

# Holding employee's final paycheck to recoup company property

**Q. Our company has a policy requiring employees who are leaving the company to participate in an exit interview. One of the requirements is to check that the terminated employee has returned all company property, including company manuals, laptop computers, identification badges and similar items. Frequently we don't get everything back that we should. It has been suggested that we hold the employee's final paycheck until he or she returns all company property. Do you see any problem with adopting such a policy?**

**A.** The policy, although well intentioned, does not comply with Michigan law. The Michigan Wage and Fringe Benefits Act prohibits employers from withholding pay or taking deductions from an employee's wages unless the deduction is authorized by law, collective bargaining agreement or the employer obtains the voluntary written consent of the employee.

The act also requires that a terminated employee receive his or her final paycheck "as soon as the amount can with due diligence be determined." There is no exception for recouping the value of company property in the employee's possession or withholding payment until all company property is returned.