workforce SOFTWARE

2025 REPORT

The Current State of North America Workforce Compliance

Paid Leave, Pay Transparency Laws, and Other Employee Protections Dominate 2024—And What to Expect in 2025

In 2024, United States and Canadian employers encountered numerous new employee workplace protections, particularly in paid leave and pay transparency laws, but in other ways as well. These new legal requirements complicate compliance for employers and increase the likelihood of penalties, damages, and costs for non-compliance.

Here are examples of laws passed or that took effect in the United States in 2024:

United States | Paid Sick Leave Laws

- Chicago Paid Leave and Paid Sick and Safe Leave Ordinance took effect July 1, 2024
- California Paid Sick Leave and its unpaid leave for victims of domestic violence, sexual assault, or stalking, have expanded with the changes effective January 1, 2025
- Changes to Paid Leave Oregon and Oregon Family Leave Act (OFLA) took effect July 1, 2024, to better align the two leave entitlements
- Massachusetts expanded the reasons employees can use the state's Earned Sick Time entitlement, effective November 21, 2024
- The Minnesota Earned Sick and Safe Time Act took effect January 1, 2024, which requires covered employers to provide paid leave to employees working in Minnesota for at least 80 hours in a year

United States | Pay Transparency Laws

These laws aim to give employees resources so that they are aware of the pay ranges for positions and to promote fairness and equality in the workplace. Pay transparency laws are set to go into effect in several U.S. States.

- New Jersey Pay Transparency Law—effective June 1, 2025
- DC Wage Transparency Law—effective June 30, 2024
- Massachusetts Pay Transparency Law—effective July 31, 2025

United States | Department of Labor's Overtime Rule Struck Down

On November 15, 2024, a Texas federal court struck down the Department of Labor's April 2024 overtime rule that raised the minimum salary levels for the FLSA's executive, administrative, professional, and highly compensated employee overtime exemptions. The ruling has an immediate nationwide effect, and the salary levels for these exemptions all revert to their levels before July 2024.

Likewise, in Canada, provincial governments enacted similar workplace protections:

Canada | Prince Edward Island Paid Sick Leave

Effective October 1, 2024, Prince Edward Island replaced its former paid sick leave law with a more generous law. Employees are now entitled to one day of paid sick leave after 12 continuous months of employment with the same employer, two days after 24 months of continuous employment, and three days after 36 continuous months.

Canada | Manitoba Long-Term Leave for Serious Illness or Injury Extended

Manitoba amended its Employment Standards Code to extend the length of its Long-Term Leave for Serious Injury or Illness from 17 to 27 weeks. The change took effect on November 7, 2024.

Canada | Ontario Pay Transparency

With limited exceptions, Ontario employers are now required to include information about the expected compensation, or the range of expected compensation, for a position in a publicly advertised job posting. Employers publicly advertising a job posting must also include statements disclosing whether the posting is for an existing vacancy and whether artificial intelligence is being used to screen, assess, or select applicants.

As for expected developments in 2025, although many employers are probably exhausted from hearing and reading about new paid leave and pay transparency laws, we can expect more of these laws to pass. Employers should also expect continued expansion of crime victim leaves and added focus on pay equity and privacy/data security issues. All in all, employers will experience another demanding compliance year in 2025.

This report includes my monthly updates and commentary to better understand 2024's biggest compliance challenges for North America employers and gain insights to plan a robust 2025 workplace strategy. These updates contain in-depth reviews of the laws mentioned above as well as vital practices for navigating shifting compliance demands.

Paul Kramer

Director of Compliance, WorkForce Software

Paul Kramer, JD, is an experienced employment law attorney and has been the Director of Compliance at WorkForce Software for more than ten years. As Director of Compliance, he researches and stays abreast of employment laws in the United States, Canada, and elsewhere in the world. Before joining WorkForce Software, Paul was in private practice, representing employers in employment law issues for almost two decades and representing companies of all sizes in many industries.

Cook County Continues National Trend Mandating Paid Leave for Any Reason

January 9, 2024

Employers in the United States should remain cognizant that employee rights are progressing swiftly. New leave entitlements represent a larger trend toward an employee-centric legal culture that enhances worker protections. An example of this trend is for states and other localities to legislatively require employers to provide paid leave to their employees that can be used for any reason. Illinois, Chicago, Maine, and Nevada are examples of jurisdictions that have passed these laws, with many more expected to follow.

This paid leave trend continued on December 14, 2023, as Cook County, Illinois, revamped its Earned Sick Leave ordinance, converting it to mandate paid leave for any reason. Here are some of the key provisions of the Cook County Paid Leave Ordinance ("Ordinance") which took effect December 31, 2023.[1]

Leave Accrual and Carryover

Employees working in Cook County, with limited exceptions, accrue paid leave at a rate of one hour for every 40 hours worked for an employer, up to 40 hours per benefit year. Employees exempt from overtime are presumed to work 40 hours a week unless their regular workweek is under 40 hours, in which case leave is accrued based on their regular workweek. Employers must allow employees to carry over accrued, unused paid leave to the next benefit year but may cap paid leave use at 40 hours a year. The benefit year may be any 12-month period designated by the employer.

Frontloading Leave Hours

Rather than accruing leave, employers may frontload 40 hours of paid leave at the beginning of the benefit year. If employers frontload, they are relieved from the carry-over obligation and any unused paid leave is forfeited by the employee at the end of the year.

Expansion of Leave Usage

Paid leave may be used for any reason and employers may not require employees to provide a reason for the leave. A reasonable minimum increment for using paid leave, not to exceed two hours, may be implemented by employers. Unless stated otherwise by an employer, employees may not begin using paid leave until their 90th day of employment, or until March 30, 2024, whichever is later.

Employer Notice Requirements

Employers must conspicuously post a notice in their Cook County workplaces advising employees of their rights under the Ordinance. Cook County will provide a form notice that meets this requirement. Also, employers must provide written notice to employees regarding their paid leave rights at the time of hire. Notice of these rights must also be included in the employer's employee handbook or leave policy if the employer has one.

Employee Notice and Documentation

Employees may be required to provide up to seven days advance notice of the need for foreseeable leave, and notice "as soon as practicable" for unforeseeable leave. Employers, however, may not require employees to submit documentation supporting their reason for leave.

Existing Paid Leave Policies

Employers with an existing paid leave policy comply with the Ordinance if leave under the policy may be used for any reason and the policy otherwise meets or exceeds the Ordinance's requirements.

Leave Payout

The Ordinance does not require financial or other payment to employees for unused leave upon the employee's termination, resignation, retirement, or other separation from employment.

Recordkeeping

Employers must make and preserve records for at least three years documenting hours worked, paid leave accrued and taken, and the leave balance for each employee.

Retaliation Prohibited PWFA

Employers may not take or threaten to take adverse action against an employee because the employee exercised or attempted to exercise rights under the Ordinance, opposed practices the employee believed violated the Ordinance, or supported the exercise of Ordinance rights. Employees unlawfully retaliated against may seek all appropriate legal and equitable relief.

Employers in Cook County should familiarize themselves with all aspects of the Cook County Paid Leave Ordinance to remain compliant and avoid liability. They should also revise their paid leave policies to comply with the new Ordinance.

Additionally, employers across the United States should monitor the legal landscape in jurisdictions where they have employees, as "paid leave for any reason" laws, similar to the Cook County Ordinance, will continue to spread. And if you are unsure about the applicability or meaning of Ordinance provisions, contact your legal counsel for clarification.

[1]The Cook County Paid Leave Ordinance is largely modeled after the Illinois Paid Leave for All Workers Act (PLAWA). Since the Cook County Paid Leave Ordinance took effect before the effective date of the PLAWA (January 1, 2024), employers covered by the Ordinance are not covered by the PLAWA.

