

## Paid Sick Time in Light of Prop A Repeal

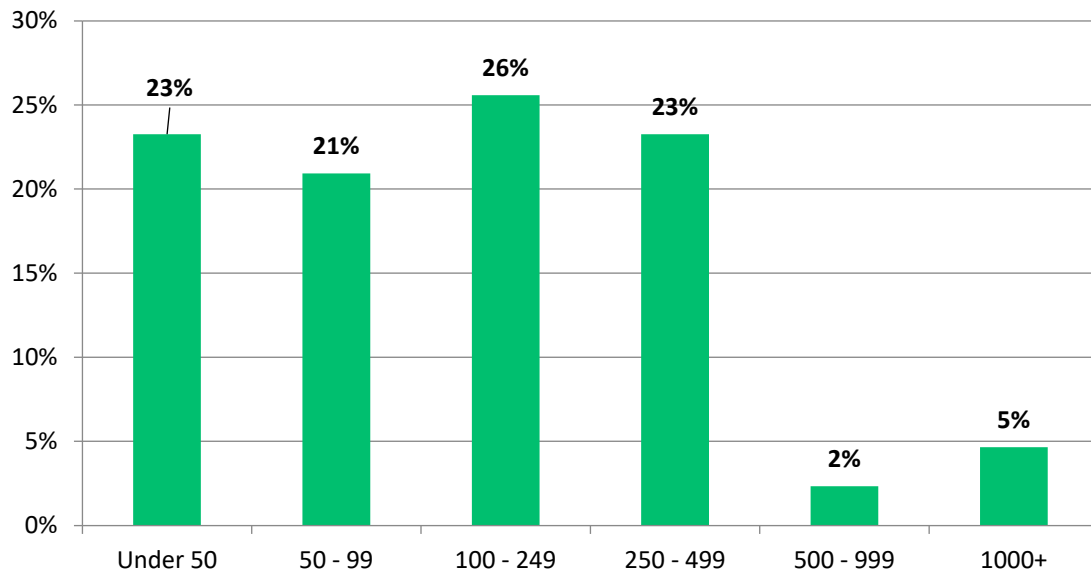
July 2025

Total participants: 43

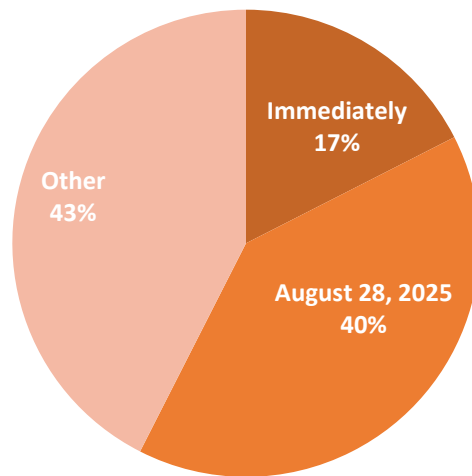
### Industry:

- Manufacturing 42%
- Healthcare 0%
- Retail/Service 2%
- Non-Profit 19%
- Construction 2%
- Finance 9%
- Other 26%
  - Architecture/Design Firm
  - Education
  - Engineering
  - Equipment
  - Hospitality
  - Insurance
  - Insurance brokerage
  - Logistics
  - Pharmaceuticals
  - Supply Chain/Logistics
  - Warehouse/Wholesale

