

# Missouri Lawmakers Vote to Repeal Paid Sick Leave: What Employers Need to Know

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Just weeks after a new earned sick leave law took effect, Missouri lawmakers voted yesterday to repeal it – upending compliance plans and raising fresh questions for employers across the state. The state senate repeal measure that overturns a 2024 voter referendum passed largely along party lines on Wednesday and is now headed to the governor's desk, where it is expected to be approved in the near future. It also will scrap the planned cost-of-living increases to the new state minimum wage, which will rise to \$15 on January 1, 2026. Read on to understand what's happening, how you should respond, and what could come next.

[Editor's Note: The state senate repealed the paid sick leave law and the planned cost-of-living increases to the new state minimum wage on May 14. We await the governor's action. Read here for more information about this development.]

## **Quick Recap: What Just Happened?**

- On May 14, the Missouri Senate passed <u>House Bill 567</u>, which repeals the paid sick leave provisions of Proposition A a voter-approved initiative from November 2024 that required employers to provide one hour of paid sick leave for every 30 hours worked.
- The measure had only recently taken effect on May 1, as we recently detailed.
- The repeal bill also rolls back Proposition A's cost-of-living wage increases that were slated to take effect starting in January 2027 and each January thereafter, adjusting the state's minimum wage after it rises to \$15/hour on January 1, 2026.
- The Senate used a rarely invoked parliamentary procedure to end debate and push the vote through, a move that <u>sparked walkouts</u> and <u>political backlash</u> but ultimately cleared the path to passage.
- The bill now awaits Governor Mike Kehoe's signature. If signed as expected, the paid sick leave law repeal will take effect on **August 28**, and there will be no cost-of-living adjustments to the minimum wage after it rises to \$15/hour at the turn of the year.

# What Employers Should Do Right Now

Even though the repeal hasn't yet taken effect, employers should begin preparing for potential

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## 1. Maintain compliance - for now.

Until August 28 (or if the governor does not sign HB 567), the paid sick leave mandate under Proposition A remains the law. You should continue to accrue and allow usage of sick leave as required.

## 2. Revisit your sick leave policies.

If the repeal goes into effect, you'll no longer be obligated under state law to offer paid sick leave. However, many employers may choose to retain or modify their current policies for competitive, cultural, or compliance reasons (especially if operating in cities with local rules or federal contract obligations).

# 3. Communicate clearly.

Any changes to your policies should be communicated in writing, with reasonable notice. Sudden takeaways, even if legally permissible, can damage morale and risk employee relations issues.

#### 4. Coordinate across functions.

HR, legal, payroll, and compliance teams should all be looped in. This is especially important if your systems were recently reconfigured to track leave accrual under the new rules.

# What Happens Next?

# ■ Governor's Signature Likely

Governor Kehoe is expected to sign the repeal, though no formal statement has been issued. Assuming he does, August 28 becomes the key effective date for employers.

#### **ぬ Legal Challenges Possible**

Since the original sick leave mandate and cost-of-living adjustment was enacted by voters through a ballot measure, <u>some legal experts and lawmakers</u> are questioning whether the legislature has the authority to repeal it outright. We expect to see legal challenges seeking to block the repeal before it takes effect.

#### □ Policy Volatility Ahead

Missouri businesses are now operating in an environment of sharp policy swings. What was required in April, implemented in May, and now repealed just weeks later may still be litigated in the months ahead. Employers should plan with caution and remain nimble.

#### Final Takeaway

For now, employers must stay the course under the existing law, while also preparing for repeal, litigation risk, and more uncertainty to come. Want to stay ahead of the next move? We'll continue monitoring developments and provide updates as they unfold, so make sure you are subscribed to <u>Fisher Phillips' Insight System</u> to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney, any attorney in our <u>Kansas City office</u>, or the authors of this Insight.

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**Darian Doser** Associate 816.460.0200 Email



Samantha J. Monsees Partner 816.842.8770 Email



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Harper Palmer Associate 816.460.0203 Email

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