



Maryland paid sick pay bill passes House, pending passage by Senate

Maryland [HB 580](#), which is now pending Senate action, would require employers with 15 or more employees to provide paid sick leave to employees age 18 or older. Employers with less than 15 employees would be required to provide unpaid sick leave.

Effective January 1, 2017, an employee who regularly works eight or more hours per week would earn at least one hour of sick leave, at the same rate as the employee normally earns, for every 30 hours an employee works. An employer would not be required to allow an employee to earn or carry over more than 56 hours of earned sick leave in a year, use more than 80 hours of earned leave in a year, accrue more than 80 hours at any time, or use earned sick leave during the first 90 calendar days worked or first 480 hours worked, whichever is shorter.

Eligibility

An “employer” includes the state or local governments and a person who acts directly or indirectly in the interest of another employer with an employee. An “employee” does not include specified independent contractors, specified associate real estate brokers and real estate salespersons, individuals younger than age 18 before the beginning of the year, workers in a specified agricultural sector, or construction workers (not including specified employees) covered in a collective bargaining agreement.

Use and accrual of leave

Earned sick leave would begin to accrue the later of January 1, 2017, or the date that an employee begins employment with the employer.

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Earned sick leave could be used to care for or treat the employee's mental or physical illness, injury, or condition; to obtain preventive medical care for the employee or employee's family member; to care for a family member with a mental or physical illness, injury, or condition; and for specified circumstances due to domestic violence, sexual assault, or stalking committed against the employee or the employee's family member.

An employer would not be required to compensate an employee for unused earned sick leave when the employee leaves the employer's employment. An employer who rehires an employee within nine months after leaving employment would be required to reinstate any unused earned sick leave that had accrued at the time of separation unless the employer voluntarily paid out the unused earned sick leave. The bill does not require an employer to modify an existing equivalent paid leave policy or affect specified workers' compensation benefits.

Notice to employees

An employer would be required to notify its employees that they are entitled to sick leave. The Maryland Commissioner of Labor and Industry would be required to provide a poster and a model notice that may be used by employers, which includes specified information on earned sick leave and the rights of employees.

Ernst & Young insights

The bill would preempt the authority of a local jurisdiction to enact a law on or after January 1, 2016, that regulates sick leave provided by an employer other than the local jurisdiction. Since Montgomery County, Maryland, [passed](#) its paid sick leave ordinance in June 2015, it would appear that the county's requirements would continue to apply should HB 580 be enacted. For more information on Montgomery County's paid sick leave requirements, see *EY Payroll NewsFlash* Vol. 16, #211 (7-30-2015).

Maryland would join California, Connecticut, Massachusetts, Oregon, and Vermont, as well as the District of Columbia and numerous other localities, such as New York City, in mandating that employers provide paid sick leave to employees. Several other states (i.e., Colorado, Louisiana, and New Jersey) have introduced legislation to require employers to provide paid sick leave to employees.

The president's fiscal year 2017 budget [proposal](#) calls for states to establish paid sick leave programs, providing more than \$2 billion for a Paid Leave Partnership Initiative to help up to five states launch paid family and medical leave programs.

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