



**FROM THE DESK OF:**

Lisa A. Baiocchi  
Principal and CEO

**ARIZONA PAID SICK LEAVE LAW IS ALMOST UPON US!**

CONTACT ME TO DISCUSS HOW TO ADMINISTER AND UPDATE YOUR POLICY AFTER YOU HAVE DECIDED SOME OF THE ISSUES BELOW. SHOULD YOU NEED A “SHOULDER” TO BOUNCE IDEAS OFF FOR BEST PRACTICES OR WHAT MAKES SENSE FOR YOUR COMPANY, CONTACT ME TO SET UP A MEETING.

What you need to do:

1. **Choose a Plan Year:** Determine what your “year” is for paid sick leave as a company policy.

For this first year, you may have a pro-rated year and prorate employees’ annual earned paid sick time accrual and usage caps. Pro-rated accrual and usage caps should be rounded up to the nearest hourly increment or smallest increment that your payroll system uses to account for time.

Example: Employer A’s selected “year” runs from January 1 through December 31. The employer will have 184 days remaining between the Act’s earned paid sick time effective date (July 1, 2017) and the end of the employer’s selected “year.” Employer A may prorate the amount of earned paid sick time that its employees are entitled to accrue and use during the partial year at a rate of .504 ( $184/365 = .504$ ). Assuming that Employer A has 15 or more employees and the smallest increment that the employer’s payroll system uses is one-tenth of an hour, employees of Employer A would be entitled to accrue and use at least 20.2 hours of earned paid sick time ( $.504 \times 40$  hours, rounded up to nearest tenth of an hour) in the 184 days following July 1, 2017 (the remainder of the employer’s “year”).

2. **Get your policy (operation in form) decided:** If you have an existing PTO policy, you must decide if you will run this “inside” the existing PTO policy or as a separate policy. Know if you run this inside your existing PTO policy you do not have to offer additional paid sick time if the employee chooses to use the PTO policy for vacation instead of sick time. You just have to amend your PTO policy to make sure the additional reasons are covered under PTO and the minimum accrual under the act is met.

The Fair Wages and Healthy Families Act (the “Act”) provides that “an employer with a paid leave policy . . . who makes available an amount of paid leave sufficient to meet the accrual requirements of this section that may be used for the same purposes and under the same conditions as earned paid sick time under this article is not required to provide additional paid sick time.” Arizona Revised Statutes section 23-372(E). ***Therefore, provided that an employer’s equivalent paid leave policy provides paid leave that may be used for the same purposes and under the same conditions enumerated in the Act, it need not offer additional leave when an employee utilizes the available time for purposes other than those enumerated in the Act.***



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3. **Notice to Employees:** Give employees by July 1, 2017 and at commencement of employment post July 1, 2017, notice.

For existing employees, this could mean the re-release of the handbook or a memorandum. For employees hired after July 1, 2017, it could be a memorandum or the handbook. In any case, however the notice is given to existing and new employees, you should include the following information in the notice, memorandum or policy in handbook:

- a. That employees are entitled to earned paid sick leave (or if in a PTO policy, PTO)
  - b. The amount that can be accrued and earned
  - c. The types of use under the new Arizona law (if you blend into your PTO policy, make sure you cite the reasons for use as examples, including everything under the new Arizona law)
  - d. Retaliation against employees who request or use earned paid sick time is prohibited
  - e. Each employee has the right to file a complaint if earned paid sick time is denied or an employee is retaliated against
  - f. Contact information for the Industrial Commission
4. **Paycheck Changes:** Get in touch with your payroll administrator to make sure paychecks post July 1, 2017 reflect the following:
    - a. Amount of earned paid sick time available to the employee
    - b. Amount of earned paid sick time taken by the employee to date
    - c. The amount of pay time the employee has received as earned paid sick time
  5. **Decide what to do with new employees post July 1, 2017:** Existing employees must be able to start the accrual and use as the accrual is earned. You can require new employees post July 1, 2017 to wait 90 days before using earned paid sick leave but their accrual must start as soon as they are hired.
  6. **Posting Notice:** post the “poster” or notice on the bulletin board or wherever you keep your other legal postings such as minimum wage and other legal notices.
  7. **Communicate!** Communicate with your front line supervisors about this new law. This could take many forms depending upon if you decide to operate this outside of an existing PTO policy. This leave is now protected leave, remind front line managers and supervisors that this change is coming, the direction the company has gone in (folding this into an existing PTO policy or operating this separately) and that leave for sick time is protected against retaliation and discrimination.

