

# CLAIMS BRIEF



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## Breach of Employment Contracts by Police Officers

By Matthew Peter, Esquire

*LGIT recently defended a lawsuit brought against a member by a former police officer who had resigned from employment with the town. All LGIT members should benefit from the following information relating to police employment contracts.*

The costs associated with hiring a new police officer are high. A local government can easily incur thousands of dollars in expenses for background checks, medical exams, psychological exams, training, equipment and uniforms. Consequently, many local governments require that newly hired police officers sign a two year employment contract that includes a liquidated damages clause. This clause is designed to protect the significant investment that a local government makes in a newly hired police officer.

A typical liquidated damages clause requires a police officer to reimburse a local government a portion of the costs associated with the officer's hiring. The amount owed by a police officer is ordinarily reduced by 1/24<sup>th</sup> for each month a police officer works for the department.

An issue that many local governments face is how to collect the money owed by a police officer when he voluntarily resigns before the expiration of the employment contract. In most cases, a local government has three potential remedies. The first is to simply ask the police officer to make a lump-sum payment of the amount owed. The second remedy is to set up a payment plan with the police officer and allow the officer to pay the amount owed over time. The third remedy, and the remedy of last resort, is to file suit to enforce the liquidated damages clause.

A local government cannot simply withhold the amount owed by a police officer in liquidated damages from the officer's final paycheck. A local government can only withhold money owed by a police officer in liquidated damages from the officer's final paycheck *if the police officer expressly allows it to do so*. One way a local government can obtain a police officer's express consent is to include a specific provision in the employment contract that allows for the automatic withholding. By including such a provision, a local government may avoid the problems that may arise when a police officer resigns.

If a local government elects to include an automatic withholding provision in the employment contract, it should send a letter or memorandum to the police officer soon after the officer announces his or her resignation, reminding the officer of the provision relating to the automatic deduction. The letter should also advise the officer of exactly how much money will be withheld from the final paycheck. In this way, any issues that may arise can be discussed before the money is withheld.

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*Founding Organizations*

