



EYE ON STATE AND LOCAL COMPLIANCE

Timely, topical insights on a variety of payroll and reporting issues.

Detailed Look at State and Local Updates



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Alaska Provides Guidance on New Paid Sick Leave Requirement

The Alaska Department of Labor and Workforce Development (ADOL) has published the answers to frequently asked questions about a voter-approved ballot measure that will require employers to provide paid sick leave to employees beginning **July 1, 2025**.

The Details:

Covered Employers:

In the guidance, the ADOL reiterates that the paid sick leave requirement applies to all employers, but certain employees are exempt from the requirement, including:

- Minors under 18 years of age who work less than 30 hours per week. If the minor works more than 30 hours in a week, they must earn sick leave for all hours worked that week.
- Apprentices receiving a minimum wage exemption approved by the Commissioner of the Department.
- Student learners on a plan approved by the ADOL.
- Seasonal employees of a non-profit residential summer camp.
- Work therapy patients at a residential drug abuse or alcoholism treatment program.
- Employed prisoners.
- Employees covered by a collective bargaining agreement that expressly waives the right to sick leave in clear and unambiguous terms.
- Those exempt from minimum wage and overtime under state law, which includes employees in agriculture, aquaculture, domestic service, and federal and state employees.

Amount of Leave:

Under the law, the amount of paid sick leave that employees are entitled to accrue on an annual basis depends on the size of the employer.

Employer Size	Paid Sick Leave
15 or more employees	56 hours of earned paid sick leave per year
14 or fewer employees	40 hours of earned paid sick leave per year

The law allows employers with 14 or fewer employees to cap annual accrual at 40 hours, and employers with 15 or more employees to cap annual accrual at 56 hours.

In the guidance, the ADOL makes clear that while usage and accrual of sick leave are capped at either 40 or 56 hours per year, an employee's total sick leave balance may exceed those amounts because unused leave must be carried over to the following year and accrual will continue.

Existing Paid Leave Policies:

In the guidance, the ADOL reiterates that the law doesn't necessarily require that employers provide additional paid sick leave if their current paid time off (PTO) program meets the minimum requirements for paid sick leave and the employee is allowed to use that time for absences due to sickness or injury. In the same way that employers are free to pay an employee over minimum wage, they are free to offer a more generous leave program as long as it exceeds the requirements of the law. Employers should review existing plans for compliance with the new law, particularly regarding leave request procedures.

If an employee with a combined PTO/sick leave plan uses their entire leave balance for a vacation and later falls ill, they aren't entitled to any additional paid leave, according to the guidance. If they accrue at least one hour of leave per 30 hours worked and have the option to use it as paid sick leave, the ADOL has stated that the employer has satisfied the requirements of the law.

Frontloading:

Neither the law nor the guidance addresses whether frontloading is permitted.

Rate of Pay:

Neither the law nor the guidance addresses the rate of pay during sick leave. The ADOL could potentially provide additional guidance through formal rulemaking or informal FAQs in the future.

Next Steps:

- Review leave policies and update them if necessary.
- Read [the guidance in full](#).
- Watch for additional guidance and the sample notice that must be provided to employees from the [Alaska Department of Labor and Workforce Development](#).
- Once published, provide the sample notice to new hires and existing employees.
- Prepare to allow employees to accrue and use paid sick leave beginning **July 1, 2025**.
- Train supervisors on how to handle leave requests.

Illinois Prohibits Retaliation Under Day of Rest Law

Illinois has enacted legislation that expressly prohibits retaliation against employees under the state's One Day Rest In Seven Act (ODRISA). The legislation (Senate Bill 3180) took effect immediately on **March 21, 2025**.

The Details:

With limited exceptions, the ODRISA requires employers to allow employees at least 24 consecutive hours of rest in every consecutive seven-day period, in addition to the regular period of rest allowed at the close of each working day.

Senate Bill 3180 amends the ODRISA to prohibit employers from discharging, taking an adverse action against, or in any other manner, discriminating against any employee because that employee has:

- Exercised a right under the ODRISA;
- Made a complaint to their employer or to the Illinois Department of Labor (IDOL);
- Caused to be instituted or is about to cause to be instituted any proceeding under or related to the ODRISA; or
- Testified or is about to testify in an investigation or proceeding under the ODRISA.

Next Steps:

Illinois employers should ensure compliance with the amended law and train supervisors on the amendments.

Missouri Updates Paid Sick Leave FAQs

The State of Missouri requires employers to provide paid sick leave and has further updated its [guidance](#) to clarify the paid sick leave law and help employers comply with the requirements.