2025 Implications

Employers in Cook County must adhere to the new Paid Leave Ordinance, effective December 31, 2023, requiring one hour of paid leave for every 40 hours worked, up to 40 hours annually. Employers should display notice of employee rights, provide written notice at hiring, and maintain records for at least three years. Employers must also revise existing policies and ensure compliance with the ordinance to avoid legal repercussions and secure employee trust.

U.S. Department of Labor Releases New Independent Contractor Final Rule

February 13, 2024

Distinguishing between employees and independent contractors is vital for employers. The federal Fair Labor Standards Act (FLSA), for example, requires employers to pay a guaranteed minimum wage and overtime compensation to employees, but this does not extend to independent contractors. Despite the importance of this business relationship distinction, many employers may still find it challenging to determine whether certain workers should be classified as either employees or independent contractors under the FLSA.

On January 10, 2024, the United States Department of Labor (DOL) attempted to alleviate this confusion by releasing its long-anticipated independent contractor final rule, effective March 11, 2024. The new final rule, however, brings more workers under the FLSA's protection by making it more difficult for employers to establish independent contractor status.

The rule specifies a six-factor totality-of-circumstances test to assess whether a worker is an employee or independent contractor, with no single factor controlling. Employers should use these factors to determine whether they need to make additional provisions for contract workers under FLSA guidelines.

6 Factors for Employers to Assess if FLSA Applies to Contract Workers

1 | The Worker's Opportunity for Profit or Loss

This factor looks at whether the worker has opportunities for profit or loss based on their managerial skill such as initiative, business acumen, or judgment. If a worker has this opportunity for profit or loss, such as determining or negotiating the pay or charge for the work performed, it suggests independent contractor status.

2 | Investments by the Worker and Employer

Capital or entrepreneurial investments by workers, like those made by employers, reflect independent contractor status. Although the final rule is somewhat unclear as to what constitutes a capital or entrepreneurial investment.

Investments that do not fall into these categories include:

I. Purchasing tools and equipment to perform a job
II. The costs of a worker's labor
III. Costs the employer unilaterally imposes on the worker

3 | Permanence of the Working Relationship Between the Worker and the Employer

The more permanent, continuous, and exclusive the working relationship, the more likely the worker is an employee. Nevertheless, a non-permanent and non-continuous relationship caused by characteristics pertaining to a particular business or industry does not necessarily indicate the worker is an independent contractor unless the worker exercises independent business initiative.

4 | Nature and Degree of Control Over the Working Relationship

The more control, or right to control, an employer has over the working relationship the more likely the worker is an employee. For example, does the employer set the worker's daily schedule, closely supervise the work, discipline the worker, set the prices charged by the worker's daily schedule, limit the worker's ability to work for others, or exercise other means of control over the relationship.

5 | Importance of Worker to an Employer's Business

The extent to which the work performed is considered integral to the employer's business can influence how that worker is classified under FLSA. If the services provided by the worker are critical, necessary, or central to the employer's principal business, this factor favors employee status.

6 | The Worker's Skill and Initiative

If the worker utilizes specialized skills to perform the job and those skills contribute to a business-related initiative, it supports independent contractor status. On the other hand, if the worker does not use special skills and relies on the employer for training to do the job, an employment relationship is suggested.

To ensure compliance with the new final rule and avoid liability, employers should closely scrutinize the classification of their independent contractors consistent with the six-factor test. Employers should also maintain any agreements and communications with their contractors as they can be a valuable resource to show compliance with the final rule. And finally, due to the complexity and occasional vagueness of the final rule, employers should consider consulting with an experienced legal counsel for guidance if needed.

2025 Implications

The U.S. Department of Labor's new final rule on independent contractors, that went into effect March 11, 2024, means employers must evaluate their contractor pay rules. The six-factor assessment test emphasizes factors like profit opportunities, investments, control, and the nature of the working relationship to determine FLSA applicability. It is crucial to maintain clear agreements and communication with contractors, careful classification scrutiny, and find legal consultation to maintain compliance and mitigate risks.

4 Options for When an FMLA Leave Year Starts

March 5, 2024

The Family and Medical Leave Act of 1993 (FMLA) is a crucial piece of legislation that provides essential worker protections that allows eligible employees of covered employers to take up to 12 workweeks of unpaid, job-protected leave per year for certain family and medical reasons (or 26 workweeks for military caregiver leave). But it can often be challenging for employers and employees alike to determine how it should be used properly.

When does an employee's FMLA leave year begin? To help employers ensure proper compliance with these mandates, this article clarifies the different options available for defining the FMLA leave year and the implications of each choice.

Except for military caregiver leave, employers may choose one of four options for determining the FMLA leave year. The same 12-month period must apply to all employees unless an employer has eligible employees in more than one state and a state law requires a particular method for determining the leave year. In this case, employers may comply with the state law for all employees in that state and use a different 12-month period for employees in other states.

Here are the Four Options Employers May Use As Their FMLA Leave Year

1 | The Calendar Year

The calendar year, January 1 through December 31, is the simplest approach for measuring an employee's FMLA leave year. The problem with the calendar year method, however, is that employees can lawfully "stack" up to 24 consecutive workweeks of leave by taking the final 12 weeks of one calendar year as FMLA leave and beginning a new 12-week leave on January 1st. Many employers avoid the calendar year option for this reason.

2 | Any Fixed 12-Month Period

This approach includes time periods such as the company's fiscal year or a leave year starting on the anniversary of an employee's employment. Similar to the calendar year method, this approach will allow employees to stack 24 consecutive workweeks of FMLA leave over two fixed-year periods.

3 | A 12-Month Period Measured Forward

Another FMLA leave year is the 12-month period measured forward from the date an employee's FMLA leave begins. Under this approach, the next 12-month leave year starts the first time the worker takes FMLA leave after completing the prior 12-month leave period.

4 | A Rolling 12-Month Period

The rolling 12-month period approach, also known as the look-back method, measures leave use backward from the date an employee takes any FMLA leave. Each time a worker uses FMLA leave, the employee's leave balance is what is remaining of the 12 weeks not taken during the immediately preceding 12 months. The rolling 12-month period method is popular with employers because it prevents workers from stacking more than 12 workweeks of leave at a time.

As for military caregiver leave, a "single 12-month period" must be used to track this type of FMLA leave. The single 12-month period starts the first day the employee takes military caregiver leave and ends 12 months later, regardless of the leave year chosen by the employer for other kinds of FMLA leave. But employees are limited to a combined total of 26 workweeks of leave for all FMLA-qualifying reasons during this single 12-month period.

Employers must inform their employees of the FMLA leave year they have selected, or the Department of Labor will require the employer to use the leave year most beneficial to the worker. Organizations are allowed to change to a different leave year as long as a 60-day notice of the change is given to their employees and the full benefit of 12 weeks of FMLA leave is retained by all workers during the transition. Employers should consult an HR professional when choosing the best leave year option for their organization.

Navigating the FMLA leave year options requires careful consideration for both employers and employees. Understanding the nuances of each method, from the calendar year to the rolling 12-month period, is crucial for ensuring compliance and maximizing the benefits of the FMLA. Employers must communicate their chosen leave year clearly to their employees and provide ample notice if changes are made. By selecting the most appropriate leave year option and staying informed about the specific rules for military caregiver leave, organizations can create a supportive environment that upholds the rights of employees while maintaining operational efficiency.

2025 Implications

Determining the FMLA leave year is pivotal for employers, affecting employee rights and organizational planning. Options like the rolling 12-month period prevent excess leave stacking, ensuring balance and fair utilization of FMLA entitlements. Clear communication of chosen leave year, adherence to rule specifics for military caregiver leave, and consultation with HR professionals are key steps for proper compliance.

