PAID SICK LEAVE LEGISLATION CONTINUES

For the past few years, paid sick leave legislation has been introduced at the State Capitol. This year House Bill 1727 passed and crossed over to the Senate. The Chamber has heard from numerous small businesses about the difficulties of keeping up with rising costs and mandates, which is why we continue to provide testimony stating our position on this bill.

While we understand and can appreciate the intent of this bill and the perspectives of its supporters, our overall goal is to build a healthier economy so that businesses can continue to create and sustain jobs, and provide employee benefits beyond what is mandated. Here is an overview of the bill.

Who is Eligible?
• Employees who work in the state for more than 680 hours in a year and meet certain minimum wage criteria.

• Employees who work for employers with more than 50 employees are not eligible.

Number of Benefit Hours Per Year
• Eligible employees will accrue a minimum of one hour of paid sick leave per every 40 hours worked, but cannot accrue more than 40 hours in a calendar year, unless an employer provides a higher limit.

• Eligible employees will be able to use accrued paid sick leave after 750 hours of work.

Eligible Family Members
• Bill effectively establishes paid family leave for minimum wage employees by broadening the use of sick leave to apply to family members with a mental or physical illness, injury or health condition; care of a family member who needs a medical diagnosis, care or treatment of a mental or physical illness, injury or health condition; or care of a family member who needs preventative medical care.

• Bill further broadens eligibility by providing that paid sick leave can be utilized if the employee’s workplace is closed due to a public health emergency, care for a child is required due to the closure of the child’s school or place of care because of a public health emergency or care for a family member whose presence in the community would jeopardize the health of others due to a communicable disease.

Eight states (AZ, Calif, CT, MD, MA, OR, VT, and WA) and Washington, D.C. currently require paid sick leave, with RI joining the ranks later this year. A study published by Dr. Thomas Ahn at the University of Kentucky in 2016 found that one-third of surveyed businesses in Connecticut, had reduced other employee benefits to account for the mandated costs, one-fifth had raised prices and another nearly one-fifth reduced hours or staffing levels.

This study also found that paid sick leave laws may negatively affect younger employees, who are less likely to have such a benefit currently.

While numerous other surveys point to the positive and negative impacts of paid sick leave implementation, respondents often point to the negative impact on revenue, difficulty understanding legal requirements, difficulty with administrative compliance and delaying or reassigning work responsibilities, and predicting absenteeism for employers who both supported and opposed paid sick leave policies.

The Chamber will continue advocating for business on this bill and keep members apprised on this and other legislation that impact business.