

Employment Law Update

December 2014

Employers Must Begin Notifying Employees of New Paid Sick Leave Law on January 1, 2015

California's new paid sick leave law, the "Healthy Workplaces, Healthy Families Act of 2014" (AB 1522), will go into effect in two stages in 2015. We discussed the key provisions of AB 1522 in a [September](#) E-Alert.

Beginning January 1, 2015, all employers in California will be required to display a poster in the workplace, informing employees of the key provisions of AB 1522. Similarly, employers will be required to use a revised Wage Theft Prevention Act Notice beginning January 1, 2015. The Labor Commissioner has made both the [poster](#) and the [notice](#) available on its website.

On July 1, 2015, the accrual and use provisions of AB 1522 go into effect. All employees who work at least 30 days in California will be entitled to paid sick leave under the new law. Unless the employer satisfies the law another way (as described below), employees will become entitled to accrue 1 hour of paid sick leave for every 30 hours worked. Employers using the "accrual method," however, may limit their employees' use of paid sick leave to 24 hours or 3 days a year, and they also may cap the maximum hours an employee can accrue (or "carry over") at 48 hours or 6 days.

Employers may elect an alternative method of complying with the provisions of AB 1522: Instead of implementing the "accrual method" (and its carryover corollary), an employer can choose to "**front-load**" a grant of 24 hours or 3 days of paid sick leave at the ***beginning of each year*** for employees' use throughout the year. If that method is chosen, no accrual or carryover requirements apply. (The "beginning of each year" can be an anniversary year, calendar year, or other 12-month period – such as "July 1 through June 30.")

A so-called "third option" also exists, if an employer provides paid sick leave (whether through a PTO system or otherwise) that exceeds the statute's requirements for accrual, use and carryover for all employees. (Employers should be careful to make sure part-time employees also meet the statutory minimums.)

Also bear in mind that AB 1522 will require the available sick leave balance to be included on each itemized wage statement (or on a separate writing provided at the same time).

Recently, the Labor Commissioner published a [FAQ](#) on AB 1522, providing information that some employers may find helpful. We caution employers, however, to digest the information in the FAQ, the poster, and the notice carefully, as they do not fully address all intricacies of AB 1522 and are mostly silent on the “front-loading” option that would take the place of the accrual-and-carryover obligations.

San Diego Update: We reported in an [August](#) E-Alert that San Diego’s City Council had passed an ordinance raising the minimum wage in San Diego and mandating paid sick leave in excess of what is required by AB 1522. After stiff opposition, the new ordinance has been put on hold until San Diego voters can vote on it in the June 2016 primary election. For now, San Diego employers will have to comply only with the sick leave requirements of AB 1522.

Clients with questions about this Alert or related issues are welcome to contact the article authors, or the Rutan & Tucker attorney with whom you are regularly in contact.

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