The Details:

The updated [FAQs](#) clarify the following under the law:

- Employees are entitled up to 80 hours of “earned paid sick time” rolling over to the next 12- month period. Alternatively, an employer may pay out **up to 80 hours** of an employee’s accrued “earned paid sick time” benefit at the end of each 12-month period and provide the employee with an amount of “earned paid sick time” that meets the requirements of the law available for the employee’s immediate use at the beginning of the subsequent year; and
- Only hours an employee (any individual employed in Missouri by an employer) worked in Missouri accrue earned paid sick time.

Next Steps:

Review [the FAQs](#) to help ensure compliance with Missouri’s paid sick leave law.

New York State Modifies Manual Worker Timely Payment Penalty Rule

On May 9, 2025, Governor Kathy Hochul signed into law an amendment that modifies the penalties associated with employers failing to pay manual workers on a weekly basis. The amended law was effective as of the date of the Governor’s signature and is retroactive, applying to any pending legal claims.

The Details:

Background:

Under existing law, with few exceptions, manual workers must be paid weekly and no later than seven calendar days after the workweek where wages were earned. The law defines a “manual worker” to mean “a mechanic, workingman or laborer.”

In a [frequently asked question \(FAQ\)](#), the New York Department of Labor (NYDOL) added the following comment regarding the statutory definition:

“It has been the long-standing interpretation of this Department that individuals who spend more than 25% of working time engaged in “physical labor” fit within the meaning of the term “manual worker.” Furthermore, the term “physical labor” has been interpreted broadly to include countless physical tasks performed by employees.”

Only private-sector employers are subject to this pay frequency rule. The rule does not apply to individuals working in an executive, administrative or professional capacity who earn more than \$900 a week. Federal, state, and local government employers are also not subject to the rule.

Class action litigation regarding this weekly pay requirement rapidly increased after a 2019 New York case (*Vega v. CM & Assoc. Constr. Mgt.*) that held employees may sue employers over late wages (paid less frequently than weekly), even if they were fully paid, and can recover liquidated damages in the full amount of delayed wages.

New Amendment:

With the amendment effective May 9, 2025, penalties for violations are as follows:

First Violation - If the employer paid wages on a regular payday at least semi-monthly, then the penalty for a violation is no more than one hundred percent of the lost interest found to be due on the delayed wages in accordance with Section 14-a of the Banking Law, which is currently 16 percent per year (approximately 0.3 percent per week).

Repeat Violations - In cases where the employer has been subject to one or more previous findings and orders for pay frequency violations, liquidated damages remain 100 percent of the wages found to be due.

Recommendations:

If you employ workers in New York, then work with your legal counsel to determine whether these New York workers might be considered "manual workers" for whom weekly payment is required.

If you make the determination that a change to employee pay frequency is required, please notify your ADP service representative immediately to facilitate this change.

Washington State Expands Employee Protections Under Fair Chance Act

Washington has enacted legislation (House Bill 1747), which amends the Washington Fair Chance Act to further restrict employers from using criminal records. House Bill 1747 takes effect on **July 1, 2026**.

The Details:

Background:

The [Washington Fair Chance Act](#) provides protections (in job advertisements, job applications and the hiring process) to job applicants with criminal records to provide them the opportunity to fairly compete for job opportunities for which they are otherwise qualified.

The law defines "tangible adverse employment action" as a decision by an employer to reject an otherwise qualified job applicant or to terminate, suspend, discipline, demote or deny an employee a promotion.

House Bill 1747:

House Bill 1747 amends the [Washington Fair Chance Act](#) by increasing the requirements and penalties for [covered employers](#) that consider criminal records when vetting job applicants or employees. The new requirements take effect on **July 1, 2026**.

Under the law, employers are prohibited from:

- Inquiring about criminal records before first extending a conditional job offer; and
- Taking a tangible adverse employment action based on the following:
 - o An applicant's or employee's arrest record or juvenile conviction record. See the [text of the law](#) for exceptions.
 - o An applicant's or employee's adult conviction record (unless the employer has a legitimate business reason for taking such action).

Notice Requirements:

Under House Bill 1747, before taking a tangible adverse employment action, a covered employer must provide a pre-adverse action notice to the applicant or employee, informing the individual of the record that the employer is relying on for purposes of assessing its legitimate business reason. The employer must hold the position open for a minimum of two business days so an applicant or employee has a reasonable opportunity to:

- Correct or explain the record; or
- Provide information on their rehabilitation, good conduct, work experience, education and training.