The Persistent Rise of Fair and Predictive Scheduling

April 2, 2024

The concept of fair and predictive scheduling has been a consistent trend in workplace culture and remains the focus of attention for workers, employers, unions, and the government. Its call to ease burdensome work schedules has led to sustained media coverage as well as some new actions being taken by organizations and governments alike. But what is fair and predictive scheduling and why is it so important?

When implemented properly, predictive scheduling is a win-win for workers and employers as it provides opportunities for greater work/life balance and workforce agility. Still, scheduling is already a significant and demanding task. As calls for more fair scheduling practices grow, it becomes clear that many employers may not be equipped to meet emerging requirements new scheduling laws would impose.

This article provides context for current best practices that sustain fair and predictive scheduling. We will also spotlight the benefits these practices can have for an organization and how to better support predictive scheduling technologies with workforce management technologies.

What is Predictive Scheduling?

Fair and predictive scheduling includes laws, regulations, policies, and rules geared toward providing employees with more predictable and stable work hours. It is meant, among other things, to ensure workplace schedules reduce stress and promote employee well-being.

Key Elements of Fair and Predictive Scheduling

- Providing employees with a written, good faith estimate of their work schedule at the time of hire
- Allowing workers to state a preference for the location and hours of work, including requests not to work at a particular time or place
- Providing employees with a written work schedule before the schedule begins (commonly 14 days preceding the first day of the work period)
- Offering additional work hours to existing employees before hiring workers from outside the company
- Giving fair notice to employees before changing their schedule

- Granting premium pay to employees if their schedule is changed on short notice unless the change is caused by unforeseen circumstances such as natural disasters, public utility failures, and voluntary shift trading (This is sometimes known as “predictability pay”)
- Providing a rest period of several hours between shifts unless the employee agrees in writing to work during the rest period
- Paying employees at a higher rate if they are required to report to work for fewer hours than normal, such as three hours or less, and are available to work longer
- Allowing workers to work a flexible schedule if they need to provide care for a child or a family member with a serious health condition or to attend to a personal event

Employee Benefits of Predictive Scheduling

Employees benefit greatly from fair and predictive scheduling. It supports improved work-life balance, enabling workers to plan their non-work hours more effectively. The reduced likelihood of last-minute scheduling changes alleviates stress and prevents disruptions to employees’ personal lives. Additionally, the predictable income and hours provided by such scheduling practices help workers better manage their finances, further minimizing stress levels. This serves to give employees more input into setting their schedules and increase job satisfaction. Workers feel more valued by their employers when they have a say in their work arrangements.

How Does Predictive Scheduling Benefit Employers?

Beyond the core benefits for employees, fair and predictive scheduling unlocks powerful operational advantages for employers. By implementing intelligent scheduling systems, companies can quickly scale their staffing up or down to meet fluctuations in customer demand. Automated scheduling tools give managers powerful capabilities to efficiently coordinate schedules and staffing levels. Allowing employees to easily swap shifts or pick up open shifts through mobile apps enables organizations to seamlessly cover busy periods while giving workers more autonomy and flexibility over their own schedules.

Additionally, this leads to a more diverse distribution of work hours among employees resulting in less overtime compensation being paid. This elevated level of scheduling agility positions companies to deliver excellent customer service without overworking employees. Productivity improves because employees are more satisfied with their jobs. Second, satisfied workers are less likely to leave their jobs, lowering costly turnover and training costs for employers.

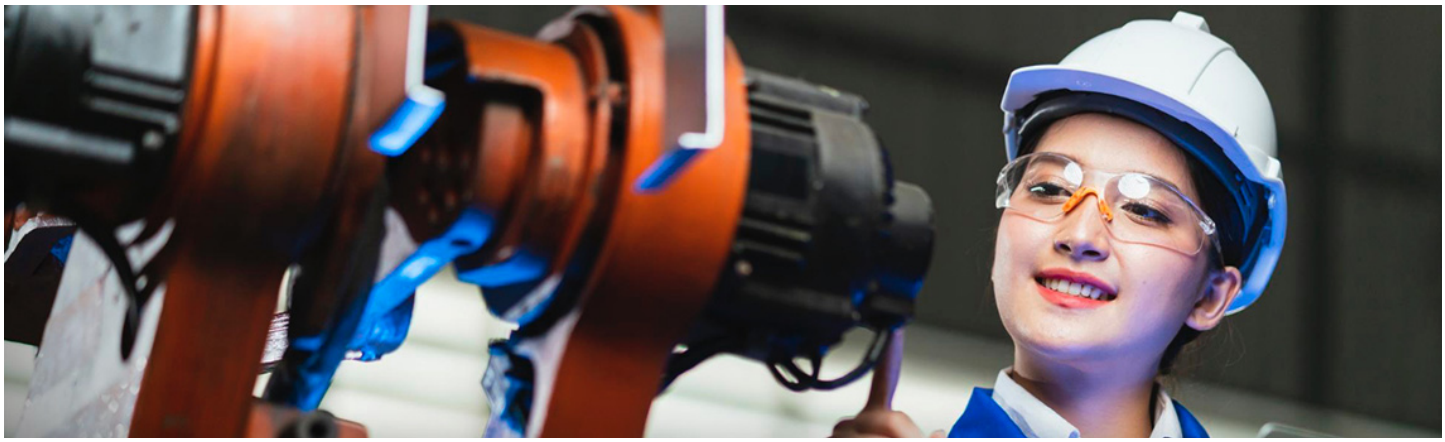
Implementing fair and predictive scheduling is vital for employers trying to improve workplace equality, employee satisfaction, productivity, and the bottom line. It also enhances an employer’s brand, which attracts new talent who want to work for an employer who offers these capabilities as well as customers who appreciate fair treatment of workers. This trend is likely to persist and employers who adopt fair and predictive scheduling practices will be prepared to support a new generation of workers.

2025 Implications

Fair and predictive scheduling, encompassing regulations for stable work hours, benefits both employees and employers by promoting work-life balance, reducing stress, and enhancing operational efficiency. For employees, it means improved job satisfaction, financial stability, and control over schedules. Organizations gain agility, cost savings, and enhanced productivity. Embracing fair and predictive scheduling practices fosters a positive work environment and strengthens employer branding and attracts top talent.

Calculating the Regular Rate of Pay for FLSA Overtime Compensation

May 7, 2024



Navigating the complexities of the Fair Labor Standards Act (FLSA) overtime regulations is a common and critical concern for any large organization that strives to remain compliant and deliver fair pay to its workforce. Central to these regulations is the concept of the "regular rate of pay" which forms the basis for calculating overtime due to each employee. This rate is not just defined by the employee's hourly wage—it encompasses various forms of compensation received during the workweek, excluding only those payments defined by statute.

Understanding what should and should not be included in this calculation can be daunting, yet it's essential for avoiding legal pitfalls. Missteps in this area can lead to severe financial repercussions, including back pay damages and penalties from the Department of Labor. Given the Department's focus on extending overtime protections, it remains vital for employers to carefully scrutinize their payroll practices.

This article offers an in-depth overview of the intricacies of the regular rate of pay, helping employers understand how they can meet all legal requirements, and safeguard their operations against costly errors.

What is the Regular Rate of Pay for FLSA Overtime Compensation?

The federal Fair Labor Standards Act (FLSA) generally requires that non-exempt employees be paid at least time and one-half their "regular rate of pay" for all hours worked exceeding 40 in a workweek. This is known as overtime compensation.

But how is an employee's regular rate of pay determined when calculating FLSA overtime pay?

