

Missouri Increases Minimum Wage and Adopts Paid Sick Time

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Increase in Missouri Minimum Wage

On November 5, 2024, Missouri voters approved Proposition A, which increases the Missouri Minimum Wage to \$13.75 per hour effective January 1, 2025, and then to \$15.00 per hour effective January 1, 2026. Thereafter, the Missouri Minimum Wage will be adjusted annually based on the Consumer Price Index.

Missouri Adopts Paid Sick Leave Requirement

Proposition A also requires that most Missouri non-governmental employers provide one hour of paid sick leave (PSL) for every 30 hours worked. While this sounds simple, the law is complicated with the text of the new law containing nine (9) pages of small print containing detailed provisions regarding when PSL can be taken and how PSL integrates with existing paid-time-off (PTO) benefits already provided by many Missouri employers. Click [here](#) to read the full version of the new law.

Who is Covered?

Most non-governmental Missouri employers are covered regardless of size. However, only certain employees are entitled to receive PSL. Employees **not entitled** to such leave include but are not limited to, individuals employed by a retail or service business whose annual gross volume sales made or business done is less than \$500,000.00, volunteers at non-profit and religious organizations, individuals employed on or about a private residence on an occasional basis for six hours or less on each occasion, individuals employed on a casual basis to provide baby-sitting services and individuals employed for less than four months in any year in a resident or day camp for children or youth.

Accrual and Use Rules

There is no maximum amount of PSL that an employee can accrue. However, employers with 15 or more employees may limit an employee's use of PSL to 56 hours per year, while employers with less than 15 employees may limit PSL to 40 hours per year.

Carryover Requirements and Frontloading Option

Employers must allow employees to carry over up to 80 hours of unused PSL to the next year. Employers are permitted to frontload PSL at the beginning of the year, instead of allowing PSL to accrue during the year. However, if an employer elects the frontloading option, it must pay out any unused PSL at the end of the year, and employees are not allowed to carry over unused PSL.

Integration with Existing PTO Policies

Most employers offer some kind of vacation, sick leave, and/or PTO policies. Employers with PTO policies that provide an annual amount of PTO sufficient to meet the accrual requirements of Missouri's new PSL law, including allowing PTO to be used for the same purposes and under the same conditions

as provided in the new PSL law, are not required to provide additional PSL benefits beyond those provided in existing PTO policies. However, employers may be required to re-write some of their PTO policies to ensure that existing PTO policies are properly integrated with Missouri's new PSL law.

PSL May be Used for Many Reasons

PSL may be taken for:

- Care of self for mental or physical illness, injury, health condition, or preventative care or treatment;
- Care of a family member for mental or physical illness, injury, health condition, or preventative care or treatment;
- In a public health emergency where the employee's place of business or the child's school or place of care is closed or where the employee needs to care for oneself or a family member where health authorities or a health care provider determines that the family member's presence in the community may jeopardize the health of others by potentially exposing them to a communicable disease; or,
- Absence is necessary because of domestic violence, sexual assault, or stalking.

The definition of "family member" is extremely broad and includes, regardless of age, biological, adopted or foster child, stepchild, legal ward, a child of a domestic partner, and/or a child to whom the employee stands in loco parentis (an individual to whom the employee stood in loco parentis when the individual was a minor).

"Family member" also includes biological, foster, stepparent or adoptive parent or legal guardian of the employee or an employee's spouse or domestic partner or an individual who stood in loco parentis when the employee or employee's spouse or domestic partner was a minor child, an individual to whom the employee is legally married or a domestic partner or individual with whom the employee is in a continuing social relationship of a romantic or intimate nature, a grandparent, grandchild or sibling of the employee or the employee's spouse or domestic partner or a person for whom the employee is responsible for providing or arranging health or safety-related care, including but not limited to helping that individual obtain diagnostic, preventative, routine or therapeutic health treatment or ensuring the person is safe following domestic violence, sexual assault, or stalking.

Employee Notice Requirements

The Missouri PSL statute specifies the notice that employers may require that employees provide for foreseeable and non-foreseeable leave and spells out the documentation that the employer may require if PSL is used for three or more consecutive workdays.

Employer Notice and Record Keeping-Requirements

Proposition A requires that employers provide written notice to employees of their rights under this new law within 14 days of the commencement of employment or by April 15, 2025, whichever is later. While we expect the Missouri Department of Labor to publish a form notice for employers to use along with a form of poster that employers are required to post, to date, the Missouri Department of Labor has not done so. **Proposition A takes effect May 1, 2025, which is the date that employees start accruing PSL.**

Employers are required to keep and retain records documenting hours worked by employees and earned paid sick time taken by employees, for a period not less than three years, and shall allow the Missouri Department of Labor to have access to such records.

Legal Liability for Failing to Comply with Proposition A

An employer who fails to comply with Proposition A can be liable in a civil action for the amount of unpaid PSL, actual damages, liquidated damages equal to twice any unpaid SLP, court costs, reasonable attorneys' fees, as well as other legal or equitable relief such as reinstatement and back pay. It is unlawful for an employer to discriminate against or retaliate against an employee for exercising or attempting to exercise any rights under Proposition A. It is considered unlawful for an employer's absenteeism policy to count earned PSL taken under Proposition A as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any other adverse actions.

The Missouri Department of Labor can investigate complaints that an employer failed to comply with Proposition A and can fine offending employers who willfully violate Proposition A up to \$500.00 per day for each day of a continuing violation. Finally, an employer who willfully violates or fails to comply with Proposition A can be criminally liable.

Please contact the Seigfreid Bingham Employment Law team or your regular Seigfreid Bingham contact with any questions about this new law or if you need assistance reviewing or amending your employment policies to comply with Proposition A.

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