## Number of Employees



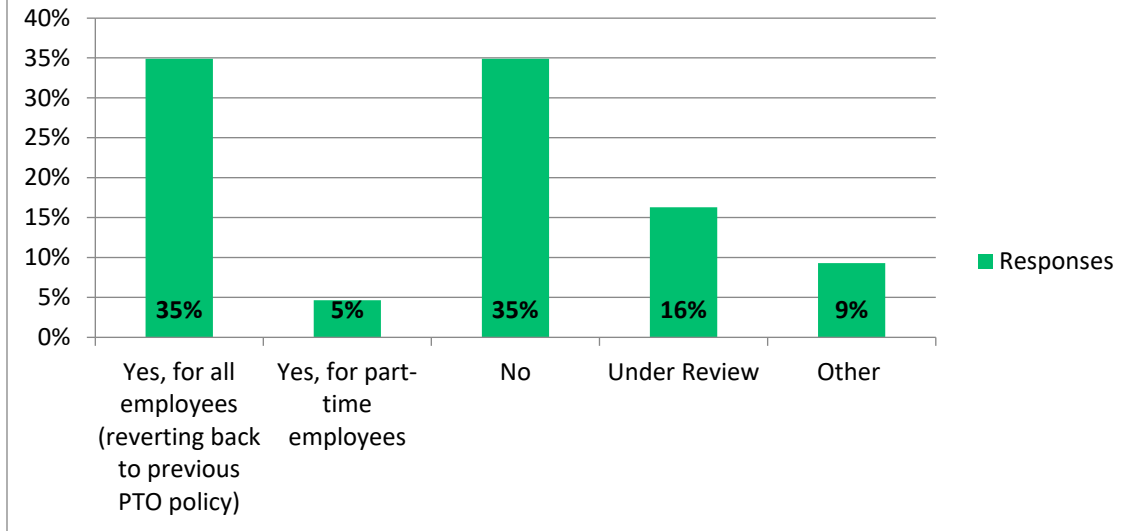
## Date Change to be Implemented



### Other:

- No changes planned (10 companies)
- 1<sup>st</sup> pay period after 8/28/25
- September 1, 2025
- Waiting on Board's decision
- When handbook is updated 1/1/26
- Will make minor changes 8/28/25 and then roll out new policy 1/1/26
- Original policy didn't need to change because it was already compliant, so no change

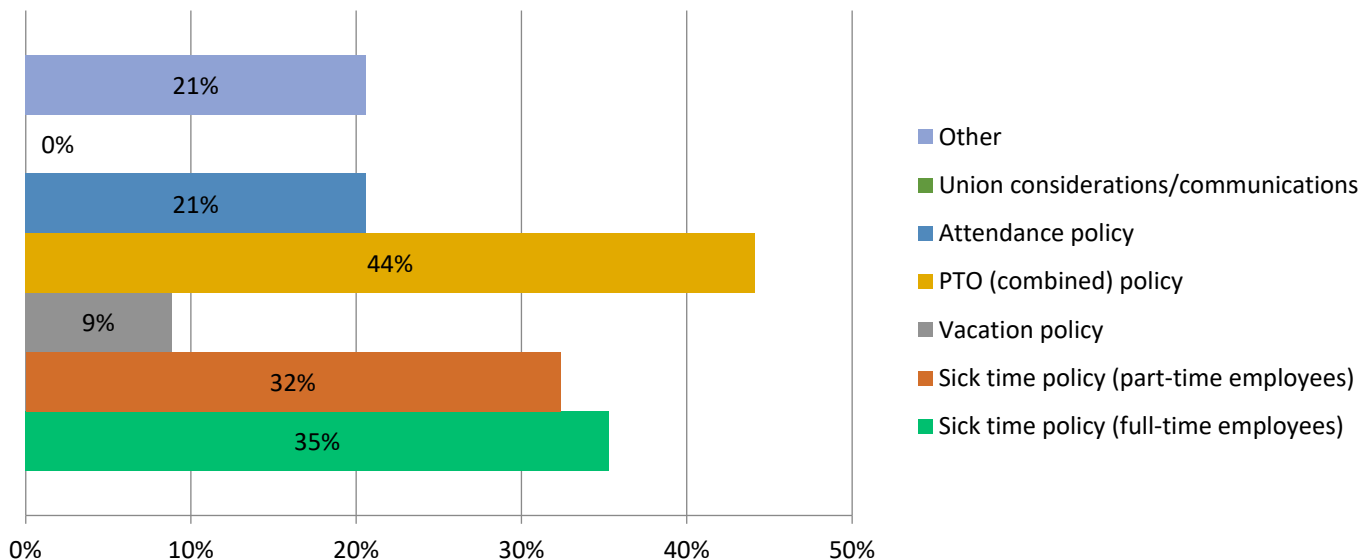
## Making Updates to HR Policies Following Repeal of Prop A



