

California Clarifies Paid Sick Leave Statute

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On July 13, 2015, Governor Jerry Brown signed into law clarifying amendments to California's paid sick leave statute, the Healthy Workplaces, Healthy Families Act of 2014. That law, as originally enacted, was discussed in our [September 11, 2014 Legal Alert](#). Implementing the paid sick leave requirements proved a challenge to many employers. Less than two weeks after the paid sick leave statute went into effect on July 1, 2015, California enacted, on an urgent basis, amendments to the law intended to help employers struggling to interpret and apply some of the vague and confusing provisions of the original statute.

The new amendments include the following clarifications:

- An employee must work for the employer at least 30 days in California within a year from the commencement of employment to be eligible for paid sick leave.
- Employers may limit an employee's use of paid sick days to 24 hours or three days in each year of employment, a calendar year, or a 12-month period.
- The rate at which an employee must be paid for statutory paid sick time may be based on the employee's "regular rate of pay" that would be used for overtime compensation purposes, the employee's total wages (exclusive of overtime premiums) divided by total hours worked over a 90-day period, or the rate used for paying other types of paid leave.
- Employers may use an accrual method for paid sick leave different than the "one hour per every 30 hours worked" method specified in the original law, as long as accrual occurs on a regular basis and an employee has no less than 24 hours of accrued paid sick time by the 120th calendar day of employment or each calendar year or in each 12-month period. Alternatively, an employer may provide at least 24 hours or three days of paid sick leave that is available for use by the completion of an employee's 120th day of employment.
- Employers are not required to provide additional paid sick leave under the statute if they had in place before January 1, 2015, a paid sick leave or paid time off policy satisfying certain standards.
- Employers that rehire an employee within one year of separation are not required to reinstate accrued but unused paid time off from the previous period of employment if the previously accrued but unused paid time off

was paid out to the employee at the time of separation.

The amendments to the California paid sick time statute became effective immediately on July 13, 2015.

Please contact us if you have questions or would like more information on these new amendments.

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