This letter is to inform you of the passage of SB 616 (Gonzalez) the latest revisions to the Healthy Workplaces, Healthy Families Act of 2014 (act) Sick Days: Paid Sick Days Accrual and Use. This act excludes specified employees covered by a valid collective bargaining agreement. This bill was signed into law by Governor Gavin Newsom on October 4, 2023, and went into effect on January 1, 2024, requiring employers to provide 5 days or 40 hours of paid sick leave to their employees.

## Employee Entitlement:

- An employee who works for 30 or more days within a year from the beginning of employment is entitled to paid sick leave.
- Paid sick leave accrues at the rate of one hour per every 30 hours worked, paid at the employee's regular rate. Accrual shall begin on the first day of employment. Accrued paid sick leave shall carry over to the following year of employment and may be capped at 80 hours or 10 days.
- An employer can also provide 5 days or 40 hours, whichever is greater, of paid sick leave "up-front" at the beginning of a 12-month period. No accrual or carryover is required.


## Employee Usage:

- An employee may use paid sick days beginning on the $90^{\text {th }}$ day of employment.
- An employer shall provide paid sick days upon the oral or written request.
- An employer may limit the use of paid sick days to 40 hours or five days, whichever is greater, in each year of employment.

To help clarify questions you may have, see the Department of Industrial Relations answers to questions that are frequently asked about California's Paid Sick Leave Law. Attached is a poster that must be displayed where employees can easily read it. How employers provide this leave depends on what kind of plan is adopted by the employer.

## Employer Options for Accounting of Accrual and Use of Sick Leave

## Option 1: Alternative Accrual Rates

- Amends this accrual exception to require that, in addition, employees have accrued no less than 40 hours (or 5 days) of leave by the 200th day of employment and that same amount by the 200th day in each subsequent year.


## Accrual and Carryover

- Increases the cap to 80 hours or 10 days - whichever is greater.


## Option 2: Frontloading

- Increases the frontload requirement to 40 hours or 5 days - whichever is greater.


## Timing of the Frontload Distribution

- In addition to providing the frontloaded 24 hours or 3 days of paid leave for the employee to use by the $120^{\text {th }}$ day of employment, employers must also ensure that the employee has no less than a total of 40 hours or 5 days of paid leave for the employee to use by the time they complete their 200th day of employment. Accordingly, this new provision essentially allows employers to provide the frontloaded amount in a piecemeal fashion rather than provide the entire lump sum at one time.
- For example, the employer can provide 24 hours or 3 days by the $120^{\text {th }}$ day of employment and an additional 16 hours or 2 days by the $200^{\text {th }}$ day of employment.

The DAA should review its current paid sick time policy or paid time off policy to ensure that eligible employees are receiving sufficient paid sick time by January 1, 2024. The DAA sick time policy should clarify if the Accrual method or Frontloading method is being used by the employer.

If you have any questions, please contact Mike Francesconi, at (916) 900-5368.
Sincerely,


Mike Francesconi
Branch Chief
Enclosure

