Missouri Paid Sick Time Law Still Stands After State Supreme Court Ruling

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On April 29, 2025, the Supreme Court of Missouri upheld Proposition A, the voter-approved initiative that mandates paid sick time and raised the minimum wage.

Quick Hits

- The Supreme Court of Missouri recently upheld Proposition A that raised Missouri's minimum wage on January 1, 2025, and requires employers provide paid sick time to most Missouri employees, starting May 1, 2025.
- The court found that the summary statement and fiscal note in the 2024 ballot measure were not misleading and did not result in election irregularities.
- The court dismissed arguments that the initiative violated the Missouri constitution's "single subject" and "clear title" requirements because the court lacked jurisdiction to address those claims.

After Proposition A <u>passed</u> on November 5, 2024, several voters challenged the ballot measure, claiming the summary statement and fiscal note were misleading and the measure violated the Missouri constitutional requirements of "single subject" and "clear title." They argued that the summary statement did not provide sufficient information about the sick time provisions, and the fiscal note summary was insufficient and unfair because it did not accurately identify the costs to private businesses and local governments. The contestants also claimed the ballot initiative violated the Missouri constitution's "single subject" and "clear title" requirements.

The court rejected the voters' arguments that the summary statement and fiscal note were misleading and cast doubt on the fairness of the election. The court held that, for a summary statement to be sufficient and fair, it must be "adequate and state the consequences of the initiative without bias, prejudice, deception, or favoritism." A summary statement does not need to describe all the details of a proposal. The court also concluded the ballot measure was not misleading, and the plaintiffs did not demonstrate that there was an irregularity of sufficient magnitude to cast doubt on the election's validity and fairness. The court also concluded that it lacked jurisdiction to address the constitutional challenges to the validity of Proposition A because the challenge did not relate to the election process. The court dismissed the constitutional challenges without prejudice.

Background on Proposition A

Proposition A raised the minimum wage to \$13.75 per hour, effective January 1, 2025, and requires employers to provide workers one hour of paid sick time for every thirty hours worked. Employees will begin earning paid sick time on May 1, 2025.

The paid sick time mandates apply to most Missouri employers except federal government entities, state government entities, and public schools. Private retail and service businesses whose annual gross volume sales is less than \$500,000 are also exempt from the paid sick time requirement.

Employees can use the paid sick time when:

- they or a family member have a physical or mental illness, injury, or health condition;
- they or a family member require medical care, a medical diagnosis, treatment, or preventive healthcare services;
- their place of employment has been ordered closed by a public official due to a public health emergency;
- they need to care for a child whose school district has been ordered closed by a public official due to a public health emergency; or
- they need to attend to matters relating to domestic violence, sexual assault, or stalking.

The statute does not limit an employee's annual accrual of paid sick time, but the law allows employers with fifteen or more employees to limit the use of paid sick time to fifty-six hours per year, and limit carryover of unused hours to no more than eighty hours. (Employers with fewer than fifteen employees can limit annual paid sick time to no more than forty hours, and carryover to no more than eighty hours.) An employer does not have to provide additional paid sick time if it already has a paid time off (PTO) policy that meets the accrual requirements in the state law and allows the use of PTO under the same conditions provided by the statute. The law prohibits employers from retaliating against a worker for using paid sick time as outlined by the law, which may include discipline or points for attendance violations associated with the use of paid sick time.

Next Steps

Private employers in Missouri must comply with the state's new paid sick time requirement by May 1, 2025. Employers that have a compliant paid time off policy can continue to allow employees to use time under their policy for all reasons covered by the law.

Employers that do not currently offer paid time off that meets the requirements of the statute may wish to consider whether to implement a paid sick time policy on a long-term basis or a short-term, temporary basis, which may provide more flexibility for compliance until some of the uncertainties surrounding paid sick time in Missouri have been resolved.

Finally, Missouri employers may want to watch pending legislation that could affect the paid sick time law. The Missouri legislature is considering multiple bills that would amend or repeal Proposition A, including the paid sick time mandate. In particular, <u>HB 567</u> passed the House of Representatives and is stalled in the Senate as legislators from both parties try to reach a compromise on the final terms of the bill. If enacted, HB 567 could substantively affect the paid sick time statute, including key provisions, such as the effective date; rate of accrual; reasons for use; exemptions; and limits on accrual, use, and carryover.

The state legislative session will end on May 16, 2025, so legislators have just over two weeks to present a substitute bill for a vote.

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National Law Review, Volume XV, Number 120

Source URL: https://natlawreview.com/article/missouri-paid-sick-time-law-still-stands-after-state-supreme-court-ruling