

641 WOODS CREEK DRIVE, SUITE B
SONORA, CALIFORNIA 95370

TELEPHONE (209) 532-5548
FAX (209) 532-0148



11833 POWDERHOUSE ROAD
POST OFFICE BOX 803
GROVELAND, CALIFORNIA 95321
TELEPHONE (209) 962-7832
(209) 532-7877
FAX (209) 962-6544

HEALTHY WORKPLACES, HEALTHY FAMILIES ACT OF 2014
(commonly known as Paid Sick Leave Act)

Legislation enacted in 2014 requires employers to provide paid sick leave benefits to their employees, effective July 1, 2015. (AB 1522 (Ch. 14-317); known as the Healthy Workplaces, Healthy Families Act of 2014) Below is a brief summary to familiarize you with the program requirements and help you to take appropriate action.

Program requirements

Employers must provide up to three days or 24 hours of paid sick leave to employees for use if the employee:

- Is ill;
- Must tend to an ill child, spouse/registered domestic partner, parent/guardian, grandparent, grandchild, or sibling; or
- Has a medical appointment for themselves or their family members.

It may also be used by victims of domestic violence, sexual assault, or stalking to obtain legal assistance, counseling, shelter, or other services.

The mandate applies to part-time as well as to full-time employees and to all employees, regardless of whether they are paid a set wage, hourly, by commission, or on a piece-rate basis. The only employees not included in the mandate are in-home supportive service workers, employees covered by certain collective bargaining agreements, and certain airline employees.

The benefits accrue at the rate of one hour for every 30 hours worked, paid at employee's regular rate of pay; factor 0.03333 per hour worked. (see Additional Information, below) Alternatively, an employer may provide the benefits up front at the beginning of a 12 month-period (calendar year or other designated 12-month basis).

Employees may use the benefits once they have worked at least 90 days. Seasonal and temporary employees are covered as long as they work for the employer for 90 days, whether not consecutive. Benefits may be used in hourly increments, although the employer may require that an employee take at least two hours.

Employers who have a paid time off (PTO) program or that already provide at least 3 days of sick day benefits may not have to change their policies as long as their current plan meets the accrual requirements and sick days are available after 90 days of employment. Additionally, the employer will have to meet the record keeping and notice requirements outlined below.

Unused sick days must be carried over (although the carryover can be capped at six days), but an employer is not required to pay more than three sick days per calendar year. By carrying unused sick days over, employees can use sick days at the beginning of the year.

Actions required

To comply with the new mandate employers must:

- Display a poster on paid sick leave where employees can read it easily;
- Provide written notice to employees with sick leave rights at the time of hire;
- Allow eligible employees to use accrued paid sick leave upon reasonable request, although an employer can limit the available paid sick leave benefits to three days (**Note:** Many attorneys question whether the employer may require written verification. The employer may not take any retaliatory action or require the employee to find a replacement.);
- Pay the benefit no later than the payday for the next regular payroll period after the sick leave was taken;
- Show how many days of sick leave an employee has available on an employee's pay stub or a document issued the same day as a paycheck; and
- Keep records showing how many hours have been earned and used for three years.

Penalties

Although the law does not allow an employee to sue directly for violations of the Act, the California Labor Commission may impose penalties. These include a penalty equal to three times the amount of paid sick pay withheld and additional administrative penalties varying from \$50 to \$4,000 per violation, depending on the nature of the violation.

Additional information

Payroll Frequency / Accrued Sick Leave Hours:

Monthly	5.8 hours per pay period
Semi-Monthly	2.9 hours per pay period
Bi-Weekly	2.7 hours per pay period
Weekly	1.3 hours per pay period

Additional information and resources are available on California's website under the Division of Labor Standards Enforcement at:

 Website

www.dir.ca.gov/dlse/ab1522.html

You may also want to contact an attorney to review your current policies and procedures to ensure that you are in compliance with the new law.

As always, feel free to give our office a call if we can be of any further assistance,

Sincerely,



ROBERT C. DAVIS, CPA