



# Missouri Voters to Decide on Minimum Wage Hikes and Paid Sick Leave: What's at Stake for Employers If "Proposition A" Passes this Election Day

Insights

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Missouri employers of all sizes could be significantly impacted if voters approve a state ballot initiative this Election Day that would gradually increase the minimum wage to \$15 per hour by 2026 and guarantee paid sick leave rights. Here's what you need to know about the extensive new compliance obligations you'll face if "Proposition A" passes on November 5.

**[Ed. Note: Missouri voters approved Proposition A on Election Day 2024.]**

## Minimum Wage Increase

If passed, Proposition A would amend state law to raise the minimum wage from \$12.30 per hour to:

- **\$13.75** per hour starting January 1, 2025; and
- **\$15.00** per hour starting January 1, 2026.

The minimum wage would then be subject to cost-of-living adjustments each January based on changes in the Consumer Price Index.

## Paid Sick Leave Requirements

If passed, Proposition A also would create paid sick leave requirements for businesses **of all sizes**. Beginning May 1, 2025, covered employees would be entitled to accrue and use "earned paid sick time" – meaning time off for certain qualifying purposes that is compensated at the same hourly rate and with the same benefits (including health care benefits) as they normally earn for hours worked. The state's Department of Labor and Industrial Relations (DOLIR) would have broad power to oversee and enforce these new rules, which are discussed further below.

## Covered Employers

Private employers of all sizes would be required to comply, except that:

- **some employers could be exempt** (such as any retail or service businesses whose annual gross volume sales made or business done is less than \$500,000) due to limited exceptions regarding

who is a covered “employee” under the new rules; and

- **the amount of accrued earned paid sick time that an employee would be entitled to use in a year would depend on the employer’s number of employees** (see below for more details), generally determined by counting all employees performing paid work in Missouri for the employer (whether on a full-time, part-time, or temporary basis).

### ***Covered Employees***

Covered employees would include any individual employed in Missouri by a private employer, subject to various limited exceptions.

### ***Using and Accruing Paid Sick Leave***

Employees would be entitled to use paid sick time as it accrues, **even if the employer does not provide immediate access to other paid benefits**. Alternatively, employers may choose to provide all of it upfront. Here are some other key points to know:

- **Annual Use Limit.** Employees would be entitled to *use up to 56 hours* (if the employer has 15 or more employees) or **up to 40 hours** (if the employer has fewer than 15 employees) of paid sick time per year, unless the employer selects a higher limit. An employer’s existing paid leave policy could potentially be used to satisfy these new rules.
- **Accrual Rate.** Covered employees would accrue a minimum of one hour of paid sick time for every 30 hours worked without a cap on the accrual amount. For salary-exempt employees, a 40-hour work week would be assumed for accrual purposes (unless the exempt employee’s normal work week is under 40 hours).
- **Accrued But Unused Time.** At the end of the calendar year, employers would be required to allow employees to carry over **up to 80 hours** of accrued but unused paid sick time into the following year. However, carryovers would not be required if the employer pays out accrued but unused amounts at the end of the calendar year and frontloads all paid sick time in the subsequent year. Employers would not be required to pay out accrued but unused time upon an employee’s termination, resignation, retirement, or other separation of employment (but any accrued but unused time must be reinstated if the individual is rehired within nine months).
- **Requests.** Employers would be required to provide paid sick time upon an employee’s request, without any condition on the employee to look for a replacement worker. Employees would be required to give notice in advance when the need for the request is foreseeable or as soon as practicable when it is not.
- **Permitted Increments.** Paid sick time would be required to be used in hourly increments or smaller time increments if the employer’s payroll system uses them to account for absences or use of other paid time off.

## ***Qualifying Reasons for Using Paid Sick Time***

Employers would be required to permit an employee to use paid sick time for defined qualifying reasons, such as the employee's own (or the employee's need to care for a family member with) mental or physical illness, closure of the employee's workplace (or the employee's need to care for their child whose school or place of care closed) due to a public health emergency, or to obtain certain services when the employee (or the employee's family member) is a victim of domestic violence. Notably, the qualifying reasons and covered family members extend far beyond those provided under the federal Family and Medical Leave Act.

For use of paid sick time of three or more consecutive workdays, an employer may require reasonable documentation from the employee that such time has been used for a qualifying reason.

## ***Additional Employer Rules***

Employers also would be:

- **prohibited from retaliating or discriminating** against an employee or former employee for exercising rights protected under the new earned paid sick time rules;
- **required to provide written notice to employees** and display a poster created by the DOLIR regarding earned paid sick time rights; and
- **required to retain records for at least three years** that document hours worked, earned paid sick time taken by employees, and **allow the DOLIR access to those records** with "appropriate notice and at a mutually agreeable time" to monitor employer compliance.

## ***Consequences of Violations***

An individual claiming that an employer has violated the earned paid sick time rules would have a right to file a suit against the employer within three years and could obtain relief such as reinstatement and backpay, the full amount of any unpaid earned sick time plus any actual damages, and liquidated damages equal to twice the amount of any unpaid earned sick time.

Any employer who is found to have willfully violated or failed to comply with the earned paid sick time rules would be considered guilty of a class C misdemeanor (or guilty of an infraction, for willful violations of the notice and posting requirements) – each day of violation or failure to comply for each employee affected would constitute a separate offense.

## ***Conclusion***

Missouri employers will be subject to sweeping new rules if voters decide to approve Proposition A on November 5 – including minimum wage hikes and extensive paid sick leave requirements starting next year. And voters across the country will decide on other ballot measures impacting the

workplace. We will continue to monitor whether Proposition A is approved and all developments related to workplace law with a focus on the 2024 elections. Visit our [Election Season Resource Center for Employers](#) to review all our thought leadership and practical resources. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney, any attorney in our [Kansas City office](#), or the author of this Insight.

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