

Don't Get the Ick! How to Prepare for New State Sick Leave Requirements in 2025

Insights 4.23.25

Over the past few years, we've seen a sharp increase in state-level legislation and ballot initiatives mandating employer-provided leave options for employees with strong voter support. 2024 brought us paid sick leave in Minnesota and Chicago, and a new paid leave law in Illinois. This year, there will be even more. If your company operates in multiple states with sick leave (or sick and safe leave) requirements, you already know it can be a headache to manage different paid sick leave amounts, accrual rates, frontloading options, purposes for leave, carry over allowances, increments of use . . . the list goes on. How can your company manage this patchwork of state laws?

State Sick Leave Laws Keep Employers on Their Toes

Fisher Phillips has covered the nuances of a variety of paid sick leave laws in the last several years. While not a comprehensive list, you'll want to make sure you are familiar with developments in these states if you have operations in any of these states:

<u>California</u>

Maryland

New Jersey

Connecticut

Massachusetts

• New York

Colorado

Michigan

Oregon

Delaware

Minnesota

Washington

Illinois

Missouri

Maine

Nevada

New State Paid Sick Leave Laws in 2025

This year paid sick leave laws in three new states are expected go into effect: Missouri, Alaska, and Nebraska. These three state laws have some similarities, but the laws also have differences that present a challenge or don't address an aspect of sick and safe leave at all.

Missouri's paid sick and safe leave law, effective May 1, will require employers to provide one hour of sick and safe leave for every 30 worked. The law is silent on maximum accruals but does make clear that employers can limit the amount of annual usage to 40 hours or 56 hours, depending on the headcount of employees in the state. The law allows carryover from benefit year to benefit year of up

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Note: As of date of publication, a legal challenge to Missouri's law that could delay or block the effective date is pending. We are tracking this litigation and will provide updates as necessary.

Meanwhile, **Nebraska's** paid sick leave law, effective October 1, will also require employers to provide one hour of sick leave for every 30 worked. But unlike Missouri, Nebraska's law has an annual cap of accrual of 40 hours or 56 hours depending on the company's total employee headcount and there is no limit on how many hours of paid sick leave can be carried over year to year. Like Missouri, Nebraska's law was adopted through a ballot initiative in November 2024.

Note: As of date of publication, a legal challenge to Nebraska's law that could delay or block the effective date is pending. We are tracking this litigation and will provide updates as necessary.

And don't forget about **Alaska**. Alaska's sick and safe leave law, effective July 1, will require employers to provide one hour of sick and safe leave for every 30 worked up to an annual accrual cap of 40 hours or 56 hours depending on the company's total employee head count. Like Nebraska, Alaska's sick and safe leave law does not limit how many hours of paid leave can be carried over from year to year. But unlike both Missouri and Nebraska, Alaska's law does not expressly allow employers to frontload paid leave.

Amended State Paid Sick Leave Laws in 2025

Although not totally new laws, 2025 also brought significant changes to two existing state paid sick leave laws: Connecticut and Michigan.

Changes to **Connecticut's** paid sick leave law were effective January 1, and expanded the application of the state's sick leave mandate. Prior to January 1, Connecticut's sick leave law applied only to hourly service industry employees working for businesses with 50 or more employees in the state. The new version of the law applies to almost all employees, with a three-year phase-in period based on employee headcount in the state.

The changes to **Michigan's** sick leave law had a lot of ups and downs since initially enacted in 2018. After legislative amendments, a legal challenge, and multiple court rulings, the original version of the law was reinstated to go into effect on February 21. There were multiple proposed legislative changes, and a final amendment was passed at 12:02am on February 21.

Michigan's sick leave law previously applied only to employers with 50 or more employees, whereas it now applies to all employers with at least one employee. The former sick leave law did not cover exempt employees or employees who worked less than 25 hours per week. The new law applies to all employees except federal workers. Perhaps most significantly, the new law changed the amount of sick leave required, from one hour of sick leave for every 35 worked up to 40 hours per year, to one hour of sick leave for every 30 hours worked. Employees may use up to 40 hours per year or 72 hours per year depending on a company's total headcount.

How Should Employers Manage All These Changes?

First, employers in Missouri, Alaska, and Nebraska should closely monitor their state legislature and state Departments of Labor for additional changes or guidance to be issued about these laws. As we recently saw in Michigan, there could be changes at any point before the law takes effect. Nevertheless, employers should prepare as if these laws will take effect as is. Here are some steps to take to prepare:

- 1. First, decide what version of the sick leave policy works best for your company. If you already operate in several states with paid sick leave and use the accrual method, it can be easier to stick with that method in new states. But at times a frontloaded method, where you give the year's allotment of leave at the beginning of the benefit year, can be easier to manage. You'll have to decide what works best and is easiest for your company.
- 2. Once you've settled on the details, **review and update your employee handbooks and policies**. Multi-state employers should consider whether separate state addenda addressing different state requirements or a single handbook with everything listed for every state works better for their company.
- 3. Ensure your **payroll system and absence system** is set up to capture these different state requirements. Some state laws include a requirement to have sick leave balances appear on paystubs.
- 4. Prepare for **notice or posting requirements**. Many states have workplace poster notices required in addition to the policy in the handbook.
- 5. **Train your managers** on state requirements such as when you can/cannot request supporting documentation to corroborate the need for leave. Also train them that, when in doubt, reach out to Human Resources.

Conclusion

Complying with so many different state sick and safe leave laws and their various nuances can be daunting, but there are benefits too. There is some compelling research that shows that paid sick leave leads to less occupational injury, less spread of illness, higher employee morale and job satisfaction, and improved employee retention.

Unless we see a federal-level initiative to provide paid leave, expect this trend of state and local level legislation to continue. Work with your Fisher Phillips attorney on how to best prepare your company for these new legal requirements and potential future changes. If you have further questions, contact your Fisher Phillips attorney or the authors of this Insight. We will continue to monitor developments in this area and provide updates as warranted, so make sure you are subscribed to Fisher Phillips' Insight System to get the most up-to-date information direct to your inbox.

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