STATE OF TENNESSEE
OFFICE OF THE
ATTORNEY GENERAL
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NASHVILLE, TENNESSEE 37243

August 17, 2000

Opinion No. 00-132

Employees' Entitlement to Vacation Pay Accrued Upon Termination of Employment

QUESTION

Whether, under Tennessee law, an employee employed in Tennessee is entitled to pay for accrued vacation leave upon the employee's termination after giving proper notice under the employer's employment policies.

OPINION

Yes, an employee who has accrued vacation leave under his or her employer's employment policy pertaining to the accrual of vacation leave is entitled to receive payment for accumulated vacation leave upon termination of employment.

ANALYSIS

Under Tennessee law, "the final wages of an employee who quits or is discharged shall include any vacation pay or compensatory time that is owed to the employee by virtue of the company policy or labor agreement." Tenn. Code Ann. § 50-2-103(a)(3) (Repl. 1999). However, nothing in the statute mandates that employers must provide vacations, either paid or unpaid, nor does it require that employers establish written vacation policies. *Id.*

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