An employee's regular rate of pay includes "all remuneration for employment paid to, or on behalf of the employee" in a workweek, with certain statutory exclusions. It is an hourly rate determined by dividing the total compensation an employee receives in a workweek (except for statutory exclusions) by the number of hours the employee actually worked that week.

Understanding How Statutory Exclusions Affect Overtime Compensation

The statutory exclusions relating to compensation, which need not be included in the employee's regular rate of pay when determining overtime, include:

- Payments made as gifts or in the nature of gifts on holidays or special occasions
- Payments for occasional periods when no work is performed due to vacation, holidays, illness, other paid time off, and failure of the employer to provide sufficient work such as when machinery breaks
- Reasonable payments for travel or business expenses, and other similar payments
- Bonuses paid at the sole discretion of the employer such as many employee-of-the-month bonuses, severance bonuses, bonuses for overcoming challenging or stressful situations, and referral bonuses
- Payments pursuant to a bona fide profit-sharing plan
- Irrevocable contributions made by an employer to a trustee or third person under a bona fide plan for providing an employee with retirement benefits, life insurance, accident insurance, health insurance, or similar benefits
- Extra compensation paid for non-FLSA overtime hours (this includes premium pay for work performed on weekends, holidays, regular days of rest, or the sixth or seventh day of the workweek if the premium pay is at least one and one-half times the rate paid for similar work performed in non-overtime hours on other days)
- Income derived from employer provided grants, stock option rights, stock appreciation rights, or bona fide employee stock option program

The Consequences of Failing to Properly Calculate FLSA Overtime Compensation

Determining an employee's regular rate of pay when calculating FLSA overtime compensation can be difficult if an employee's wages are not solely limited to hourly pay. Employers must know what compensation to include in the regular rate and what compensation to exclude.

This is a task employers should take seriously because failing to properly calculate overtime pay can lead to costly Department of Labor audits, Department of Labor charges, lawsuits, owing employees substantial back pay damages for underpaying wages, as well as penalties.

Due to the potential for litigation in this area, and with the Department of Labor's new final overtime rule soon to extend overtime protection to millions of new workers,[2] it would be wise for organizations to consistently review their pay policies and practices to avoid pricey overtime compensation mistakes.

Taking steps to properly comply with FLSA overtime rules is not just a legal obligation—it is a strategic advantage. Implementing a modern workforce management system that can meticulously review and adjust payroll practices appropriately can protect your organization from unexpected liabilities and foster a transparent work environment that values and respects employee rights. This proactive approach not only mitigates the risk of costly litigation and audits but also enhances an employer's reputation as fair and reliable. As the landscape of labor laws continues to evolve, staying informed and vigilant is the best strategy to maintain compliance and support your team effectively.

[2]News Release. Biden-Harris Administration Finalizes Rule to Increase Compensation Thresholds for Overtime Eligibility, Expanding Protections for Millions of Workers. Department of Labor. Retrieved May 1, 2024.

2025 Implications

Navigating the intricate regulations of FLSA overtime pay, specifically the concept of the "regular rate of pay," is critical for organizations to remain compliant and avoid legal repercussions. Proper calculation is essential to prevent financial liabilities and penalties. As labor laws evolve and overtime rules change, adopting modern workforce management systems for accurate payroll practices is not just a legal obligation. It's a strategic advantage for fostering a transparent and fair work environment while protecting against costly litigation.

New York Expands Paid Leave and Break Obligations for Employers

June 4, 2024

New York has a long history of being an employee-friendly state having provided strong worker protections, a high minimum wage, and extensive anti-discrimination laws. These progressive measures not only prioritize the well-being of employees but have also, in some cases, set a precedent for other states to follow.

This trend was evidenced again in the New York State enacted budget for the 2025 fiscal year which amended New York law by adding a paid prenatal leave entitlement for employees, converting unpaid lactation breaks for workers into paid breaks, and continuing COVID-19 Paid Sick Leave for more than a year by providing a sunset date of July 31, 2025, for this pandemic-related leave.

Failing to provide adequate leave accommodations for workers can lead to severe consequences, and as such it is vital for employers to understand when their employees become eligible for leave under these new laws. This article will cover key aspects of these expanded paid time-off obligations that employers should know about.

Paid Prenatal Leave

New York State is the first state to enact a standalone entitlement for paid prenatal leave. Effective January 1, 2025, New York employers will be required to provide 20 hours of paid prenatal leave in a 52-week calendar period to pregnant employees for healthcare services relating to their pregnancy.

These services include medical procedures, monitoring and testing, physical examinations, discussions with healthcare providers, or other types of prenatal care. Additionally, the new law does not restrict how often paid prenatal leave can be taken by an employee, other than to limit its use to 20 hours in a 52-week period.

There is no waiting period for employees to be eligible to use paid prenatal leave. Leave will be paid at the employee's regular rate of pay or the applicable minimum wage, whichever is higher. The new leave entitlement does not mandate payout of unused prenatal leave upon an employee's separation from employment.

Paid Lactation Breaks

Under current New York law, nursing employees are guaranteed unpaid reasonable break time to express breast milk for three years following childbirth. They may also use paid break time such as meal periods or rest periods to express milk. However, beginning on June 19, 2024, New York employees are entitled to 30 minutes of paid break time to express breast milk for three years after childbirth, in addition to any other paid or unpaid break time the employer already provides.

COVID-19 Paid Sick Leave

The 2025 state budget also continued COVID-19 Paid Sick Leave for more than a year by setting July 31, 2025, as the sunset date for this job-protected leave. Under this leave entitlement, depending on the business's size, employers must provide at least five or 14 days of paid leave to employees subject to a mandatory or precautionary order of isolation or quarantine due to COVID-19. New York's COVID-19 Paid Sick Leave law is the last remaining law of this kind in the country.

Best Practices for Meeting Emerging Leave and Break Obligations

Due to these changes in New York law, New York employers should consider doing the following:

- Review and revise employee handbooks, leave policies, and break practices to align with these new paid leave and break obligations
- Train appropriate managers and Human Resource personnel on rules to comply with paid prenatal leave, paid lactation breaks, and COVID-19 Paid Sick Leave requirements
- Watch for additional guidance from the state of New York regarding paid prenatal leave and paid lactation breaks
- Consult with legal counsel if you are unclear regarding any aspect of these laws because non-compliance can be costly

These emerging leave and break obligations present new challenges for New York State employers. While the COVID-19 Paid Sick Leave requirements have a clear end date, the changes to Paid Prenatal Leave and Paid Lactation breaks may represent trends that could impact other states in North America. As organizations continue to take measures to remain compliant, it is worth recognizing that meeting these accommodations can foster a workplace culture that values and supports the diverse needs of employees, ultimately benefiting both workers and organizations alike.

2025 Implications

New York's forward-thinking measures in the 2025 State budget, introducing paid prenatal leave, paid lactation breaks, and extending COVID-19 Paid Sick Leave, set a progressive precedent. Employers need to understand the eligibility criteria for these new laws to avoid legal consequences. Adapting policies, training staff, seeking legal advice, and staying updated with state guidance are imperative steps to ensure compliance and create a supportive workplace culture prioritizing employee well-being and legal adherence.

Special Feature

COMPLIANCE WEBINAR SERES

Staying updated on workforce compliance is essential for organizations. Our expert-led webinar series offers employers strategic insights and practical guidance to navigate complex legislative changes effectively.

Compliance in Action: Mastering Workforce Scheduling

April 3, 2024

This session provides practical ways to improve staff satisfaction, operational productivity, and engagement by mastering workforce scheduling. Our experts share proven strategies to adhere to regulations at all levels—federal, state, local, and union—to better manage compliance and labor spend.