**\*please note that for the July 1, 2017 information that can be given to employees AND posted (both #3 and #6 above) the attachments below can be used if you do not have time to: create a notice, put together a memo, or get a re-release of your updated handbook with your new policy completed.**



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## THE FAIR WAGES AND HEALTHY FAMILIES ACT

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### Earned Paid Sick Time

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- EXEMPTIONS:** The Fair Wages and Healthy Families Act (the “Act”) does not apply to any person who is employed by a parent or a sibling; any person who is employed performing babysitting services in the employer’s home on a casual basis; or any person employed by the State of Arizona or the United States government.
- ENTITLEMENT AND AMOUNT:** Beginning July 1, 2017, employees are entitled to earned paid sick time and accrue a minimum of one hour of earned paid sick time for every 30 hours worked, subject to the following limitations:
- Employees whose employers have less than 15 employees may only accrue or use 24 hours of earned paid sick time per year.
  - Employees whose employers have 15 or more employees may only accrue or use 40 hours of earned paid sick time per year.
- Employers are permitted to select higher accrual and use limits.
- TERMS OF USE:** Earned paid sick time may be used for the following purposes: (1) medical care or mental or physical illness, injury, or health condition; or (2) a public health emergency; and (3) absence due to domestic violence, sexual violence, abuse, or stalking. Employees may use earned paid sick time for themselves or for family members. *See Arizona Revised Statutes § 23-373* for more information.
- RETALIATION & DISCRIMINATION PROHIBITED:** Employers are prohibited from discriminating against or subjecting any person to retaliation for: (1) asserting any claim or right under the Act, including requesting or using earned paid sick time; (2) assisting any person in doing so; or (3) informing any person of their rights under the Act.
- ENFORCEMENT:** Each employee has the right to file a complaint with the Industrial Commission’s Labor Department alleging that an employer has violated the Act. Certain time limits apply. A civil action may also be filed as provided in the Act. Violations of the Act may result in penalties.
- INFORMATION:** For additional information regarding the Act, you may refer to the Industrial Commission’s website at [www.azica.gov](http://www.azica.gov) or contact the Industrial Commission’s Labor Department: 800 W. Washington, Phoenix, Arizona 85007-2022; (602) 542-4515.

**THIS POSTER MUST BE CONSPICUOUSLY POSTED IN A PLACE  
THAT IS ACCESSIBLE TO EMPLOYEES**



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## LEY GENERAL DE SALARIOS JUSTOS Y FAMILIAS SANAS (FAIR WAGES AND HEALTHY FAMILIES ACT)

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### Tiempo Pagado por Enfermedad Devengado

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- EXENCIONES:** La Ley General de Salarios Justos y Familias Sanas (la “Ley General”) no tendrá vigencia para las personas que sean empleadas de padres de familia o hermanos; cualquier persona que trabaje informalmente en el hogar de los patronos proporcionando servicios de cuidado de menores; o cualquier persona que sea empleada del Estado de Arizona o del gobierno de los Estados Unidos.
- DERECHOS Y CANTIDADES:** A partir del 1 de julio del 2017, los empleados tendrán derecho a tiempo pagado por enfermedad devengado y acumularán por lo menos una hora de tiempo pago por enfermedad devengado por cada 30 horas que trabajen, a tenor con las limitaciones siguientes :
- Los empleados cuyos patronos tengan menos de 15 empleados podrán acumular o usar 24 horas de tiempo pago por enfermedad devengado al año.
  - Los empleados cuyos patronos tengan 15 empleados o más sólo podrán acumular o usar 40 horas de tiempo pagado por enfermedad devengado al año.
- Se les permitirá a los patronos escoger límites mayores de acumulación y uso.
- CONDICIONES DE USO:** El tiempo pagado por enfermedad devengado podrá usarse para los propósitos siguientes: (1) atenciones médicas o mentales o enfermedades, lesiones o condiciones de salud física; o (2) emergencia de salud pública; y (3) ausencias debidas a violencia intrafamiliar, violencia sexual, maltrato o acosamiento. Los empleados podrán usar el tiempo pagado por enfermedad devengado para sí mismos o para familiares. Véase la fracción § 23-373 de las Leyes Actualizadas de Arizona (*Arizona Revised Statutes*) para más información.
- REPRESALIAS Y DISCRIMEN PROHIBIDOS:** Se les prohíbe a las entidades patronales discriminar contra otras personas o someterlas a represalias por: (1) afirmar sus reclamaciones o derechos de conformidad con la Ley General; (2) ayudar a cualquier otra persona a afirmar esto; o (3) informarle a cualquier otra persona sus derechos de conformidad con la Ley General.
- EJECUCIÓN:** Cualquier persona u organización podrá presentar una querrela ante el Departamento del Trabajo de la Comisión Industrial en la que se alegue que una entidad patronal ha quebrantado la Ley General. Hay que cumplir con ciertos límites de tiempo. De conformidad con la Ley General, también se pudiera interponer una demanda civil. Las trasgresiones de la Ley General pudieran redundar en sanciones.
- INFORMACIÓN:** Para obtener más información sobre la Ley General, deberá buscar en la página de Internet de la Comisión: [www.azica.gov](http://www.azica.gov); también podrá comunicarse con el Departamento del Trabajo de la Comisión Industrial: *Industrial Commission’s Labor Department: 800 W. Washington, Phoenix, Arizona 85007-2022*; o llamar al teléfono (602) 542-4515.

**ESTE AVISO DEBERÁ PUBLICARSE MUY VISIBLEMENTE EN UN SITIO  
AL QUE LOS EMPLEADOS TENGAN ACCESO**