

May An Employer Withhold Salary to Leverage His Employees to Take Less Money?

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Case: A business owner with many employees thought of a way to cut corners and maximize his bottom line; he realized that if he doesn't pay his workers their salaries on time, they would become anxious and would agree to accept less than what they are owed.

Question: Is he permitted to use this tactic?

Answer: Definitely not.

Withholding a worker's salary is the equivalent of stealing. The *Gemara* in *Bava Metziah* (112) lists five Biblical prohibitions one transgresses when he deliberately doesn't pay his employees, including theft and not paying on time.

Unfortunately, some businessmen attempt to save money by engaging in cutthroat tactics such as this. The reason they do so is because they believe that all the money in their business is theirs exclusively. They fail to realize that once an employee has done work for them, the money he is owed now belongs to the employee; it is no longer the employer's money. By not paying the worker on time, an employer is literally taking money from him; yet the employer still thinks it is his own money and he can do with it as he pleases.

If one has the money and doesn't pay on time, he transgresses the prohibition of *ba'al talin*, delaying payment. If he forces the worker to accept a lower payment, he is a simple thief. That is certainly not allowed. If the employer really doesn't have the money and is doing his best to work out some form of settlement, that can be different with regard to *ba'al talin*. However, if one is withholding money as a way to gain leverage to force his employees to settle for less than they are owed, that is never allowed, and he definitely is doing a terrible thing.

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