### Other:

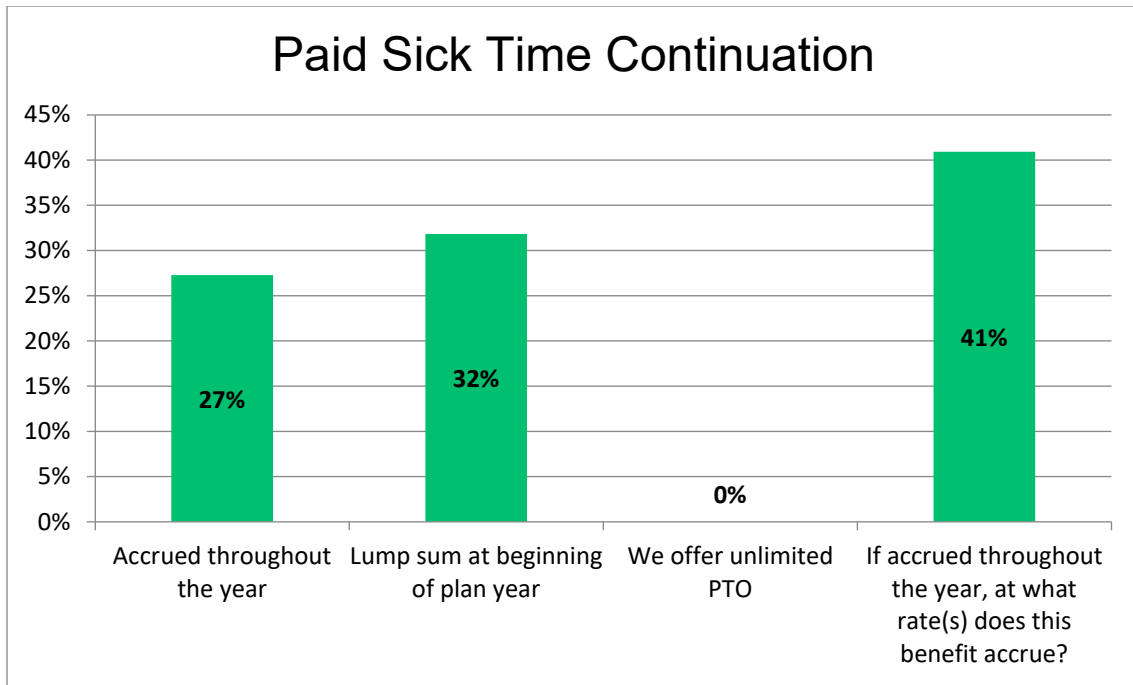
- Only changing back to carryover 40 hours instead of 80
- That is to be determined
- To be continued, but I hope to transition from anniversary based to accrual based PTO for all states
- We rolled out update stopping accrual of Paid Sick Time 8/28/2025. Will rework entire policy for 1/1/2026.