Watch Now

Essential Mid-Year Compliance Update

June 12, 2024

This discussion guides U.S. and Canadian employers through recent legislative updates, providing tools to better fulfill compliance requirements, safeguard employee welfare, and mitigate the risk of non-compliance. Get insights, best practices, and practical tools to navigate evolving workplace regulations.

Watch Now

Compliance in Action: 5 Expert Tips on Pay Transparency

October 16, 2024

This webinar features a discussion on pay transparency, outlining the reasons behind its rise and what the future holds. Our experts share five keys for effective pay transparency and discuss how these strategies can increase employee satisfaction and productivity.

Watch Now

Year-End Workplace Compliance Update

December 11, 2024

This insightful session provides U.S. and Canadian employers with the understanding of critical employment laws and regulations to conduct a successful end-of-year compliance review and be fully prepared for 2025.

Watch Now

EEOC Issues Final Rule Implementing the Pregnant Workers Fairness Act

July 2, 2024

In recent years, the United States has made significant strides in protecting the rights of pregnant workers through new legislation. The most notable advancement is the Pregnant Workers Fairness Act (PWFA), which was signed into law on December 29, 2022, and took effect June 27, 2023.

The legislation requires most employers with 15 or more employees to provide reasonable accommodations to a qualified employee's (or applicant's) known limitations relating to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, unless the accommodation would cause the employer undue hardship.[3] Undue hardship generally means causing significant difficulty or expense for the employer's operation.

On April 15, 2024, nearly nine months after the PWFA took effect, the U.S. Equal Employment Opportunity Commission (EEOC) finally published a final rule implementing the PWFA—the final rule went into effect on June 18, 2024.

This new protection ensures that pregnant workers can continue their employment safely and without discrimination, marking a significant step forward in workplace equality and maternal health support. To help employers better prepare for this new worker protection and continue to provide excellent workforce experience, here are a few key highlights of the final ruling:

Broad Scope of Covered Limitations and Conditions

The final rule provides broad coverage regarding the types of limitations and medical conditions for which employees may seek reasonable accommodation, such as:

- Infertility and fertility treatment
- Menstruation
- Migraines
- Stillbirth
- Miscarriage

- Abortion
- Lactation and issues with lactation
- Contraception use
- Episodic pregnancy-related illnesses (e.g., nausea, preeclampsia, morning sickness)[4]

There is no threshold of severity needed for these conditions for the employer to be obligated to consider providing reasonable accommodation.

The Interactive Process

Like the Americans with Disabilities Act, employers must engage in an "interactive process" with employees to determine a reasonable accommodation under the PWFA. The final rule clarifies that the interactive process is informal, and no exacting steps need be followed during the process. Nevertheless, the EEOC's final rule limits an employer's ability to seek supporting documentation during the interactive process regarding an employee's condition.

Limited Opportunity to Request Supporting Documentation

Although the final rule encourages employees and employers to openly communicate about reasonable accommodation needs, the rule also states that employers may obtain medical documentation from an employee only if it is reasonable under the circumstances to determine if the employee has a qualifying condition or limitation needing a workplace accommodation.

Examples of Reasonable Accommodations

A reasonable accommodation is a change to the work environment, or the way things are usually done in the workplace, that assists an otherwise qualified individual in performing their job. Specific examples of reasonable accommodations identified under the PWFA final rule include:

- Frequent breaks
- The ability to sit or stand
- Using a restroom
- Schedule changes
- Paid leave
- Telework
- Light duty
- Temporary suspension of an essential job function
- Job restructuring
- Making facilities accessible
- Reserved parking
- Modifying equipment or policies
- Other changes that do not cause the employer undue hardship

Undue Hardship Factors

Under the PWFA and final rule, an employer is not obligated to accommodate an employee if the accommodation will cause undue hardship to the employer. Factors to examine when determining if undue hardship exists include:

- The accommodation's nature and net cost
- The employer's overall financial resources, the number of employees at the employer's facility, and the accommodation's effect on employer expenses and resources
- The employer's financial resources, its overall size, and the number, type, and location of its facilities
- The type of employer operation
- The effect the accommodation has on the employer's operation (including its impact on the ability of other employees to perform their job and the facility's ability to conduct business)

Interplay of the PWFA with Other Laws

The PWFA does not inhibit the rights of employees or applicants affected by pregnancy, childbirth, or related conditions under any federal, state, or local law providing equal or greater protection.

What Does PWFA Mean for Employers?

To achieve workforce compliance, employers must ensure that relevant supervisors and managers are sufficiently trained in the PWFA and its rules, so they know how to properly respond to an accommodation request. Supervisors and managers must understand that the PWFA's primary goal is to find ways for employees to continue working while pregnant if that is the employee's choice.

The PWFA, including its final rule, covers more issues than what is discussed in this article. It is a complicated law. Employers should consult legal counsel if they have any questions regarding implementing the intricacies of the PWFA in its workplace.

[3]In a Federal District Court lawsuit filed in Texas, the court barred the EEOC from enforcing the PWFA against the state of Texas and its divisions and agencies.

[4]Louisiana, Mississippi, and various Catholic groups filed suit challenging the EEOC final rule requirement that abortions are among the pregnancy-related conditions covered by the PWFA. The court granted a preliminary injunction prohibiting the EEOC from enforcing the abortion provision against the Catholic plaintiffs and employers in Louisiana and Mississippi while the lawsuit proceeds.

2025 Implications

The Pregnant Workers Fairness Act (PWFA), effective June 27, 2023, mandates employers with 15+ employees to offer reasonable accommodations for pregnancy-related conditions, unless posing undue hardship. The EEOC's 2024 final rule broadens coverage to include infertility, menstruation, and more. While employers must engage in informal processes for accommodation, they can seek documentation when reasonable. Training managers on the PWFA is crucial to ensure compliance and allow pregnant employees to work safely. Legal guidance is advised for navigating PWFA intricacies.

Using FMLA Leave to Care for Aging Parents

August 6, 2024

The provision of leave for caregiving, particularly for aging parents, is a crucial part of a modern, empathetic work culture. Allowing employees the necessary time away from work to care for their elderly parents fosters a supportive environment beyond the basic legal stipulations of the Family and Medical Leave Act (FMLA). This compassionate approach enhances employee well-being and cultivates a robust sense of trust and loyalty towards the employer.

This article provides an overview of how the FMLA protects employees in their caregiving roles and the broader implications it has for both employee satisfaction and organizational success.

How Does Leave for Caregiving Work?

The federal Family and Medical Leave Act (FMLA) generally entitles eligible employees of covered employers to 12 weeks of unpaid, job-protected leave per year for specified family and medical reasons with continued group health insurance coverage as if leave was not taken.

Employees are eligible for FMLA leave if they worked for their employer at least 12 months, at least 1,250 hours over the previous 12 months, and if they work at a site employing 50 or more workers within 75 miles.

FMLA covered employees are allowed to take leave from their jobs to care for an aging parent with a serious health condition. The ability to take this leave helps workers balance their job with family responsibilities without the risk of losing their employment.

Here are common situations where the FMLA greatly assists employees in caring for an aging parent:

Continuing Medical Treatment

Parents may need continuing medical treatment for a serious health condition related to aging, including Alzheimer's, dementia, stroke, or other chronic conditions requiring regular treatment by a health care provider. Employees can use FMLA leave to take parents with these or similar chronic conditions to a medical facility for treatment or recovery reasons, or to provide other support.

Inpatient Care

It is not uncommon for elderly parents to be admitted to the hospital due to sudden, unforeseen accidents or illnesses. FMLA leave allows workers to take time off to provide care and comfort to their parents while they receive inpatient care, or later when they are released to recover at home or in a rehabilitation facility.

