



Missouri Paid Sick Leave to Take Effect May 1: An Employer's Compliance Checklist

Insights

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Missouri employers of all sizes will need to guarantee their workers paid sick leave rights as of May 1 after the Missouri Supreme Court declined to set aside the results of a state ballot initiative. Here's what you need to know about the extensive new compliance obligations you'll face as the second phase of "Proposition A" kicks in for employers across the state – and a handy checklist to make sure you are in compliance.

Minimum Wage Increase – Already in effect January 1, 2025

Proposition A amended state law to raise the Missouri 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 will then be subject to cost-of-living adjustments each January based on changes in the Consumer Price Index.

Paid Sick Leave Requirements

Proposition A also creates paid sick leave requirements for businesses **of all sizes** beginning May 1, 2025. Starting that day, covered employees are 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) will have broad power to oversee and enforce these new rules, which are discussed further below.

Covered Employers

Private employers of all sizes will 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 will be entitled to use in a year will 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 will include any individual employed in Missouri by a private employer, subject to various limited exceptions. This includes part-time, seasonal, and other categories of workers that may not have been covered under company's prior paid leave policies.

Using and Accruing Paid Sick Leave

Employees will 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 an employee's anticipated accrual upfront. Here are some other key points to know:

- **Annual Use Limit.** Employees will 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 will 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 will 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 benefit year, employers will 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 will not be required if the employer pays out accrued but unused amounts at the end of the benefit year and frontloads all paid sick time in the subsequent year. Employers will 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 will 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 will 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 will 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 will 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 are:

- **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 MO 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 MO 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 will 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 will 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.

FP's Missouri PSL Compliance Pack Available Now!

For just \$350, the FP Kansas City office is offering employers a PSL Compliance Pack to fully provide you with policy options to assist you with following the new law. You'll receive a detailed 16-page packet with a comprehensive FAQ and five sample policies to adapt for your own circumstances. Contact ncollins@fisherphillips.com to acquire your pack today.

Missouri Paid Sick Leave: Employer Compliance Checklist

If you choose to go it alone, here is a compliance checklist to follow.

✓ **Determine Applicability**

- ☐ Confirm if your business qualifies as a covered employer under the new law.
 - Exemptions may apply for businesses with less than \$500,000 in annual gross revenue (among others).
- ☐ Identify all covered employees working in Missouri, including part-time and temporary workers.

✓ **Review and Update Your Sick Leave Policy or Modify an Existing PTO Policy**

- ☐ Ensure your policy allows employees to accrue one hour of paid sick leave per 30 hours worked.
- ☐ Verify that employees can:
 - Use up to 56 hours/year (if you have 15+ employees) or
 - Use up to 40 hours/year (if fewer than 15 employees), unless you offer more.
- ☐ Check if your existing PTO or sick leave policy meets or exceeds new requirements.
- ☐ Decide whether to frontload time or use the accrual method.
- ☐ Establish a process for carrying over up to 80 hours of unused paid sick time, unless you opt to pay out unused time and frontload the next year.

✓ **Adjust Timekeeping and Payroll Systems**

- ☐ Update systems to:
 - Track hours worked for accrual purposes
 - Reflect accrued and used sick time in hourly increments or smaller
- ☐ Ensure salaried exempt employees accrue based on a 40-hour week (or fewer if regularly scheduled).

✓ **Prepare for Leave Administration**

PTO : _____

☐ Train managers and HR to:

- Accept employee requests for paid sick leave
- Not require replacement workers as a condition of approval
- Recognize qualifying reasons for leave, including public health emergencies and domestic violence

☐ Set up a process to handle documentation requests for absences of three or more consecutive days, ensuring they are reasonable and confidential.

✓ **Implement Required Notices and Posters**

☐ Provide each employee with a written notice about their rights under the new law within the required time periods.

☐ Display the official MO DOLIR poster in a visible location at each worksite.

✓ **Maintain Records for Compliance**

☐ Retain records for at least three years documenting:

- Hours worked
- Sick time accrued and used

☐ Ensure systems allow for MO DOLIR access upon reasonable request.

✓ **Update Handbooks, Onboarding, and Internal Communications**

☐ Revise employee handbooks and new hire packets to reflect the new sick leave policy.

☐ Communicate changes to all staff.

✓ **Monitor for Retaliation Risks**

☐ Educate leadership and supervisors that retaliation is prohibited against employees who use or request earned paid sick time.

Conclusion

If you have questions, contact your Fisher Phillips attorney, any attorney in our [Kansas City office](#), or the authors of this Insight. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information.

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