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**EMPLOYMENT LAW
BULLETIN**

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Governor Brown Signs New Bill Requiring Paid Sick Leave

California Governor Brown has signed into law the Healthy Workplaces, Healthy Families Act of 2014, requiring certain employers to provide paid sick leave to employees. Under the new law, employers that have at least one employee who works more than 30 days in a year in California (including part-time and temporary employees) will be required to provide one hour of sick time for every 30 hours worked with a cap of 24 hours (or 3 days) during each year of employment. While the law becomes effective January 1, 2015, the date on which actual accrual of paid sick time begins is from July 1, 2015.

Employees must be employed for at least 90 days by the employer before being able to use any accrued paid sick leave. Additionally, employers must allow employees to carry over all accrued but unpaid sick leave benefits to the following year. An employer may limit or cap such accrual to a maximum bank of 48 hours of paid sick time (or 6 days).

Employers need not cash out an employee's accrued but unused sick leave benefits upon termination of the employment relationship. However, for employers that combine vacation and sick leave into paid time off (PTO), such employers will still be obligated to pay out all accrued but unused PTO benefits upon termination.

The new sick leave law includes new notice and posting requirements that employers must follow. Thus, employers must replace existing workplace posters next year with an updated poster including the new sick leave law information. Additionally, employers must provide notice of the new law to new employees at the time of hiring as well as individual notices to existing employees upon the effective date of the change in the law. Further, employers must provide written notice to employees setting forth the amount of paid sick leave that remains available. This may be accomplished by written notice on an employee's itemized wage statements.

Employers are required to record and keep documentation regarding hours worked and paid sick leave accrued and used for a period of three years.

Finally, the new law prohibits an employer from discriminating against an employee for using accrued sick leave benefits. Also, financial penalties will be imposed against the employer for failing to display the required poster, improperly withholding paid sick days from an employee, or engaging in other violations of the law.

Employers should be sure to update their employee handbooks, related written policies, and posters to insure compliance with the new law next year.

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