Deteriorating Illness Care

Certain illnesses suffered by aging parents may cause them to slowly decline, physically or mentally. Over time, employees may need to help their parents more with daily activities or take them more often to medical appointments due to a deteriorating condition. Workers can use FMLA leave to help their parents during these times of increasing care to ensure they are safe and have everything they require.

End of Life Needs

Near the end of an aging parent's life, employees may use FMLA leave to comfort, soothe, console, cheer, or provide whatever other support is necessary to make their parent's final moments the best they can be for both the parent and the employee.

Additional Needs

As parents age, the types of health-related care they need from their working children can become extensive. Employers must understand that one of the roles of the FMLA is to help employees take on this extremely difficult task of caring for an elderly parent and they should be careful not to deny FMLA leave in circumstances when it is needed.

Workers today are increasingly responsible for caring for their aging parents who suffer from a serious health condition. In addition to these more direct kinds of care, employees may also require FMLA leave because of negative mental side-effects they experience from having to deal with these emotionally charged situations, which are likely to impact their ability to do their jobs.

Employers should become familiar with the FMLA and how it can assist workers with aging parents because the frequency of these parental caregiving situations will likely continue to grow.

2025 Implications

The Family and Medical Leave Act (FMLA) is vital for modern workplaces, granting eligible employees 12 weeks of unpaid, job-protected leave yearly to care for aging parents with serious health conditions, such as Alzheimer's or stroke. This support helps balance job duties and family needs, reducing stress and enhancing loyalty. Employers should not only comply with FMLA but also recognize its broader impact on employee well-being and organizational success, offering a compassionate work culture as caregiving responsibilities increase.

2024 Has Been a Busy Year for New Employee Leave Entitlements

September 3, 2024

New leave laws in the United States are constantly taking effect, and the first nine months of 2024 have been no different. Many new laws have come into effect, meaning employers will need to evaluate whether they are meeting these new workforce compliance needs.

The evolving regulatory environment poses challenges and opportunities for employers to navigate these updates. Although this new legislation is rightly meant to protect workers, unfortunately, it also creates costly compliance concerns for employers. Employers will need to quickly take steps to meet these new requirements or face the risks of compliance failure.

This article explores several pivotal changes to state laws shaping employer responsibilities for the foreseeable future. Here's a summary of a few of the new U.S. leave laws:

Oregon Expands Leave Entitlements to Victims of Bias Crimes

Effective January 1, 2024, Oregon expanded three major employee leave entitlements to victims of bias crimes. A "bias crime" is defined as the commission, attempted commission, or alleged commission of an offense because of the other person's race, color, religion, gender identity, sexual orientation, disability, or national origin.

The leave entitlements in Oregon expanded to include:

1. Leave for victims of domestic violence, harassment, sexual assault, or stalking
2. Paid Leave Oregon (a.k.a. Oregon Paid Family Medical Leave)
3. Leave taken as a reasonable safety accommodation

Oregon Family Leave Act (OFLA) and Paid Leave Oregon

On July 1, 2024, changes to OFLA and Paid Leave Oregon took effect to better align the two leave entitlements. Among other changes, OFLA leave no longer includes child bonding leave or serious health condition leave for an employee or their family member. Instead, bonding leave and serious health condition leave are now only covered under Paid Leave Oregon.

Chicago Paid Leave and Paid Sick and Safe Leave Ordinance

Chicago's Paid Leave and Paid Sick and Safe Leave Ordinance took effect July 1, 2024. Under this law, employees earn one hour of Paid Leave and one hour of Paid Sick Leave for every 35 hours worked within the city of Chicago, up to 40 hours of paid leave per year.

Alternatively, employers can choose to frontload Paid Leave and Paid Sick Leave to workers within certain time limits after the beginning of their employment. Employees can use Paid Leave for any reason while Paid Sick Leave can only be used for specified purposes such as recovering from an illness or caring for an ill family member.

California Reproductive Loss Leave

Beginning January 1, 2024, California required employers with five or more employees (and all public employers) to grant workers employed at least 30 days with five days of leave for a reproductive loss event. A reproductive loss event includes a failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction.

Reproductive loss leave must be completed within three months of the loss event but if an employee takes other leave under state or federal law before or immediately after the reproductive loss event, reproductive loss leave must be completed within three months of the other leave ending.

California Paid Sick Leave Expanded

As of January 1, 2024, California increased the Paid Sick Leave (PSL) entitlement employers must grant to employees under the state's Healthy Workplaces, Healthy Families Act. Before 2024, qualified California employees had to be provided with at least three days or 24 hours of PSL per year, whichever was greater.

On January 1, that amount increased to at least five days or 40 hours of yearly leave. Standard accrual of PSL under the new law remains one hour for every 30 hours worked, but the annual cap on accruing PSL increased from six days (or 48 hours) to 10 days (or 80 hours).

Illinois Paid Leave for All Workers Act

The Illinois Paid Leave for All Workers Act took effect on January 1, 2024. Under this law, Illinois employers are obligated to provide employees with up to 40 hours of paid leave per benefit year to be used for any reason. Employees accrue one hour of paid leave for every 40 hours worked, but rather than accruing leave, employers may frontload 40 hours of paid leave to employees on the first day of their employment or the first day of the benefit year.

Rhode Island Temporary Caregiver Leave Benefits Extended

In July 2024, Rhode Island amended its Temporary Caregiver Insurance law (TCI) by increasing the amount of leave benefits available to employees beginning January 1, 2025. Eligible employees in Rhode Island can currently take six weeks of TCI leave to care for a newborn, or newly adopted child, or to care for a family member with a serious health condition. On January 1, 2025, this leave entitlement increases to seven weeks and then increases to eight weeks on January 1, 2026.

Minnesota Earned Sick and Safe Leave

Minnesota's Earned Sick and Safe Leave law became effective January 1, 2024. It requires employers to grant paid leave to employees anticipated to work at least 80 hours a year for an employer in Minnesota. Employers must provide each employee with one hour of ESST for every 30 hours worked, up to 48 hours per year.

Employees can use Earned Sick and Safe Time (ESST) leave for these reasons

1. The employee's mental or physical illness or care
2. family member's mental or physical illness or care

3. Absences due to domestic abuse, sexual assault or stalking of the employee or a family member
4. The employee's workplace or family member's school or care facility closes due to weather or public emergency
5. When a health authority or health professional considers the employee or a family member a communicable disease risk
6. To make funeral arrangements, attend a funeral or memorial service or address financial or legal matters arising after a family member's death

Michigan Earned Sick Time Act

On July 31, 2024, the Michigan Supreme Court reinstated the state's Earned Sick Time Act (ESTA) effective February 21, 2025. ESTA will require employers with 10 or more employees to allow its workers in Michigan to accrue one hour of paid sick leave for every 30 hours worked and to use up to 72 hours of leave per year. There are reduced paid sick leave obligations for businesses with fewer than 10 employees.

Keeping Your Organization Compliant with New Leave Laws

New employee leave laws and leave expansions will continue to frame employer compliance obligations in the United States, requiring employers to actively stay current with this landslide of new leave laws. Employers should seek legal advice if needed to stay compliant and must understand the effect new leave laws will have on their workplace environment and their bottom line.

It is also important to consider how implementing workforce compliance software can help an organization efficiently manage regulatory changes, minimizing the risk of non-compliance and associated penalties. Worker rights are crucial in today's employee-friendly environment, and staying abreast of new leave legislation ensures employers will be ready to address any leave of absence challenges they may face.

