

AB 1522 Requires California Employers to Update Paid Sick Leave Policies

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On September 10, 2014, Governor Brown signed [AB 1522](#) into law (the “**Healthy Workplaces, Healthy Families Act of 2014**”). The new law requires many California employers to provide paid sick leave benefits to their employees.

Action Required for California Employers

Although the new law is not effective until July 1, 2015, employers in California will need to begin carefully reviewing any sick leave or paid time off policies, as well as payroll and wage statement practices regarding such time off. The law also requires changes to the employer’s new-hire employee notice, a different workplace-posting requirement, and recordkeeping mandates.

In short, the new law requires the following:

1. Employees who work 30 or more days within a year from the commencement of their employment are now entitled to accrue paid sick days at a rate of “no less than one [1] hour for every 30 hours worked.” This means that a full-time employee who works 40 hours per week would be entitled to accrue up to 8.6 days of paid sick time off per year. The total number of accrued sick days will depend on the number of hours per week that an employee is normally scheduled to work.
2. Employers may chose to limit the employee’s annual use of paid sick leave benefits to 24 hours or 3 days per year. Similarly, the employer may chose to limit the annual amount of accrued paid sick leave to 48 hours or 6 days per year. In other words, although a full-time employee working 40 hours per week can accrue up to 8.6 paid sick days, the employer may cap the amount of paid sick benefits used to 24 hours or 3 days and limit the overall annual accrual amount to 48 hours or 6 days.
3. The rate of pay for paid sick leave is the employee’s regular hourly wage (which includes commission or piece rate pay), and employers must pay out sick leave benefit payments to employees no later than the payday for the next payroll period after the sick leave was taken.
4. Employers are required to provide written notice on the designated pay dates that sets forth

the amount of paid sick leave benefits available to the employee. This notice may be given to the employee on either the itemized wage statement or a separate written document.

5. The law contains various exclusions, and has specific provisions that apply where an employer already provides paid time off.

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