An employer that decides to take a tangible adverse employment action must provide an adverse action notice in the form of a written decision containing specific documentation on the employer's reasoning and assessment of each relevant statutory factor, including:

- The impact of the conviction on the position or business operations; and
- The employer's consideration of the applicant's or employee's rehabilitation, good conduct, work experience, education and training.

Penalties:

Under House Bill 1747, the penalty amounts for first, second and subsequent violations are increased, and penalties are per aggrieved job applicant or employee for each violation.

Next Steps:

Covered employers should review and update their hiring and notice policies and procedures and train supervisors on the law by **July 1, 2026**.

Washington State Expands Paid Sick Leave

The State of Washington has enacted legislation (House Bill 1875), which amends its paid sick leave law to allow employees and transportation network company drivers to use paid sick leave to prepare for or participate in a judicial or administrative immigration proceeding. House Bill 1875 takes effect on **July 27, 2025**.

The Details:

As background, the State of Washington requires employers to provide at least 40 hours of [paid sick leave](#) to covered employees.

House Bill 1875 expands the covered reasons an employee or transportation network company driver may use paid sick leave to include preparing for or participating in a judicial or administrative immigration proceeding involving the employee, driver or their family member.

Non-discrimination:

The law prohibits employers from:

- Discriminating or retaliating against a covered worker for exercising their rights under the law, including using paid sick leave to prepare for or participate in a judicial or administrative immigration proceeding; or
- Counting a covered worker's use of paid sick leave for covered immigration proceeding purposes as an absence that could result in disciplinary action.

Documentation Requirements:

Under House Bill 1875, a covered worker may provide the following for the purpose of verifying an immigration proceeding:

- A written statement from the covered worker;
- Documentation from the following:
 - o An advocate for immigrants or refugees;

- o An attorney;
- o A member of the clergy; or
- o Another professional.

Note: The verification documentation or written statement must not disclose personally identifiable information about the individual's immigration status or immigration protection.

Next Steps:

Covered employers should review and update their paid sick leave policies and procedures and train supervisors on the law by **July 27, 2025**.



Spokane, Washington Restricts Address Use in Hiring Process

Spokane, Washington has passed Ordinance C36666 (the Ordinance), which adds restrictions on how employers use an applicant's address in the hiring process. The Ordinance takes effect on **May 25, 2025**.

The Details:

The Ordinance provides the following definitions:

- Homelessness is defined as not having a fixed or regular residence, including being homeless or unhoused, living on the streets, in a shelter, or in a temporary residence;
- Housing status is defined as the question as to whether a specific individual is experiencing homelessness; and
- Otherwise qualified means that an applicant meets the basic criteria for the position as set out in the job advertisement or job description without taking into account housing status or the existence or absence of a criminal conviction or arrest record.

Under the Ordinance, an employer cannot:

- Include a question in an application, or inquire orally or in writing, about housing status. An employer may include an opportunity for an applicant to provide a mailing address or other means of contact as part of the application process.
- Require an applicant to provide an address or residence history until after granting a provisional offer of employment.
- Reject or disqualify an applicant solely because the individual does not have a fixed or regular residence; is homeless or unhoused; or lives on the street, in a shelter, or in a temporary residence.

Exceptions:

The Ordinance does not:

- Cover an individual whose housing status has a bona fide and legitimate relation to the primary duties of the job, where rejecting or disqualifying the individual would also violate state or federal employment laws or regulations;
- Require an employer to provide accommodations or job modifications to facilitate the employment (or continued employment) of an individual experiencing homelessness; or
- Prohibit an employer from declining to hire an applicant experiencing homelessness or from terminating the employment of an employee experiencing homelessness, if the termination or refusal to hire is not solely based on housing status.

Next Steps:

Covered employers should review and update their hiring and notice policies and procedures and train supervisors on the law by **May 25, 2025**.

Minimum Wage

Minimum Wage Announcements: 4/21/25 – 5/20/25

The following states or localities have announced new minimum wage increases.

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
Berkeley, CA	\$19.18	\$19.18*	7/1/25	Yes	
Milpitas, CA	\$18.20	\$18.20*	7/1/25	Yes	
Pasadena, CA	\$18.04	\$18.04*	7/1/25	Yes	
Santa Monica, CA (Hotel Workers)	\$21.01	\$21.01*	7/1/25	Yes	

*CA does not allow the use of tip credit.

[Download a PDF of a comprehensive listing of state and local minimum wage rates.](#)

ADP Compliance Resources

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