Paid Sick Leave Mandated for Many Employers in New York City

Article By:

Michelle Seldin Silverman

Approximately one million employees will gain the right to five sick days per year beginning April 1, 2014.

On June 27, the New York City Council overrode Mayor Michael Bloomberg's veto of the New York City Earned Sick Time Act (the Act) and joined Portland, Oregon; San Francisco; Seattle; Washington, D.C.; and Connecticut in requiring paid sick leave for employees. Part of a growing trend toward providing paid leave, the Act is projected to provide an estimated one million workers with up to five paid sick days annually.

While the first phase of the Act will not become effective until April 1, 2014, employers in New York City should revisit their policies and procedures well in advance of this date to ensure compliance going forward.

Summary of the Act

On May 8, the New York City Council passed the Act, which requires many employers^[1] in New York City to provide their employees with paid sick leave. Detractors, including Mayor Bloomberg, warned of the law's "deleterious effects on businesses," with the Mayor vetoing the Act on June 7. However, the measure was passed by a margin sufficient to override the Mayor's veto, and the City Council ultimately overrode the veto.

The Act will take effect on April 1, 2014 for covered employers with at least 20 employees "within the city of New York." The coverage of the Act will expand on October 1, 2015 to include employers with at least 15 employees.

Under the Act, employees who work more than 80 hours in a year—including full-time, part-time, and temporary/seasonal employees—will accrue "sick leave" at a rate determined by the number of hours worked. Specifically, employees will accrue one hour for every 30 hours worked and are entitled to 40 hours (the equivalent of five working days) per calendar year. While accrued but unused sick leave may be carried over from year to year, an employee may only use 40 hours of leave per calendar year.

It is worth noting that, despite being characterized as a paid **sick** leave measure, the Act actually covers a broad category of absences, including the following:

- Absences due to the employee's own mental or physical illness, injury, or health condition
- Absences due to the medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition or the need for preventive medical care for an employee or family member
- Closure of an employee's place of business or an employee's child's school or childcare provider due to a public health emergency

The Act does permit employers to require reasonable notice and reasonable documentation in certain circumstances. In turn, employers must give employees notice of their rights under the Act at the time of hire, and, in addition, notice must be conspicuously posted at the employer's place of business. Furthermore, employers must maintain, and make available for inspection, records documenting compliance with the Act for at least two years. Violation of the Act by an employer can result in substantial monetary fines.

Impact on New York City Employers

The Act has garnered a great deal of publicity and media attention, and employers should expect employees to be aware of their new rights. Accordingly, employers should assess their compliance with the Act and ensure they understand how the Act will impact and interact with their existing sick time/leave policies.

[1]. Employers who are classified in the manufacturing sectors of the North American Industry Classification System as well as federal, state, and city employers are exempted from coverage under the Act.

Copyright © 2025 by Morgan, Lewis & Bockius LLP. All Rights Reserved.

National Law Review, Volume III, Number 178

Source URL:<u>https://natlawreview.com/article/paid-sick-leave-mandated-many-employers-new-york-city</u>