

Paid Sick Leave Checklist

California enacted the Healthy Workplaces, Healthy Families Act of 2014 (“the Act”) which mandates paid sick leave for California employees. The effective date for employers to begin providing the paid sick leave benefit is **July 1, 2015**. Other requirements such as posting and notice obligations, take effect January 1.

This new law contains a number of requirements. Employers will want to take time to prepare in advance of the July 1, 2015 deadline. For more information, review the “Mandatory Paid Sick Leave” information in the HRCalifornia Law Library.

Consult your labor and employment counsel with any specific questions about how this law applies to your workforce.

Beginning January 1, 2015

- Post the new paid sick leave poster (*Healthy Workplaces/Healthy Families Act of 2014- Paid Sick Leave*) in a place where employees can easily read it.
 - The poster is available as part of CalChamber’s all-in-one *California and Federal Employment Notices Poster*. It is also available on the Labor Commissioner’s website at www.dir.ca.gov.
- Provide the updated *Wage and Employment Notice to Employees (Labor Code section 2810.5)*. This free form is available on HRCalifornia.com.
- Don’t take any action against employees who are inquiring regarding the new law or discussing it with employees.
 - Remember that the anti-discrimination and anti-retaliation provisions of the Act apply even before employees begin accruing benefits.

Before July 1, 2015

- Decide how your company will provide sick leave benefits. The Act provides employers with different options to satisfy its requirements. No matter which method of providing leave is chosen, employers must provide at least 24 hours or three days of paid sick leave for each eligible employee to use per year.
 - Employer Option 1: Statutory Mandated Accrual
 - Employee earns one hour of paid sick leave for every 30 hours worked.
 - Employer may cap accrued and unused sick days to 48 hours or six days.
 - Requires a written policy if you want to cap the accrual.
 - Employer Option 2: Lump Sum Per Employer Policy
 - Employee receives at least three days or 24 hours of paid sick leave, paid leave, or paid time off at the beginning of each year.
 - No carryover of unused sick time to the next year.
 - Requires an employer policy.

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- Employer Option 3: Existing Paid Sick Leave, Paid Time Off or Other Paid Leave Policy
 - Employers are not required to provide additional three days of paid sick leave if an existing paid time off policy allows use of paid sick leave for all of the same purposes and conditions in the law and the policy either:
 - Satisfies the accrual, carryover and use requirements of the new law; or
 - Provides no less than 24 hours or three days of paid sick leave, or equivalent paid leave or paid time off for employees to use each year of employment or on a 12-month basis.
 - Requires an employer policy.
- Decide whether your company wants to limit use of paid sick leave to three days per year.
 - Regardless of how much sick leave an employee has accrued, an employer can limit the amount of sick leave an employee can take in one year to three days or 24 hours.
 - You will need to inform your employees with a written policy.
- Make certain that you are covering all eligible employees.
 - For example, are changes required to any existing policy such that part-time employees will be covered?
- Ensure that your company will allow leave for all permissible purposes under the Act.
 - For example, are changes required to ensure that paid sick leave can be used to care for grandparents and siblings?
- Determine whether any local ordinances providing paid sick leave also apply to your workforce.
 - You will have to give whichever provision or benefit is more generous to the employee.
- Communicate your policy to employees.
 - A written policy is considered mandatory for California employers in order to demonstrate compliance with the mandatory paid sick leave law. A written policy allows you to specifically describe and clearly communicate your company's approach to providing the mandatory benefit. A written policy is also required if you place any limits on paid sick leave that are allowed within the law, such as a cap on accrual.
- Update your payroll systems:
 - Ensure that your timekeeping systems are able to properly calculate and track accrued and used sick time.
- Decide whether to update your itemized wage statements (pay stub) or provide a separate written notice with payment of wages every pay period.
- Review record retention policies and update accordingly.
 - Employers must keep records showing the number of hours each employee earned and used for three years.
- Train managers and supervisors about the rights employees will have to paid sick days and the prohibitions against denying the right to take the leave, including the prohibition against requiring the employee to find a replacement.

July 1 and After

- On July 1, 2015, begin providing mandatory paid sick leave benefit.
- Provide paid sick leave to employees who have worked in California for 30 or more days within a year from the commencement of employment. All California employees will be entitled to paid sick leave -- with only limited exceptions.

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- Allow employees to start using accrued paid sick days beginning on the 90th day of employment.
- Allow eligible employee to use accrued paid sick leave upon reasonable request.
- Don't require employees to take time off in increments greater than two hours.
- Don't require employees to find a replacement worker.
- Show how many days of paid sick leave an employee has available, either on a pay stub or another written document issued the same day as the paycheck.
- Provide payment for sick leave taken by an employee no later than the payday for the next regular payroll period after the sick leave was taken.
- Keep records showing how many hours have been earned and used for three years.
- Ensure that there is no discrimination or retaliation against employees who exercise their rights to paid sick leave.
- Remember, time accrued under PTO policies is considered wages in California and must be paid out at termination.