

## Action Required: Arizona Passes Paid Sick Leave Legislation

On November 8, 2016, voters passed the Fair Wages and Healthy Families Act requiring Arizona employers to provide paid sick leave to all employees. Arizona now joins California, Connecticut, Massachusetts, Oregon, and Vermont in enacting a statewide paid sick leave law.

### Eligibility

The law goes into effect on July 1, 2017, and applies to nearly all private employers, regardless of size, operating in Arizona, with exclusions for state and federal employees.

### Leave accrual and carryover

Beginning July 1, 2017, the amount of sick leave provided to employees depends on the size of the employer. Arizona employers with 15 or more employees must allow employees to accrue at least 40 hours of paid sick leave in a 12-month period. Employers with fewer than 15 employees must allow employees to accrue at least 24 hours of paid sick leave in a 12-month period.

Under the law:

- All employees, regardless of status, including full-time, part-time, and temporary, shall begin accruing paid sick leave beginning July 1, 2017, or upon hire, whichever is later.
- Employees may use paid sick leave as it accrues. Employers may require a 90-day waiting period for employees hired after July 1, 2017, to use accrued sick leave.
- Regardless of employer size, employees must accrue sick leave at a rate of at least one hour for every 30 hours worked.
- Unless the employer front-loads or grants the full amount of sick leave to employees at the beginning of the year, all unused, accrued sick leave shall carry over at the end of the 12-month period.
- The law does permit employers to pay out unused, accrued sick leave in lieu of carryover to the following year. However, employers who voluntarily pay out unused sick leave are obligated to front-load the full amount of sick leave at the start of the following year.
- All accrued paid sick leave must be reinstated if an employee is rehired within nine months.

### What sick leave can be used for

Employees will be able to use accrued sick leave for the following reasons:

- To deal with their own mental or physical illness, injury or health condition, or if they need to seek medical diagnosis, treatment, or preventative care;
- To deal with a family member's mental or physical illness, injury or health condition, or the family member's need to seek medical diagnosis, treatment, or preventative care;
- Closure of the employee's workplace due to a public health emergency, or an employee's need to care for a child whose school or place of care has been closed due to a public health emergency;
- When an employee or their family member's "presence in the community may jeopardize the health of others" due to exposure or suspected exposure to a communicable disease; or
- Absences due to domestic violence, sexual violence, abuse, or stalking of an employee or employee's family member, as these terms are defined in the statute, if the leave is to address the psychological, physical, or legal effects on the employee or the employee's family member.

**Note:** Family member is broadly defined as a spouse or legally registered domestic partner; a grandparent, grandchild, sibling, or person who stood in loco parentis of an employee or his or her spouse or domestic partner; a biological child, adopted child, foster child, stepchild, of the employee or the employee's spouse or domestic partner; a child to whom the employee or employee's spouse or domestic partner stands or stood in loco parentis, regardless of age; and any other individual related by blood or affinity whose close relationship is the equivalent of a family relationship.

### Requesting sick leave

An employee may request sick leave verbally, in writing, or electronically. When foreseeable, employees must provide advanced notice and express their expected duration of leave.

Employers may request reasonable documentation from an employee when their request is for three or more consecutive work days. In most cases, reasonable documentation is certification signed by a health care professional.

### Notice and recordkeeping requirements

Employers are required to post a general notice in a conspicuous place notifying employees of their rights. Employers must also notify employees in writing of their rights by July 1, 2017, or date of hire, whichever is later. Written notice to employees shall include:

- Paid sick leave entitlement and accrual rate;
- Terms of use of leave;
- That retaliation against employees for requesting or using paid sick leave is prohibited;
- An employee's right to file a complaint if the employer unlawfully denies paid sick leave or subjects the employee to retaliation;
- The contact information for the state agency where questions about rights and responsibilities can be directed, and;
- Employer's business name, address, and phone number.

In addition to posting the notice and providing employees with written notice, employers must either record in or attach to, an employee's regular paycheck: (1) the amount of paid sick leave available, (2) paid sick leave taken to date in the year, and (3) the amount of pay received.

### Next steps for employers

- You must comply with these changes by July 1, 2017.
- Update your employee handbooks with this new policy:
  - If you have not previously offered sick leave to employees, you will be required to do so and should create a new policy to comply with these provisions.
  - If you already provide sick leave, review your current policies to make sure they comply with the provisions of the new law.
  - If you already provide all employees with sick or paid time off (PTO) benefits that exceed the requirements of the law, you do not need to implement a new policy, but may need to adjust your policy to allow a carryover to comply with the state regulations.
- You must post a notice in your workplace notifying employees of their rights.



- Work with your payroll provider to determine how to comply with the recordkeeping provisions; if HR Knowledge is your payroll provider, please contact your Client Account Manager.
- If you are one of our full-service clients, we will work with you to review your current PTO policies or provide you with sample language to ensure they are compliant with these new regulations. If you have any questions about how this new law interacts with your existing policies or affects your business, please [contact us](#).

*This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this advisory, please contact HR Knowledge at 508.339.1300 or [email us](#).*