## Areas Being Updated/Evaluated



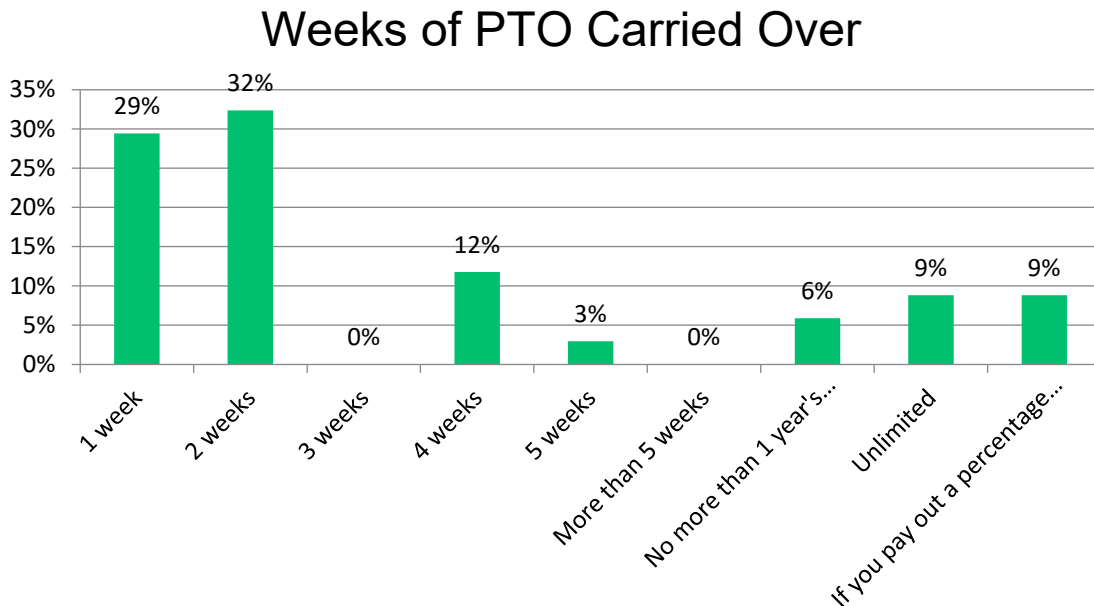
### Other:

- Going back to max accrual limit
- None (3 companies)
- We already have a generous PTO policy.
- We were in compliance prior to the law passing.
- We will revert to our frontloading of PTO on January 1st



**Accrual rate:**

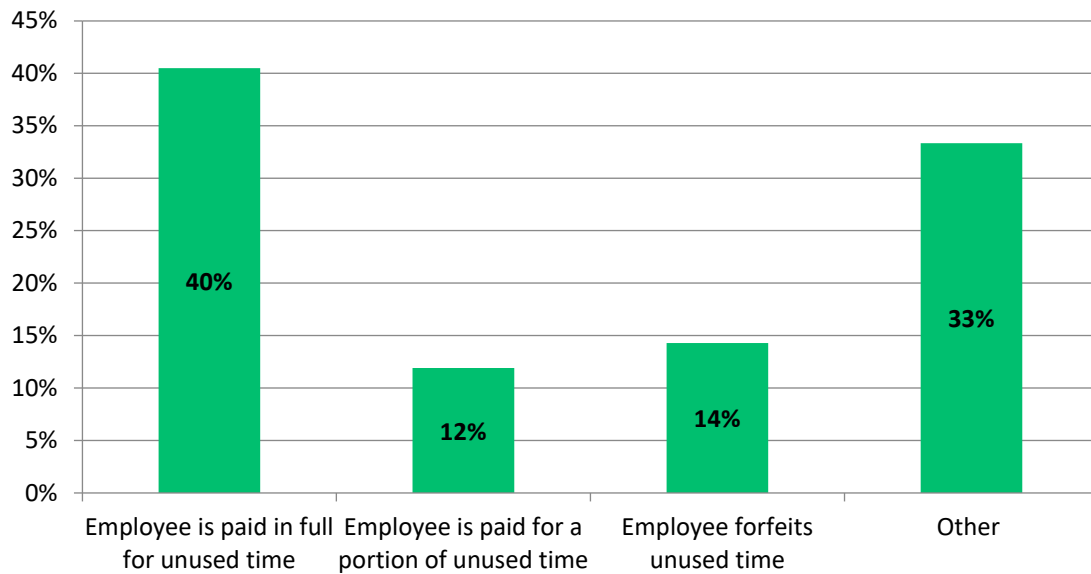
- .05 per hour worked
- .67 days per month
- 0.0333 per hour
- 1 hour accrued for every 30 hours paid (including vacation, holiday, sick and worked time)
- 1.85 hours accrued each bi-weekly pay period (6 days annually)
- 1st year - accrue 88 hours, starting after 4 month service
- Each pay period, sick time is undated
- Lump sum at beginning of employee anniversary date
- We use PTO that accrues at 6.92 or greater every two weeks.



