



Question:

An employee recently resigned and hasn't yet returned some company equipment. Can we hold on to their final paycheck until they return everything?

Answered by the HR Experts

No, you can't hold or delay an employee's final paycheck while waiting for company equipment to be returned. Federal law requires that employees receive their final paycheck by their next regular payday, while almost half of the states require that they be paid within a shorter timeframe. In both cases, the obligation to pay in a timely fashion exists regardless of whether the employee has failed to return company property.

Instead, we recommend making the return as simple as possible. You could arrange a time for the employee to drop the equipment off at your office, mail them a pre-paid shipping label and box to return the items, or offer to have a courier pick up the equipment. We recommend sending an email or letter outlining these options, setting a clear return-by date, and explaining that you may consider legal action if the company property isn't returned. Here is a [sample letter](#) you can use.

Return of Company Property Letter

Dear [employee],

According to [company] policy, employees are required to return all company equipment at

the end of employment. [(Include if true) Additionally, you signed an agreement on [date]

that you would return company property at the end of your employment.] As of the date of

this letter, our records indicate that you have not returned the following items:

- [Item]
- [Item]
- [Item]

These items should be returned in good working order immediately. If they aren't returned by

[date], we will consider appropriate legal action to recover this property.

Please contact us as soon as possible by emailing [email address] or calling [phone number] to arrange for the return of the abovementioned items.
Thank you,
[Name, title]

RETURN OF COMPANY PROPERTY LETTER | 1 August 2025

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