



March 12, 2025

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# Termination Pay

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Dear Reader:

The following document was created from the CTAS website ([ctas.tennessee.edu](http://ctas.tennessee.edu)). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

The University of Tennessee  
County Technical Assistance Service  
226 Anne Dallas Dudley Boulevard, Suite 400  
Nashville, Tennessee 37219  
615.532.3555 phone  
615.532.3699 fax  
[www.ctas.tennessee.edu](http://www.ctas.tennessee.edu)

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# Termination Pay

Reference Number: CTAS-1094

When an individual's employment comes to an end, for whatever reason, he or she is legally entitled to payment for all accrued overtime, compensatory time and regular earnings. The employee also may be entitled to payment for accrued but unused sick leave or vacation time, or some other type of compensable leave, depending on the employer's policies. The employer should include a provision in the personnel manual explaining termination pay.

Upon the death of an employee, some wages often will have been earned but not paid. Generally, money that is owed to a deceased person must be paid to the executor or administrator of the estate. Pursuant to T.C.A. § 30-2-103, however, the employee may designate a beneficiary to receive payment of any wages that may be due the employee at the time of death, and employers are encouraged to advise their employees of this option. If the employee has not designated a beneficiary, the employer may pay limited amounts to the surviving spouse, and to surviving children, under the circumstances specified in the statute. The current limit is \$10,000.

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**Source URL:** <https://www.ctas.tennessee.edu/eli/termination-pay>