**PTO Paid Out:**

- Sick days roll to a maximum of 60
- Up to 160 hours carried over

## Unused PTO at Termination

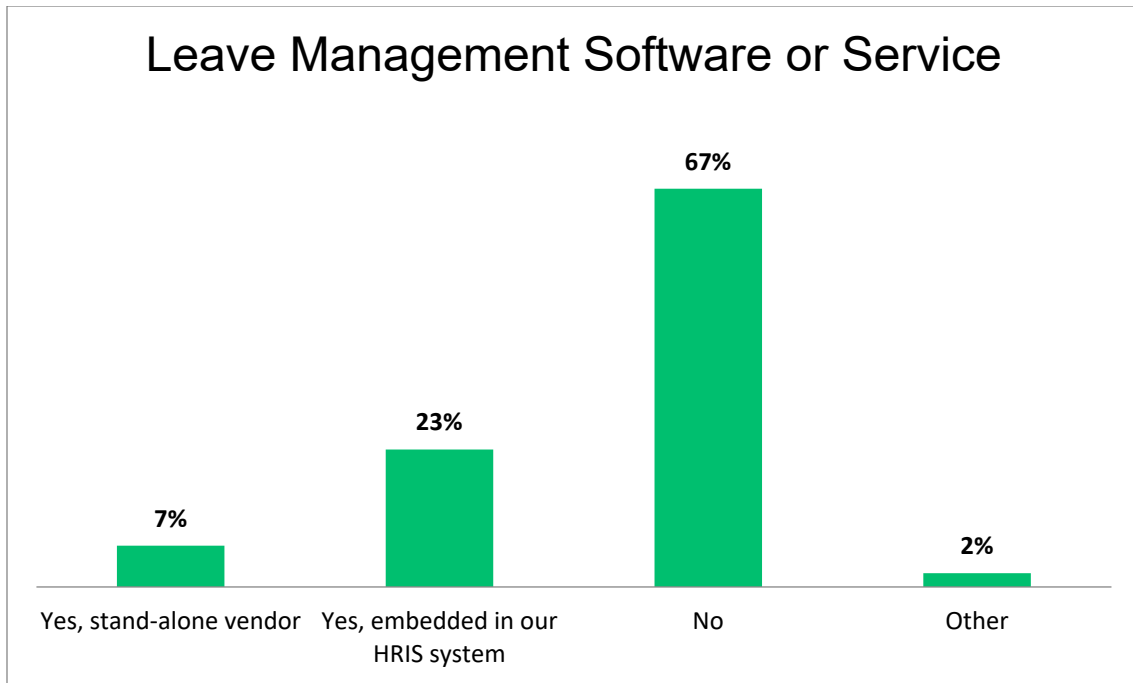


Most employers in this list pay out accrued but unused vacation time at termination, with sick time generally forfeited. Payout is often contingent on resignation being voluntary and with notice (commonly 1–2 weeks). No PTO systems are used—vacation and sick time are tracked separately.

### Summary of Responses Regarding Attendance Policy Impact After Legislative Changes (e.g., Repeal of Prop A):

- Majority reported no changes to current policies or plan to revert to previous practices.
- Some are waiting for clarity or considering audits/adjustments (especially in IL).
- A few maintained Prop A-style benefits (e.g., increased PTO rollover, PST structure) to avoid future disruption.
- Several are reviewing or under review for updates, especially around PTO/sick time tracking.
- Concerns include employee confusion, abuse of sick time, and impact on employees with caregiving responsibilities.
- Most organizations emphasize flexibility or compliance already in place.

## Leave Management Software or Service



### Service used:

- FMLASource
- Inova (4 companies)
- Paycom is our HRIS provider
- Paycor
- Paylocity (2 companies)
- Paylocity
- Paychex
- UKG
- Unum