2025 Implications

Pay transparency is a major legislative shift designed to address workplace inequity, enabling employers to systematically reduce wage disparities while fostering employee trust and organizational commitment. This movement is shaping U.S. laws with an emphasis on disclosing compensation information to applicants and employees. It curbs discrimination, encourages fair negotiations, and drives integrity. As part of this trend, emergent laws require salary disclosures in job ads, on request, or annually. States like California, New York, and Colorado lead this shift, urging employers to prepare and ensure compliance.

Important FLSA Recordkeeping Requirements for Nonexempt Employees

October 1, 2024

Companies are required to understand and follow the Fair Labor Standards Act (FLSA or Act) to keep compliance and operational efficiency. An often overlooked but critical aspect of the FLSA is its recordkeeping requirements. Below is a snapshot of what records must be preserved by employers to meet FLSA standards, including insights on how integrating workforce compliance software can steer organizations away from legal pitfalls and foster a transparent and compliant workforce environment.

The Fair Labor Standards Act, among other things, sets federal minimum wage, overtime pay, and youth employment standards for employees in the private sector, and in local, state, and federal governments. Equally important, the Act requires covered employers to maintain certain employment records for nonexempt employees to avoid noncompliance issues and penalties.[5] Employee management software integrated with workforce compliance software can help your team collect and store the right employee information to follow the FLSA requirements.

What Employee Records Must be Kept According to the FLSA?

Although the FLSA does not mandate that employers keep any specific form of record regarding nonexempt employees, the Act requires that the records accurately include certain identifying information about the nonexempt employee and their hours worked and wages received.

Employee information needed to comply with FLSA recordkeeping requirements includes:

- Employee's full name (as used in Social Security records) and social security number
- Home address, including zip code
- Birth date, if under age 19
- Occupation and sex
- Time of day and day of week the employee's workweek begins
- Regular, hourly, pay rate for any workweek in which overtime pay is due
- Basis on which the employee's wages are paid (e.g., per hour, per week, piecework)
- Hours worked each workday (a "workday" is any fixed period of 24 consecutive hours)

- Total hours worked each workweek (a "workweek" is any fixed and regularly recurring period of 7 consecutive workdays)
- Total daily or weekly straight-time earnings, exclusive of premium overtime compensation
- Total premium pay for overtime hours for the workweek
- All additions to or deductions from the employee's wages each pay period
- Total wages paid each pay period
- Date of payment and the pay period covered by the payment

How Long Must FLSA-Required Records Be Kept?

Covered employers must keep payroll records, collective bargaining agreements, and sales and purchase records for at least three years from the last entry made on them. Records on which wages are based should be retained for two years, such as timecards, piecework tickets, wage rate tables, work and time schedules, and documents about additions to or deductions from wages.

These records may be kept at the worker's place of employment or in the employer's central records office and must be available for inspection by the Department of Labor's representatives. Finally, employers must conspicuously display an official poster outlining the FLSA's requirements in all their establishments to allow employees easy access.

Along with federal FLSA recordkeeping requirements, some states have their own requirements for preserving employee wage and hour records. Employers must be aware of these state laws, which are distinct from federal law, but not necessarily superseded by federal law.

To be safe, it may be best for employers to keep their employee wage and hour records for the longest period indicated by any law applicable to their organization or consult an experienced employment attorney to ensure compliance with all recordkeeping requirements.

Compliance With FLSA Helps Organizations With Workplace Transparency

Navigating the intricacies of the FLSA, particularly its recordkeeping mandates, is vital for keeping legal compliance and promoting operational transparency within any organization.

Using workforce compliance software and employee management systems streamlines this process, ensuring both federal and additional state-specific recordkeeping requirements are met without issue. Incorporating advanced employee management software can simplify collecting and storing these detailed records.

Keeping comprehensive and accurate employee records as specified by both federal and state laws can help safeguard against noncompliance penalties and enhance their workforce management strategies. This proactive approach helps companies adhere to legal standards and creates a more transparent and informed workplace for employees.

[5]Non-exempt employees are workers subject to the FLSA who are required to receive minimum wage and overtime pay.

2025 Implications

Maintaining compliance with the Fair Labor Standards Act (FLSA) is essential for legal and operational efficiency. Key to this is adhering to FLSA recordkeeping requirements, which include tracking nonexempt employees' hours, wages, and personal information. Employers must preserve payroll records for at least three years and wage-related documents for two. Leveraging workforce compliance software can streamline this process, ensuring both federal and state-specific standards are met, protecting against penalties, and enhancing workplace transparency and trust.

California Enacts Significant New Leave Entitlements for Employees

November 5, 2024

California has long had the reputation of being the most employee-friendly state in the country, having rigorous time limits on employee work hours and constantly providing and expanding employee leave entitlements. Well, California is at it again with recent enactments of new laws expanding employee leave rights in many directions. Three new leave benefits in California will be entitled to employees starting January 1, 2025.

Three New California Employee Leave Benefits

1 | Paid Family Leave

California Paid Family Leave is a state-run program providing employees with partial wage replacement benefits for up to 8 weeks in any 12-month period to take time off to care for certain seriously ill or injured family members; to bond with a minor child within one year of the child's birth, adoption, or foster care placement; or to participate in qualifying exigencies related to the active military duty or call to active military duty of covered family members.

Currently, employers can require employees to take up to 2 weeks of accrued vacation before initially accessing Paid Family Leave benefits. However, as of January 1, this employer-friendly requirement no longer applies, which may result in workers returning from extended Paid Family Leave with accrued vacation time still available under company policy.

2 | Leave for Qualifying Acts of Violence

California enacted laws amending its state-wide paid sick leave law (Healthy Workplace Healthy Families Act of 2014) and unpaid leave for victims of domestic violence, sexual assault, or stalking. The amendments expanded the list of crimes for which employees can take these leaves include "qualified acts of violence" and allows employees to also take time off to help family members who are victims of this type of violence. A qualified act of violence includes any of the following, whether anyone is arrested for, prosecuted for, or convicted of committing a crime:

a. Domestic violence
b. Sexual assault
c. Stalking

c. An act, conduct, or pattern of conduct that includes:
   - An individual causing bodily injury or death to another
   - An individual exhibiting, drawing, brandishing, or using a firearm or other dangerous weapon, regarding another
   - An individual using or making a reasonably perceived or actual threat of using force against another to cause physical injury or death

2 | Paid Sick Leave for Agricultural Employees

California revised its Paid Sick Leave law to require employers to grant leave to agricultural employees who work outside and request time off to avoid smoke, heat, or flooding caused by a local or state emergency, including sick days needed for preventive care due to these conditions.6

An "agricultural employee" means a person employed in:

a. An agricultural occupation, as defined in Industrial Welfare Commission ("IWC") Wage Order No. 14
b. An industry preparing agricultural products for the market on the farm, as defined in IWC Wage Order No. 13
c. An industry handling product after harvest, as defined in IWC Wage Order No. 8

California employers should review these new laws and update their policies as needed. Additionally, employers should remember that these are not the only new employee time off entitlements or employment laws they will have to contend with starting in 2025. As legal obligations in the state continue to expand and become more complex, it's important to implement comprehensive workforce solutions such as workforce absence software and workforce compliance software to ensure adherence to regulations. Failing to do so could lead to costly noncompliance mistakes. As 2025 approaches, employers should not hesitate to contact legal counsel if they have questions or concerns about California law.

[6]Non-exempt employees are workers subject to the FLSA who are required to receive minimum wage and overtime pay.

2025 Implications

Starting January 1, 2025, California expands employee leave rights with new benefits. Paid Family Leave no longer requires using accrued vacation time first. The state revised laws to include leave for victims and family members affected by "qualified acts of violence." New amendments also mandate paid sick leave for agricultural employees needing respite from extreme conditions or local emergencies. Employers must update policies and consider workforce compliance software to manage these changes effectively, minimizing noncompliance risks and fostering a supportive work environment.

