



EMPLOYER DECISION PACKET | JURISDICTION: TEXAS | VERSION 2026.1

Texas Final Pay + PTO + Deduction Decision Packet

For Texas employers reviewing wage, PTO, and deduction risk before separation payroll is processed.

WHAT THIS HELPS YOU DO

Use this packet before final payroll is processed to identify deadline, PTO, deduction, and documentation issues that could create wage exposure under the Texas Payday Law.

WHEN TO USE THIS DOCUMENT

- Before terminating an employee, for any reason
- When accepting a resignation, with or without notice
- Before withholding pay for equipment, uniforms, advances, or overpayments
- Before responding to a Texas Payday Law wage claim
- When payroll asks how to handle a departing employee's last check

WHAT THIS DOCUMENT HELPS PREVENT

- Texas Payday Law wage claim exposure and administrative penalties
- Missed final-pay deadlines on involuntary separations
- Unauthorized deductions that convert a routine separation into a wage dispute
- PTO payout decisions that contradict your own written policy
- Payroll processing a final check no one with authority actually reviewed

Faulkner HR Solutions focuses on the system behind the people problem. This tool is designed to help employers slow down the decision, identify the risk, and create proof before the issue becomes a claim, complaint, turnover event, or credibility problem.

BEFORE YOU START: READINESS CHECKLIST

Gather the following before working through this document. Incomplete inputs are one of the most common reasons employer decisions fail under later scrutiny.

Have it	Input	Notes / location
<input type="checkbox"/>	Employee name and role	
<input type="checkbox"/>	Date of incident, request, or separation	



Have it	Input	Notes / location
<input type="checkbox"/>	Supervisor involved	
<input type="checkbox"/>	Policy or handbook section that applies	
<input type="checkbox"/>	Prior documentation on file	
<input type="checkbox"/>	Pay records, if applicable	
<input type="checkbox"/>	Relevant emails, texts, notes, or complaints	
<input type="checkbox"/>	Decision-maker name	
<input type="checkbox"/>	Deadline, if applicable	



FINAL PAY DECISION PACKET

Work through each part in order. Do not release the final check until every part is complete and the approval record in Part 6 is signed.

Part 1 — Separation Snapshot

Employee name	
Job title / department	
Supervisor	
Last day actually worked	
Effective separation date	
Notice given by employee? (date received)	
Regular pay rate and pay schedule	
Unused PTO / vacation balance	

Part 2 — Separation Type and Final-Pay Deadline

Under the Texas Payday Law, the final-pay deadline depends on who ended the employment relationship. Classify the separation first; the deadline follows from it.

Separation type	Final pay due	Applies here? (mark one)
Involuntary: discharge, layoff, or end of assignment	No later than the sixth calendar day after discharge	
Voluntary: resignation or quit	No later than the next regularly scheduled payday	
Disputed / unclear who ended it	Treat as involuntary until reviewed — use the shorter deadline	

Part 2a — Deadline Confirmation

Done	Deadline step	Date / notes
<input type="checkbox"/>	Final-pay due date calculated and written down	
<input type="checkbox"/>	Payroll notified of the due date in writing	
<input type="checkbox"/>	Delivery method confirmed (direct deposit, mail, pickup)	
<input type="checkbox"/>	Commissions, bonuses, and incentive pay reviewed against plan documents for what is 'earned' at separation	



Part 3 — PTO / Vacation Payout Review

In Texas, unused PTO is payable at separation only if a written policy or agreement provides for it. Your own policy language controls — read it before deciding.

Done	PTO review step	Policy section / notes
<input type="checkbox"/>	Written PTO/vacation policy located and the payout language read in full	
<input type="checkbox"/>	Policy conditions checked (notice requirement, employment through a set date, termination-for-cause exclusions)	
<input type="checkbox"/>	Past practice checked — have similar departing employees been paid out?	
<input type="checkbox"/>	Payout amount calculated and added to the final check worksheet	
<input type="checkbox"/>	If no payout is owed, the policy language supporting that decision is quoted in this packet	

Part 4 — Deduction Review

Texas employers may not deduct from wages unless the deduction is ordered by a court, required or specifically authorized by law, or authorized in writing by the employee for a lawful purpose. List every proposed deduction and its basis.

