

# Pittsburgh Ramps Up Paid Sick Leave Rules: What Employers Need to Know About the Changes and How to Comply

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Pittsburgh employers will be required to provide significantly more paid sick leave starting in 2026, thanks to a city ordinance signed by Mayor Ed Gainey earlier this month. The new rules, which take effect January 1, increase not only the rate at which employees can accrue paid leave time but also the total amount of paid leave that they can earn each year. We'll cover what's changing, how you should prepare for the new rules, and other employer best practices for paid sick leave compliance.

#### **Quick Background**

- **History.** Pittsburgh's <u>Paid Sick Days Act</u> (PSDA) was enacted in 2015 but was not implemented until March 2020 due to legal challenges brought by local businesses and business groups regarding the validity of the ordinance. The Supreme Court of Pennsylvania ultimately upheld the PSDA soon before it took effect.
- Overview. The PSDA which applies to any entity employing at least one person within Pittsburgh's city limits, regardless of the employer's physical location – requires covered employers to (among other things) allow employees to accrue paid sick time and use it for certain approved reasons.

# What's Changing?

The <u>new Pittsburgh ordinance</u> enacted June 10 amends the PSDA by increasing the total amount of leave that employees can earn and requiring employers to increase the rate at which leave is accrued. Here's what's changing on January 1:

- Faster Accrual Rate. All workers, regardless of employer size, will be entitled to earn at least one hour of paid sick time for every 30 hours worked in Pittsburgh. (Under the existing rules, employees may only earn one hour of paid sick time for every 35 hours worked in the city.)
- Annual Accrual Maximum Nearly Doubled (Employers with 15 or More Employees). Under the new rules, an employee may earn up to 72 hours of paid sick leave each year a major bump from the current annual maximum of 40 hours.
- Annual Accrual Maximum Doubled (Employers with Fewer Than 15 Employees). The annual
  cap for employees of such smaller employers will jump from 24 hours to 48 hours.

#### How Pittsburgh Employers Should Prepare for the PDSA Changes

- Consider whether the increase in available sick time warrants other changes to your leave
  policy. For instance, if your company has been frontloading sick leave, should you move to an
  accrual method? Also consider whether changes to cash out policies or notice requirements are
  warranted.
- Revise notices, policies, and handbooks. Although legal challenges delayed the implementation
  of the 2015 legislation, similar delays are less likely here. Employers should update their
  postings and policy documents before the January 1 effective date.
- Ensure your payroll system is set up to accurately track accrued and used time. Prepare to implement the adjusted accrual rates. For employers with non-hourly employees, work with counsel to verify that you are calculating the base rate of pay in accordance with PSDA's regulations.
- **Provide updated training.** With workers entitled to more paid sick leave, supervisors are likely to encounter more frequent requests for time off. Ensure that they are aware of the permissible uses of sick leave, know they can require a doctor's note, and are familiar with the non-retaliation provisions of the PSDA.

# **General Best Practices for Paid Sick Leave Compliance**

1. Confirm that your leave policy complies with other PSDA requirements.

In addition to providing a minimum amount of paid sick leave, the PSDA also requires employers to:

- post notices advising employees of their rights under the ordinance;
- permit the carry-over of unused time, or front load the full amount;
- allow employees to use their sick time to care for family members or seek. preventative care;
   and
- permit new employees to begin using sick time after 90 days of employment.

### 2. Ensure that your leave policy is comprehensive to avoid default rules applying.

The PSDA permits employers to set their own policies regarding things like minimum notice requirements and minimum use increments. Employers may also establish any 12-month period as the regular calendar year. But if employer policies are silent on these details, they will default to the ordinance. For instance, if your policy is silent on minimum notice requirements, your employees are permitted to call off up to an hour before their start time.

#### 3. Don't Forget About Other Sick Leave Rules

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, new paid sick leave laws are expected to go into effect in Missouri, Alaska, and Nebraska. (Read more here: Don't Get the Ick! How to Prepare for New State Sick Leave Requirements in 2025.)

While Pennsylvania currently does not have any statewide paid sick leave requirements, lawmakers introduced a bill last year that would have given employees earned paid leave rights had it been passed and signed into law. Given the momentum building in this area in other states, look out for the state legislature to potentially consider similar legislation in the coming year. Also, keep in mind that <u>Allegheny County has its own paid sick leave mandate</u>.

Paid sick leave laws are nuanced, so make sure to work with counsel to ensure you stay compliant.

#### Conclusion

We'll monitor developments in this area and provide updates as warranted, so make sure you are subscribed to the <u>Fisher Phillips' Insight System</u> to get the most up-to-date information. If you have any questions about how these issues may impact your business, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in <u>our Pittsburgh office</u>.

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