



## HR Broadcast – Fine for not submitting a timesheet on time

A client recently contacted me to say that he intended to fine an employee for not submitting his timesheet by the required deadline. He explained that he required all employees' timesheets to be submitted on time in order to use this information to create invoices for his clients. Any delays in receiving the timesheet caused delays in invoicing.

I then asked a key question and that was how he intended to "fine" his employees?

I explained that you just cannot deduct money from an employee's salary without their prior written permission which must be obtained before the deduction is made. Any deduction must also be fair and reasonable.

The client said that he intended to deduct the fine from the discretionary bonus that his employees receive on a quarterly basis.

My advice therefore was different. I would strongly recommend that the bonus scheme has some sort of rules and this deduction is included within those rules.

Please note, any deductions made cannot take the employee's overall pay below the National Minimum Wage. It would also need to be a calculated figure to cover the losses actually incurred.

Our advice is to keep any bonus scheme discretionary which means there is no obligation to make any payment. Where a bonus payment is made, you should confirm the amount in

writing rather than drawing attention to a specific reduction being made.

Please keep in mind that even if a bonus is described as discretionary, if, in fact, a bonus is paid regularly and becomes an expectation, then to stop it without a good commercial reason may be regarded as a breach of contract.