

Employee gets ticket in company car: Who pays?



Whether the driver is salesman Frank who makes daily business calls or administrative assistant Megan who transports herself and a few colleagues to training sessions at the organization's other branch once a quarter, it pays for employees to understand the responsibilities that come with driving a company car. Presenting clear information upfront helps employers avoid disputes over tickets and any corresponding disciplinary action.

Here, lawyers weigh in on questions regarding company vehicles:

Is an employer responsible for paying if an employee gets a ticket in a company car?

"The specific answer will depend in part on the laws of the state where the employee works," says [Janette Levey Frisch, Esq.](#) "With that said, the general rule is if the ticket is against the company vehicle, the employer will usually have to pay the ticket. If the ticket is against the driver, then the employer generally will not be responsible for the ticket."

Thus, if Dave from marketing gets caught on a red-light camera while driving the company van, you will receive the ticket because the vehicle is registered to your business. Your organization will be responsible for payment. The same holds true for a parking violation.

Think you should just take the fee out of Dave's next paycheck? Think again.

"Federal wage and hour laws do not allow an employer in that situation to deduct the cost from the employee's pay, though it can discipline the employee. Taking away the company car could certainly be an appropriate starting point," Levey Frisch says.

Employers also should be certain to renew registration and keep the vehicle in working order. If a police officer notices an expired tag or a non-working taillight while someone is driving a company car, the business gets held responsible.



What happens if an employee gets a DUI in a company car? Can an injured party go after the company?

“Regarding the ticket, that would likely be against the driver/employee. The employer probably is not responsible for the ticket,” Levey Frisch says.

However, drunk driving is a serious matter with possible repercussions beyond a citation. As David Clark, attorney and partner at [The Clark Law Office](#), explains:

“An employee who gets a DUI in a company car can face civil and criminal liability. However, if the DUI happened in the course of his employment and he was duly authorized to drive the company car, then the employer can be held liable for the tort committed by the employee. The injured party can go after the company under the doctrine of respondeat superior, which applies when there is an employee-employer relationship. The employer is responsible for the acts of the employees unless it can be proven that the employer exercised reasonable care to prevent the unlawful behavior of the employee.”

The bottom line: Don’t hand over the keys to a company car without doing a proper driving-record check.

What should be put in the employee handbook regarding company vehicles?

“Organizations should make sure that their employee handbooks include strict and detailed provisions on the usage of company cars,” Clark says. “The ‘use of company vehicle’ policy should contain the rules and regulations that must be strictly followed by an employee when using a company vehicle. It should outline the requirements in terms of qualifications, prior approval for use, maintenance, and disciplinary actions corresponding to the use of the company vehicle.”

“Employers should also require current driver’s licenses and should check the driving record of anyone using a company car or driving on behalf of the company, and they should indicate that in an employee handbook,” Levey Frisch adds.

She also notes that employees must know that “if they cause harm to another person while using a company vehicle that the company will promptly investigate and may discipline the employee up to and including termination of his/her employment. Employers should also make clear that they reserve the right to require drug testing of any employee following any work-related accident, including one involving use of company vehicles.” Looking for further assistance in formulating a policy? Check out these [Society for Human Resource Management \(SHRM\)](#) suggestions regarding use of a company vehicle.