

CLIENT NEWS BRIEF

Deadlines for Compliance with New Paid Sick Leave Law

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On September 10, 2014, Governor Brown signed into law Assembly Bill (AB) 1522, the Healthy Workplaces, Healthy Families Act of 2014. AB 1522 provides that an employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the beginning of employment, is entitled to paid sick leave at the rate of at least one hour of paid sick leave for every 30 hours worked. AB 1522 includes part-time, seasonal, and temporary employees within its scope of coverage. As discussed in an earlier Lozano Smith News Brief ([See News Brief No. 59, September 2014](#)), AB 1522 permits an employee to use sick leave for the diagnosis, care, and treatment of the employee or a family member, as well as for the employee's needs related to domestic violence, sexual assault or stalking.

Although many requirements of AB 1522 do not take effect until July 1, 2015, there are a number of steps that employers should take now in order to ensure they are in timely compliance with the provisions of the new law. Those steps include the following:

Posting Requirement

Although AB 1522 does not expressly include a posting date, the Labor Commissioner has interpreted the law to require that, effective January 1, 2015, employers must display a poster created by the Labor Commissioner in a conspicuous location at each work site notifying employees of their rights under AB 1522. Copies of the posters are available [here](#). Scroll down the page to the section entitled "Employers."

Leave Tracking/Recordkeeping

Under AB 1522, accrual of sick leave begins on the first day of employment or July 1, 2015, whichever is later. Thus, the effective date for employers to start tracking earned sick leave through the payroll system is July 1, 2015. However, employers should begin updating their leave tracking systems in advance of the effective date. In addition, employers will need to retain records documenting hours worked and paid sick leave days consistent with AB 1522 and other applicable law.

Payroll/Notice to Employee

AB 1522 requires employers to provide employees with written notice of the amount of sick leave available or paid time off provided in lieu of sick leave on either the employee's itemized wage statement or by separate written notice. While providing this Notice to Employee is not required until July 1, 2015, employers should prepare for implementation of this requirement.

AB 1522 also generally requires an employer to provide employees with an Initial Hire Notice that discloses, among other things, an employee's right to paid sick leave under AB 1522. Please note that AB 1522 specifically excludes an employee of the state or any political subdivision thereof, including any city, county, city and county, or special district, from this Initial Hire Notice requirement.



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As the information contained herein is necessarily general, its application to a particular set of facts and circumstances may vary. For this reason, this News Brief does not constitute legal advice. We recommend that you consult with your counsel prior to acting on the information contained herein.

Review and Revision of Board Policies

Although other changes may be necessary later in the event of clean-up legislation, employers should begin reviewing and revising their board policies to provide for the minimum requirements under the new law. Specifically, employers may establish limits for both the use and accrual of paid sick leave as follows:

- (1) accrual of paid sick leave may be limited to 48 hours (six days) per year;
- (2) an employee's use of paid sick leave may be limited to 24 hours (three days) per year; and
- (3) an employee may be required to use leave in reasonable minimum increments, not to exceed two hours.

Audit of Collective Bargaining Agreements

Employees covered under a valid collective bargaining agreement may be exempt from AB 1522 if the CBA expressly provides for:

- (1) paid sick days or a paid leave or paid time off policy that permits the use of sick days;
- (2) binding arbitration of disputes regarding the application of paid sick leave;
- (3) premium wage rates for all overtime; and
- (4) regular hourly pay of not less than 30% more than the state minimum wage.

Notably, AB 1522 allows for this exemption only if an employee is entitled to take paid sick days for all of the reasons guaranteed under AB 1522. Employers should review collective bargaining agreements to determine whether employees are already exempted from AB 1522, or whether CBAs should be updated accordingly.

AB 1522 is an untested law and questions are likely to emerge once implementation of the law begins. If you have questions about the effect of the AB 1522 on specific employee groups or classifications, please feel free to contact one of our [eight offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#) or [Twitter](#), or download our [Client News Brief App](#).