Voters in Three States Approve Paid Sick Leave Laws

December 3, 2024

The paid sick leave trend continues in the United States as constituents in three states—Nebraska, Missouri, and Alaska—overwhelmingly voted to establish paid sick leave rights for workers in their states in the November 2024 election. These newly approved paid sick leave laws significantly shift employee leave accommodations by providing added eligibility conditions.

Paid sick leave laws refer to laws that provide workers with pay when they need time off due to their own or a family member's illness, to access medical care (including preventative care), and for other reasons depending on the specific law. Employers must take steps to evaluate these legislations and determine if their workforce compliance measures meet these new standards.

Here is an overview of the three paid sick leave measures recently approved by voters:

Nebraska

The Nebraska Healthy Families and Workplaces Act ("Act") requires private employers with one or more employees in Nebraska to grant paid sick time to their workers beginning October 1, 2025. The Act entitles eligible employees to accrue at least one hour of paid sick time for every thirty hours worked upon beginning employment. Employees are eligible for paid sick leave if they work at least eighty hours in Nebraska during a calendar year.

Eligible employees of small businesses, meaning those organizations with fewer than twenty employees, may earn and use forty hours of paid sick time per year. Alternatively, eligible employees of larger businesses are entitled to earn and use fifty-six hours per year. Paid sick leave may be used for the following reasons:

- An employee's mental or physical illness, injury, or health condition, including medical diagnosis, treatment, and preventative care
- Caring for a family member with a physical or mental illness, injury, or health condition who needs medical diagnosis, preventative care, or to attend a meeting necessitated by a child's physical or mental illness at a school or care facility
- The closing of the employee's place of business, or their child's school or place of care, by order of a public health official due to a public health emergency

- An employee's need to self-isolate or care for a family member when competent health authorities determine their presence in the community may jeopardize the health of others due to exposure to a communicable disease

Nebraska employers may also frontload paid sick leave, which an employee is expected to accrue during a given year at the beginning of the year. Guidance from the Nebraska Department of Labor is expected to clarify and expand on the details of this new law.

Missouri

The new Missouri paid sick leave law defines covered employers as any person acting directly or indirectly in the employer's interest relating to an employee, excluding the United States Government and political subdivisions of Missouri. The ballot initiative did not base employer coverage on the number of employees an employer has.

Eligible employees are defined as persons employed in Missouri by an employer, but certain workers are excluded from coverage such as:

- Employees of charitable, religious, or nonprofit organizations
- Retail or service employees whose businesses make less than $500,000 per year
- Resident or day camp workers
- Babysitters
- Employees working occasionally on a private residence
- Employees providing work instead of tuition, housing, or educational fees

Employees accrue one hour of earned paid sick leave for every 30 hours worked. The law currently does not address whether employers can set a cap on accrual.

Employees can use Missouri Paid Sick Leave for the following reasons:

- Medical diagnosis, care, treatment, and preventative medical care for their own or a family member's mental or physical illness, injury, or health condition
- The closing of the employee's place of business or their child's school or place of care by order of a public official due to a public health emergency
- To care for oneself or a family member when health authorities determine the presence of the individual in the community may jeopardize the health of others due to exposure to a communicable disease
- Absences due to domestic violence, sexual assault, or stalking if the leave is for medical attention, services from a victim assistance organization, counseling, relocation for safety reasons, or legal services for the employee or the employee's family member

Workers will begin accruing paid sick time on May 1, 2025. However, employers may also frontload all earned paid sick leave an employee is expected to accrue in a year at the start of the year.[7]

Alaska

Alaska's new paid sick leave law allows covered employees to accrue one hour of paid sick leave for every 30 hours worked, up to a yearly cap of 40 or 56 hours, depending on the employer's size. Specifically, all employers with 15 or more employees will have to provide up to 56 leave hours annually, while employers with under 15 employees must provide up to 46 hours.

- Covered employees are defined in the law by who is not covered such as
- Employees of non-profit organizations

- Employees subject to the Railroad Unemployment Insurance Act
- Part-time employees under age 18 who are employed for no more than 30 hours per week
- Workers engaged in domestic service, agriculture, or fishing
- Certain apprentices

Employees can use paid sick leave for these reasons:

- Their own mental or physical illness, injury, or health condition—need for medical diagnosis, treatment, care,
- and preventative care
- Care or assistance for a family member relating to mental or physical illness, injury, or health condition—need for medical diagnosis, treatment, or care—and for preventative medical care
- Absences due to domestic violence, sexual assault, or stalking, if the leave is to allow the employee to obtain medical or psychological attention for themselves or a family member, services from a victim's assistance organization, relocation for safety reasons, or legal services

Employees begin accruing paid sick time on July 1, 2025. Alaska's new paid sick leave mandate does not address front-loading of leave at the start of the year. However, additional guidance from the Alaska Department of Labor and Workplace Development is expected.

Paid Sick Leave Laws Continue to Evolve

These summaries of the new paid sick leave laws in Alaska, Missouri, and Nebraska are merely intended to be overviews. Additional details of employer requirements are contained in the laws, with added compliance guidance expected to come from the labor departments of the three states. With paid leave laws quickly expanding and becoming more complex, employers would be wise to contact their legal counsel with compliance concerns they may have to avoid costly violations.

[7]A coalition of state associations is planning to challenge the legitimacy of the new Missouri law in court.

2025 Implications

In light of the new paid sick leave laws in Nebraska, Missouri, and Alaska, employers must adapt to evolving workplace requirements that prioritize employee well-being. With employee benefits expanding beyond traditional boundaries, it becomes imperative for companies to navigate these nuanced regulations effectively. The recent votes indicate a shift towards a more accommodating work environment, aiming to provide workers with essential time off for health-related needs without financial burden. The complexities of managing leave mandates necessitate a proactive approach from employers, possibly by leveraging modern workforce management solutions to streamline compliance processes.

Proactively Address Workplace Compliance Challenges and Trends

Significant changes to North America worker protections have emerged in 2024. New legislation, such as paid sick leave entitlements and the Pregnant Workers Fairness Act, demonstrate a continued focus on workplace equality and employee well-being. While the specifics of these changes vary by region, employers should proactively take steps to adapt to new requirements as they arise.

This report provides strategies to minimize compliance risks, penalties, and legal vulnerabilities. Key recommendations include regularly reviewing workforce compliance measures, understanding critical regulations like FMLA and ADA, conducting periodic compliance checks, and consulting legal experts when facing uncertainties.

Implementing these practices protects employees and the broader organization. WorkForce Software's Compliance Navigator series offers updates and best practices to help employers understand and address the complexities of changing labor laws while creating a supportive and compliant work environment.

Follow our Compliance Navigator Series to stay informed on evolving labor regulations throughout 2025.

Learn More

About WorkForce Software

WorkForce Software is the #1 rated workforce management solution for large, global employers and the first to deliver integrated employee communication capabilities. The company's WorkForce Suite adapts to each organization's needs—no matter how unique their pay rules, labor regulations, and schedules—while delivering a breakthrough employee experience at the time and place work happens. Enterprise-grade and future-ready, WorkForce Software is helping some of the world's most innovative organizations optimize their workforce, protect against compliance risks, and increase employee engagement to unlock new potential for resiliency and optimal performance. When your employees include deskless or hourly workers, unionized, full-time, part-time, or seasonal, WorkForce Software makes managing your global workforce easy, less costly, and more rewarding for everyone.

For more information, please visit www.workforcesoftware.com.