

DEPARTMENT OF INDUSTRIAL RELATIONS

DIVISION OF LABOR STANDARDS ENFORCEMENT

25 GOLDEN GATE AVENUE
SAN FRANCISCO, CALIFORNIA 94102

(415) 557-3827

1986.05.20



ADDRESS REPLY TO:

P.O. BOX 603
San Francisco, CA 94101

IN REPLY REFER TO:

May 20, 1986

Ms. Jeannette M. Allegre
Personnel Coordinator
Newport Pharmaceuticals
International, Inc.
P.O. Box 1990
Newport Beach, CA 92658-8937

Dear Ms. Allegre:

This is in reply to your letter of May 16, 1986, regarding a question as to whether a car allowance should be paid to terminated employees for accrued vacation hours.

It is difficult to respond to your letter because the facts are rather briefly set forth and also because a car allowance is usually considered a business expense and not a basis for vacation pay unless there is a specific agreement to include car allowance as part of any vacation pay.

However, based on the limited facts provided, absent a special agreement, an employer would not be obligated to include car allowance in computing vacation pay for terminated employees.

I hope this answers your question; if not, please let me know.

Very truly yours,

Lloyd W. Aubry, Jr.
Lloyd W. Aubry, Jr.
State Labor Commissioner

LWA:SW

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