



## LEGAL Q&A

**Q** Is a New Jersey employer legally required to pay a terminated employee the value of any accrued yet unused vacation time?

**A** It depends. I call this the “affirmative negative” obligation. An employer must affirmatively state that it is not going to pay the value of any accrued, yet unused vacation time at the time of employment termination—otherwise, the value of such time will be owed.

There is no law in the State of New Jersey that requires an employer to provide paid vacation time; most employers do as a means of attracting and retaining talent. With that in mind, an employer can set the terms and conditions for receiving such vacation time. It is critical that an employer provide clear and concise written notice to the employee of such terms and conditions, whether that notice is contained in an employee handbook, personnel manual, offer letter or employment contract, etc. If an employer does provide paid vacation, yet does not affirmatively state what happens to the accrued yet unused time upon employment termination, there is ample legal authority requiring the payment of such accrued, yet unused vacation time.



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