Proposed deduction	Amount	Written authorization on file? (date)	Lawful basis

Part 5 — Wage Dispute Risk Screen

Yes?	Risk question	Details
<input type="checkbox"/>	Has the employee raised any complaint about pay, overtime, or hours in the last 12 months?	
<input type="checkbox"/>	Is there any claim of off-the-clock work, unpaid overtime, or missed breaks?	
<input type="checkbox"/>	Are commissions, bonuses, or incentive pay still unresolved?	
<input type="checkbox"/>	Are unreimbursed business expenses outstanding?	
<input type="checkbox"/>	Did the employee dispute anything at the exit conversation?	



Part 6 — Payroll Approval Record

Final gross pay (wages + PTO payout + earned commissions/bonuses)	
Total authorized deductions	
Net final pay	
Pay date and delivery method	

Role	Name / signature	Date
Prepared by (HR / payroll)		
Reviewed by		
Approved by (decision authority)		

STOP AND REVIEW BEFORE ACTING

If any statement below is true, pause. Get the decision reviewed by HR, counsel, or Faulkner HR Solutions before you act.

- The employee recently complained about pay, harassment, discrimination, safety, leave, or retaliation.
- The supervisor has no prior documentation.
- The decision is inconsistent with how similar cases were handled.
- The employee is on, or recently requested, protected leave.
- The issue involves pay, deductions, final wages, medical information, disability, pregnancy, injury, or protected activity.
- The decision will be visible to a board, council, funder, auditor, plaintiff attorney, or agency.

MINIMUM DOCUMENTATION STANDARD

Before this file is closed, the employer should be able to answer every question below and point to where the proof lives.

Question	Your answer / where the proof is stored
What happened?	
When did it happen?	
Who observed or reported it?	



Question	Your answer / where the proof is stored
What policy, standard, deadline, or expectation applies?	
What decision was made?	
Who had authority to make the decision?	
What alternatives were considered?	
What risk was reviewed?	
What follow-up is required?	
Where is the proof stored?	

COMMON MISTAKES

1. Waiting until payroll is due to start the final-pay review, leaving no time to fix problems.
2. Applying the six-day deadline rule to resignations, or the payday rule to discharges.
3. Deducting for unreturned equipment without a written authorization signed by the employee.
4. Deciding PTO payout from memory instead of reading the current written policy.
5. Paying out PTO for some departing employees and not others in similar situations.
6. Treating the final check as routine payroll instead of a decision that needs an approval record.
7. Ignoring earned commissions and bonuses because the plan document was never checked.

WHAT TO DO NEXT

After completing this packet, file it with the separation record, confirm payroll has the approved final-pay worksheet, calendar the final-pay deadline, and route any unresolved deduction or PTO question to HR or counsel before the check is released.

Before you terminate, deduct, discipline, classify, or respond, get the decision reviewed.

Call 210.446.8730 or email thomas@faulknerhrsolutions.info.



Before you process payroll, terminate, classify, deduct, or respond to a claim, get the decision reviewed.

Need help applying this to a real workplace decision?

Faulkner HR Solutions helps Texas employers, nonprofits, municipalities, and growing businesses fix the people systems behind recurring workplace problems.

If this document raised a risk flag, do not guess your way through the next step.

Call: 210.446.8730

Email: thomas@faulknerhrsolutions.info

Website: faulknerhrsolutions.info

DISCLAIMER

This resource is provided for general employer education and planning purposes. It is not legal advice and does not create an attorney-client relationship. Employment laws, agency guidance, and local requirements may change. Employers should review the facts of each situation before acting and consult appropriate HR or legal counsel when needed.