Engage PEO Client Alert: California

California Increases Paid Sick Leave Requirements Effective January 1, 2024

WHAT'S NEW: Beginning **January 1, 2024,** all employers in California will be required to provide employees with 40 hours or 5 days of paid sick leave per year.

WHAT IT MEANS: Currently, California employers are required to provide up to 24 hours or 3 days of paid sick leave per year (unless local ordinances require the provision of greater paid sick leave).

With the new law:

- **Accrual Rate**: Employees may continue to accrue paid sick leave at the same rate of one hour of paid sick leave for every 30 hours worked. However, employers may also use a different accrual method so long as the employee accrues not less than 40 hours or 5 days of accrued paid sick leave by the 200th calendar day of employment or each calendar year.
- **Accrual Cap**: Employers must increase the maximum accrual cap to 80 hours or 10 days. However, employers may limit use of paid sick leave to 40 hours or 5 days per year.
- **Carryover**: Employers must allow employees to carryover at least 80 hours or 10 days to the following year.
- **Frontload**: Employers that frontload may satisfy the new requirements by providing 24 hours or 3 days of paid sick leave to use by the 120th calendar day, and not less than 40 hours or 5 days of accrued paid sick leave by the 200th calendar day of employment or each calendar year. No maximum accrual or carryover is required if the employer chooses to frontload 40 hours or 5 days of paid sick leave at the beginning of the "year" which may be the employment year, calendar year or 12-month period.

WHAT EMPLOYERS SHOULD DO: California employers should review and update their sick leave policies to ensure compliance with the new paid sick leave requirements and accrual and usage caps.

Please reach out to your Engage Human Resources Consultant if you have any questions concerning this alert or other H.R.-related matters.