

# Paid Sick Leave

## Important information regarding new laws



A WHITE PAPER PROVIDED BY ULTIMATE STAFFING SERVICES

California is one of three states to enact Paid Sick Leave statewide, starting July 1, 2015. The new legislation applies to part-time and full-time employees, including temporary workers. Paid Sick Leave for Ambassadors (our temporary workers) on assignment is included in Ultimate Staffing's services.

As an industry leader, we have sophisticated technology and processes to handle paid sick leave for our Ambassadors. Our business partners can rest assured that our Ambassadors receive sick leave in accordance with the law."

Ultimate Staffing has you covered when it comes to our Ambassadors, but we also know that new laws can be quite complex. Ultimate Staffing wants you to be informed, not only in regards to our Ambassadors, but also with your own internal employees and any other temporary employees you may use. Ultimate Staffing is proud to offer you a comprehensive summary of the new legislation.

The Healthy Families Act of 2014 requires California employers to provide paid sick days, including those who hire temporary employees to work on temporary assignments, as of July 1, 2015. This means that employees will be compensated at their

regular rate of pay when they take a sick day, if they have accrued paid sick hours.

Several other cities and states have already enacted paid sick leave. According to the National Partnership for Women & Families, proponents of these paid sick leave laws say that businesses have seen little to no effect on profitability, with very few instances of abuse. They have noted improved employee morale and productivity, along with a reduction in employee turnover. Employees are also less likely to spread illness to one another. However, this is uncharted territory for California and the nation, and can be difficult to navigate.

### THE BASICS

#### Eligibility & Usage

Temporary, part-time, and full-time employees working in California are eligible for paid sick leave, with limited exceptions.

An employee is entitled to sick leave for the diagnosis, care, and treatment of existing health conditions, along with preventative care. Paid sick leave can be used for themselves, or to care for their family members. The law defines a "family member" as the employee's child (including biological, adopted, foster, stepchild, legal ward or in loco parentis), spouse, registered domestic partner, parent, or parents of spouse or registered domestic partner, grandparent, grandchild or sibling. Employees who are victims of domestic violence, sexual assault, or stalking can use paid sick leave to obtain any relief, including restraining orders, or other injunctive relief.

An employee may request paid sick leave verbally, or through a written request, and is not required to find a replacement. No retaliation may be taken against an employee for utilizing paid sick leave.

Employees are entitled to begin accruing paid sick leave starting July 1, or the commencement of employment if later than July 1. Employees may use accrued paid sick time after the 90th day of employment.

#### Accrual v. Annual

Employers are allowed to choose between two options to provide the benefit: an Accrual System or an Annual Grant.

Under the Accrual System, employees will earn 1 hour of paid sick leave for every 30 hours worked. Employers may limit the amount of sick days an employee can use to 24 hours, or 3 days of paid sick leave per year of employment, regardless of whether they have accrued more sick leave. Unused paid sick days will carry over to the following year of employment, but accrual of hours may be capped at six days or 48 hours. Employers must show on their employees' pay stubs (or a document issued the same day as their paychecks) how many hours of sick leave each of their employees has available.

Under the Annual System, an employer can provide a minimum of 24 hours or 3 days of sick leave at the beginning of each year or 12-month period of employment. Under this system, employers are not

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required to track accrual, but do need to track and display usage on employees' wage statements. Employers are not required to provide carryover for leave, if they use this method.

If an employer already has a paid sick leave or paid time off plan, it may be compliant with the law as long as the policy provides at least the minimum amount of accrual, carryover and use requirements under the Act.

If there is a special local paid sick leave law (as in Oakland and San Francisco), employers must apply the most generous provision of the state or local ordinance to employees in that location.

## Compensation

Paid sick leave is compensated at the employee's regular hourly wage. If an employee's rate of pay fluctuates (for example, if the employee is paid commission or a piece rate), the employer must divide total compensation for the previous 90 days by the number of hours worked to determine the regular hourly rate.

Employers are not required to pay out accrued or unused paid sick days upon termination. However, if an employee is rehired within one year from the date of termination, they are entitled to previously accrued and unused sick days, without waiting an additional 90 days.

No retaliation may be taken against an employee for utilizing paid sick days, filing a complaint, or cooperating in an investigation.

Because the costs of employing workers are increasing due to these paid sick leave laws (including administration of these benefits), some of these expenses will impact the pricing of the services we offer.

## WHAT YOU HAVE TO DO

### When it comes to our Ambassadors and their paid sick leave, not much.

Our Ambassadors are entitled to paid sick leave after 90 active days on assignment (beginning January 1, 2015) Due to the nature of temporary assignments, it is likely that some of our Ambassadors will

not be on one assignment for 90 consecutive days. However, they are still eligible to use sick pay if they have worked 90 days on any assignment(s) as an Ambassador of our company.

By partnering with Ultimate Staffing you can be assured that all of our Ambassadors are taken care of. We assume full responsibility for paid sick leave laws that affect our Ambassadors and have the technology and processes in place to track, manage and pay sick time.

**6 Steps to Successful Compliance**

1. Display poster on paid sick leave where your employees can easily read it. Document all policies and share with staff.
2. Provide written notice to employee at the time of hire with paid sick leave information.
3. Provide for accrual of one hour of sick leave for 30 hours of work for each eligible employee.
4. Allow eligible employees to use accrued paid sick leave upon request or notification.
5. The amount sick leave hours employee has available, must be shown on a paystub or on documents issued the same day as paycheck.
6. Keep records showing how many hours have been earned and used for three years.

## For Your Workplace

All employers are required to display a poster that states:

- All employees, including temporary employees, are entitled to accrue, request, and use paid sick days.
- The amount of sick days employees are entitled to accrue.
- The terms and use of the paid sick days.
- That retaliation or discrimination against any employee, temporary or permanent, who requests paid sick days or uses paid sick days is prohibited. Ambassadors and Employees

have the right to file a complaint with the Labor Commissioner if this is violated.

If you do not have one, the California Labor Commissioner has made a poster containing the required information:

[Click Here For Paid Sick Days Poster](#)

On July 1, California will join the 145 countries worldwide that have a paid sick leave system (Work, Family, and Equity Index). At Ultimate Staffing, we've made a point to make life better for the people we serve, while fulfilling the needs of our customers, Ambassadors, and employees. We're proud to provide paid sick leave to our eligible Ambassadors at no direct cost to you.

We want to help make the transition as easy as possible. So while you care for your employees, we'll take care of our Ambassadors, and make sure your workplace remains up and running. It's just one way we can keep a happy, healthy workforce and provide the utmost value to you as our business partners.

## ABOUT US

### A DIFFERENT KIND OF STAFFING FIRM

Ultimate Staffing Services currently operates in nearly every major metropolitan market nationwide. We also manage numerous on-site locations. We are the only national company in the commercial staffing space that has been recognized with all four of the industry's major awards for service excellence and coworker engagement.

### A FULL-SERVICE COMPANY

- » Direct Hire Placements
- » Temporary-to-Hire
- » Temporary
- » On-Premise Management
- » Payrolling

Sources: Work, Family, and Equity Index; the National Partnership for Women & Families; California Department of Industrial Relations

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