ENGAGE PEO

GenesisHR SOLUTIONS SYNCHRONY ZAMP HR AXIOS HR

Client Alert

Nebraska – New Paid Sick Leave Act Effective October 1, 2025

WHAT'S NEW: Beginning **October 1, 2025**, most employers in Nebraska with **11 or more employees** must provide paid sick leave to eligible employees under the Nebraska Healthy Families and Workplaces Act (NHWFA).

WHY IT MATTERS: The NHWFA creates a new statewide paid sick leave requirement. The new law's key features:

- **Applicability:**
  - The new law does not apply to employers with 10 or fewer employees.
  - Most employees (full-time, part-time, temporary, exempt, non-exempt) if they work at least 80 consecutive hours in a calendar year, although there are some narrow exceptions, such as individuals who are employed in agricultural employment of a seasonal or other temporary nature.
- **Permitted Uses:**
  - Employee's or family member's injury, illness, or preventive care
  - Public health emergencies
- **Accrual Rate:**
  - Employees accrue a minimum of 1 hour of paid sick leave for every 30 hours worked.
  - Employees begin earning paid sick leave after 80 hours of consecutive employment.
  - Employers may also frontload paid sick leave instead of incremental accrual.
- **Accrual limits According to Employer Size:**
  - Employers with 11-19 employees must allow accrual of up to 40 hours per year.
  - Employers with 20 or more employees must allow accrual of up to 56 hours per year.
- **Carryover and Annual Use Limits:** Unused paid sick leave must carry over to the following year, but use can be limited to either 40 or 56 hours per year depending on employer size. But no carryover is required if the employer selects the frontloading method.
- **Medical Documentation:** Employers may request documentation to support the use of paid sick leave if an employee uses it for more than 3 consecutive days.
- **Enforcement:** Nebraska DOL enforces the law and may issue penalties up to $500 for the first violation and up to $5000 for subsequent violations.
- **No Payout at Termination:** Employers **are not required** to pay out unused sick leave at separation.

WHAT EMPLOYERS SHOULD DO: Nebraska employers should:

- **Provide each employee with this notice of employee rights and post by September 15, 2025.**
- Review and update paid sick leave policies to ensure compliance with the new accrual, usage, and notice rules. **Sample policy available here**.
- **Contact your Engage Payroll Specialist to implement paid sick leave accruals.**

For questions about the NHWFA or a copy of a sample policy, please reach out to your HR Business Partner/Consultant.