

# MEMO

TO: CLIENTS OF UDALL SHUMWAY

FROM: Bradley D. Gardner, Esq.

DATE: January 24, 2017

RE: *Proposition 206 and changes to Minimum Wage Laws and Sick Time*

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The adoption of Proposition 206 in the last election created several changes in the employer-employee relationship of which the electors were, for the most part, totally unaware. This was far more than a minimum wage initiative. The proposition actually imposes new burdens on employers to adopt and track mandatory time-off provisions for sick leave and related areas. This will likely force most employers to dramatically modify their employee handbooks and related policies before **July 1, 2017**. This is the date the sick leave provisions take effect. The new minimum wage provisions go into effect **January 1, 2017**. Court challenges to bar implementation of the proposition have thus far been unsuccessful.

Essentially, employees of smaller employers (fewer than 15 employees) are eligible for up to 24 hours of sick leave every year. Employers of larger companies (over 15 employees) are eligible for up to 40 hours of sick leave every year. **All** employees must be provided with paid sick leave. The law provides for “accrual” of leave at the rate of one (1) hour of leave for every thirty (30) hours worked. The use of leave includes not just the employee’s own illness, but also illnesses of the employee’s family members and leave related to domestic violence. In addition, paid sick leave may be carried over from year-to-year unless the employer pays its employees for the unused sick leave. In addition, employers who mandate notice prior to taking foreseeable leave must have a **written** policy identifying this requirement. The employer must also have a written policy if it wishes to restrict employees from using sick leave during the first ninety (90) days of employment. Finally, employers may not retaliate against any employee for using or requesting paid sick leave. The only bright spot in this proposition is that unused leave does **not** have to be paid out to the employee at the end of his/her employment.

Implementation of these provisions can be quite complicated and may require the modification of your existing employee handbook and/or PTO policies. Please let me know if you have any questions concerning these changes in the law and/or the modification of your existing policies. I can be reached at [bdg@udallshumway.com](mailto:bdg@udallshumway.com) or 480-461-5323.