# LEGAL UPDATE MISSOURI

## Missouri Supreme Court Upholds Paid Sick Leave Law

The Missouri Supreme Court has issued a <u>decision</u> upholding the state's earned paid sick time (EPST) <u>law</u>, which was passed by ballot initiative last November. The law took effect May 1, 2025, although notice provisions went into effect April 15.

## **Court Decision**

In a case that challenged the validity of the ballot initiative process for Proposition A—the EPST ballot measure—the court found that the summary statement and fiscal note summary for the measure were "not so misleading that they cast doubt on the fairness of the election and validity of its results."

The court further found it lacked jurisdiction to decide whether Proposition A violated state constitutional requirements that ballot measures have a single subject and clear title. These arguments formed the basis of the legal challenge. As a result of the court's decision, **paid sick leave took effect in Missouri on May 1**, **2025**, as set forth in the law.

## **Legislative Challenge**

A <u>bill</u> to repeal the paid sick leave mandate was introduced in the state Legislature and passed the Missouri House of Representatives. However, the bill was filibustered in the state Senate and was not passed by May 1, 2025. While the Legislature may eventually repeal or amend the EPST law, the law took effect May 1, 2025, as enacted in November.

## EPST

The new law covers all employers other than the federal or state government. Certain types of employees are excepted from EPST—notably, retail service employees of a business with less than \$500,000 in gross annual sales or business done, among others.

## Accrual and Use

The law requires that all employees accrue at least **one hour** of EPST for every **30 hours** worked, beginning **May 1, 2025**, and that employees be allowed to use EPST as soon as it is accrued. Employers may cap the **use** of the leave as follows:

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## **Important Dates**

## April 15, 2025

Deadline for employers to provide notice to employees and display a workplace poster about the law.

## April 29, 2025

The Missouri Supreme Court issued a decision that upheld the EPST ballot measure.

## May 1, 2025

The EPST law took effect.

Paid sick leave took effect May 1, as neither the legal nor legislative challenges to the law succeeded by that date.



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- Employers with **15 or more employees** may cap employee use of the leave at **56** hours per year; and
- Employers with fewer than 15 employees may cap employee use at 40 hours per year.

## **Employer and Employee Notice Requirements**

Employers were required to provide written notice of EPST by April 15, 2025, or within 14 days of the start of employment, if later. Employers must also display a workplace poster about EPST in a conspicuous and accessible place, a requirement that also went into effect April 15. The notice and poster must contain specific information about the law, which is included in a <u>sample notice</u> and <u>poster</u> created by the Missouri Department of Labor and Industrial Relations.

Employers may require employees to provide notice of leave, with different parameters depending on whether the leave is foreseeable or unforeseeable, but only if the requirement is in a written policy. Employers may also demand reasonable documentation (explained in the law) in support of EPST of three or more consecutive days.

## Carryover, Payout and Frontloading

Up to 80 hours of employees' unused EPST carries over into the following year. As an alternative to carryover, employers may instead pay out unused EPST at the end of the year, as long as they provide employees with the full amount of leave required by the law for immediate use at the beginning of the following year.

## **Reasons for Use**

Employees are allowed to use EPST for reasons that are fairly standard to state paid sick leave laws across the country: for employees' and their family members' mental or physical illness, injury or health condition and for preventive care. In addition, EPST may also be used for specific safe leave purposes when the employee or a family member is the victim of domestic violence, sexual assault or stalking.

In keeping with state leave law trends nationally, especially post-COVID-19, the law also provides for leave when the employee's place of business or child's school or place of care has been closed for a public health emergency, as well as when the employee or a family member has been exposed to a communicable disease.

## Recordkeeping

Employers must retain records documenting hours worked and EPST taken by employees for three years.

## Employer Paid-time-Off (PTO) Policies

Employer leave policies, such as PTO, satisfy the EPST law's requirements if they provide the same amount of paid leave for the same purposes and under the same conditions as provided by the law.

## **Enforcement and Penalties**

Employers are prohibited from retaliating against employees who request or use EPST. Aggrieved employees have the right to file civil suits for alleged violations, and willful violations of the law are classed as misdemeanors, with each day of a violation constituting a separate offense.

## **More Information**

In addition to the sample workplace poster and employee notice linked to earlier in this document, the department has also issued <u>FAQs</u> about EPST.

## **Next Steps for Employers**

Employers should update their handbooks and policies to ensure they comply with the new law, which has gone into effect. They should also train managers, supervisors and HR personnel on EPST requirements.