

# Paid Sick Leave Compliance Checklist

Adapted from CalChamber

California's Healthy Workplaces, Healthy Families Act of 2014 mandates paid sick leave for California employees, effective July 1, 2015. The new law contains a number of requirements and employers will want to prepare in advance of the deadline. We are providing this checklist to help your preparation process go more smoothly.

We understand that compliance with these new Paid Sick Leave regulations is complex, so please call us at (408) 643-0200 with any questions or concerns.

## Before July 1st:

Decide which method you will use to provide sick leave benefits. The Act offers employers different options. 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 at 48 hours or six days
- Doesn't require a written policy, but a policy is highly recommended

### Employer Option 2: Lump Sum Per Employee 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 a written policy

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## Before July 1st, continued:

Decide whether your company wants to limit the 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.

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.

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 worker.



## July 1st and after:

On July 1, 2015, begin providing mandatory paid sick leave benefit.

Provide sick leave to employees who have worked in California for 30 or more days within a year from the commencement of employment — with only limited exceptions.

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.