Supplement are different from or more generous than those in the ESI National Full-Time Employee Handbook, the policies in the Texas State Supplement will apply.

If employees have any questions about these policies, please contact ESI Human Resources at HR@essential-soft.com.

Final payment of wages:

The Texas Payday Law regulates the timing of the final paycheck in section 61.014. If an employee is laid off, discharged, fired, or otherwise involuntarily separated from employment, the final pay is due within six (6) calendar days of discharge. If the employee quits, retires, resigns, or otherwise leaves employment voluntarily, the final pay is due on the next regularly scheduled payday following the effective date of resignation. "Mutual agreement" separations are generally regarded as involuntary, although that result is not inevitable and ultimately depends upon a close look at all the events and circumstances leading to the work separation. Whether a work separation is voluntary or involuntary is determined according to existing rules for deciding the [nature of the work separation](#) in unemployment compensation cases. Basically, if the employee initiates the work separation and leaves while continued work is still available, the work separation is voluntary. If the employer initiates the work separation, i.e., the employee has no choice but to leave at a certain time, the work separation will be considered involuntary.

Since the "final pay" includes regular wages, fringe benefits payable under a written policy, and any other component of the pay, it is important to know what part of the pay must be paid at what time. Regular wages are due no later than the regularly scheduled payday for an employee who resigned, and by the sixth calendar day for an employee who was laid off or discharged. The deadline for payouts of fringe benefits and other components of the pay, such as [commissions and bonuses](#), is the same, unless a different payout schedule is provided in the wage agreement or policy relating to that particular component of the pay. In that case, the payment schedule outlined in the agreement or policy will determine the deadline for payment.

It is not legal to hold a final paycheck past the deadline for reasons such as failure to return company property, failure to sign timesheets, or similar problems. If the company knows or should know what the pay should be, it must deliver the final pay no later than the deadline, as noted above. Failure to return company property can in many instances be handled via a [wage deduction](#) or a [property return security deposit](#). Failure to sign

timesheets, or other kinds of rule violations, can be handled via a wage agreement that provides for payment of a lower wage during the final pay period unless certain conditions are satisfied.