

What happens when payday is on a holiday?

Q. Our wage payment deadline falls on the first Monday of September this year, which is Labor Day. By when must a company make payments to meet its deadline and avoid penalties when its payment date falls on a holiday?

A. The California Division of Labor Standards Enforcement allows employers to pay wages on the following business day if a wage payment deadline falls on certain days when the business is not in operation, such as a state- and company-recognized holiday.

Those holidays include New Year's Day, Martin Luther King Jr. Day, Lincoln Day, Presidents Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, the day after Thanksgiving and Christmas Day.