



Paid Sick Leave Laws Gain Momentum: Newly Enacted Paid Sick Leave for Several States

In November 2024, Missouri, Alaska, and Nebraska voters approved new paid sick leave laws, broadening access in regions where this benefit was previously limited or non-existent. This development underscores the ongoing push to enhance worker protections, especially as there's been no progress towards a federal paid sick leave mandate.

It's important to remember that application of these laws will apply based on where the employee works, not the state where the employer is headquartered or where the employee lives. An employee who works remotely will be subject to that state's leave laws even if the employer has no other presence in that state.

NEWLY APPROVED PAID SICK LEAVE LAWS

These recent changes reflect the rising tide of state and local mandates aimed at boosting employee well-being while ensuring public health safety during times of illness. The new regulations are set to roll out in the coming months, with implementation timelines as follows:

- + **Alaska:** Effective July 2025
- + **Michigan:** Newly expanded paid sick leave effective February 2025
- + **Missouri:** Effective May 2025
- + **Nebraska:** Effective October 2025



STATES WITH EXISTING PAID SICK LEAVE LAWS

There have been notable strides in expanding paid sick leave coverage, though the scope of these laws varies across states. As of November 2024, seventeen states and D.C. have paid sick time laws.

- + Alaska
- + Arizona
- + California
- + Colorado
- + Connecticut
- + Delaware
- + Maryland
- + Massachusetts
- + Michigan
- + Missouri
- + Nebraska
- + New Jersey
- + New Mexico
- + New York
- + Oregon
- + Rhode Island
- + Vermont
- + Washington (D.C. also mandates paid sick leave)

Several other cities and counties, particularly in states without statewide mandates, have implemented their own paid sick leave policies, offering additional layers of protection for workers.



COMPLIANCE CHALLENGES FOR EMPLOYERS

Employers must navigate varying state laws and ensure compliance, particularly for businesses with multi-state or remote employees. Each paid sick leave law in a state or locality will generally have slightly different requirements for several categories:

- + Keeping track of where employees work vs. where they live or where the company is headquartered
- + Covered employer definition
- + Funding mechanism (i.e. payroll taxes that may apply)
- + Accrual time – accrual hour rates and maximums
- + Use and Carryover
- + Determining if current PTO policies satisfy the requirements for each state paid leave law and identifying where they fall short

Adding to the patchwork of administration, employers may already have leave policies that are equal to or more generous than what is required by certain states. In those instances, a careful analysis of existing employer policies should be conducted against each state's paid leave laws.

Note: Our Leave of Absence Practice Leader, Craig Truitt, warns employers where existing PTO policies may fall short including excluding certain classes of employees, increments of use, carryover of unused sick time, and more.

Non-compliance can result in a multitude of potential penalties including back pay with interest, and administrative and/or civil penalties.

NAVIGATING THE FUTURE OF PAID SICK LEAVE COMPLIANCE

The expanding landscape of paid sick leave laws requires employers to stay informed and adapt to these evolving regulations, particularly when managing employees across multiple states. While the U.S. remains without a federal paid sick leave law, these state-level initiatives represent a significant step forward in supporting worker health and productivity.



FREQUENTLY ASKED QUESTIONS ABOUT PAID SICK LEAVE

Who is covered by paid sick leave?

Paid sick leave benefits generally cover all employees with accrual hours differing by state.

Is there a cap on the number of sick days an employee can use per year?

Yes, there is typically a cap on the number of sick days an employee can use per year. Since many states set annual limits on the amount of paid sick leave that can be accrued, employees may only receive up to a certain number of sick days per year, such as 80 hours or 10 days, depending on the state or employer policy, if more generous.

Are there penalties for non-compliance?

Businesses that fail to follow paid sick leave compliance laws face penalties, including fines, lawsuits, and mandated back pay of wages. Adhering to sick leave compliance is essential, especially for businesses operating across state lines.

How does this affect remote employees?

Remote employees are typically covered by the paid sick leave laws of the state in which they reside or work, even if the employer is based in a different state. Employers must be aware of the specific laws that apply to their remote workforce to ensure compliance.

Contact us to learn how our Leave Consulting Practice can help.



AUTHORS:



MICHELLE CAMMAYO
National Practice Lead,
Compliance
michelle.cammayo@imacorp.com



CRAIG TRUITT
National Practice Lead,
Absence Consulting
craig.truitt@imacorp.com

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