State/Local Compliance Update: December 2024

A brief update on what happened the prior month in group health plan compliance at the state and local level, listed alphabetically.

California

- **Updated FAQs released for California's paid sick leave law.** On December 2, California published an updated version of its Frequently Asked Questions (FAQs) for California paid sick leave. Here are some highlights of the revisions to the FAQs:
  - Updated to reflect changes made by SB 1105 that expanded the reasons agricultural employees may use paid sick leave.
  - Revised to line up with amendments made by AB 2499 pertaining to time off for victims of qualifying acts of violence.
  - The FAQ which is geared toward employee use, added a section to clarify the difference between accrual, carryover, and use. This explanation is used because the law allows employees to accrue more time than an employer is required to allow an employee to use in a single year.
  - Clarifies the difference between employees who are fully exempt from paid sick leave requirements and employees who are partially exempt.

Connecticut

- **Additional guidance issued for Connecticut's Paid Sick Leave Law.** As a reminder, Governor Lamont signed into law Public Act 24-8 on May 21, 2024, amending key portions of the Connecticut Paid Sick Leave Law. The Connecticut DOL has now published guidance in the form of FAQs and Q&A and Survey Questions regarding the changes under the amended law. Some of the changes include: (a) the expansion of which employers are subject to the law, which individuals are eligible for paid sick leave, and the scope of covered reasons for use and family members; (b) a faster paid sick leave accrual rate; (c) a more pro-employee usage waiting period standard for new hires; (d) removal of provisions on documentation and employee notice to their employer; and (e) the addition of several new provisions on a variety of topics, such as frontloading, balance notification, employee transfers, and successor employers. Most of the changes go into effect January 1, 2025. Under the pre-amended law, employers that employ 50 or more individuals in Connecticut must provide up to 40 hours of paid sick leave annually to defined "service workers." The new legislation significantly expands the reach of the law to impose the mandate on nearly every private-sector employer and nearly all employees. The new requirements will be phased in over three years based on the size of the workforce in Connecticut:
  - Beginning January 1, 2025, the law will apply to employers with 25 or more employees.
  - Beginning January 1, 2026, the law will apply to employers with 11 or more employees.
  - And beginning January 1, 2027, the law will apply to employers with at least one employee.

Maine

- **Final rules issued for Maine's PFML program.** Maine has published final rules for its Paid Family and Medical Leave (PFML) program. The final rules offer comprehensive details on the implementation and enforcement of Maine's PFML program by the Department of Labor. The PFML program provides up to 12 weeks of paid leave per year to all eligible employees in the private and public sectors (except for federal government employees) regardless of employer size. To fund the program, the state will impose a 1% payroll tax split evenly between the employer and employee. The payroll tax takes effect January 1, 2025, and employees can start taking leave on May 1, 2026.

Minnesota

- **Proposed rules and other guidance published for Minnesota's Paid Leave Law.** Minnesota's Paid Leave Division has published final proposed rules that (if adopted) will regulate the state's Paid Leave Law that takes effect January 1, 2026. In addition, the Paid Leave Division updated its website with FAQs and next steps for employers.

New York

- **New York issues FAQ guidance on new paid prenatal leave law.** The New York State Department of Labor released FAQ guidance on the amended New York Paid Sick Leave Law that (effective January 1, 2025) requires employers to provide 20 hours of paid leave for attending prenatal medical appointments. This benefit is in addition to state sick or paid leave under New York's Paid Family Leave Law that provides employees with paid family leave for qualifying absences such as bonding with a newborn, adopted, or fostered child, or caring for a family member with a serious health condition. According to the FAQs:
    - All private-sector employees are entitled to paid prenatal leave, regardless of the size of the employer.
    - **P**aid prenatal leave is a separate entitlement from any other leave policies. Eligible employees are entitled to paid prenatal leave in addition to any other available leave options. This differs from other leave policies, such as the state's Paid Sick Leave Law, in that paid prenatal leave cannot be inclusive of an employer's paid time off policy. Further, employers cannot require employees to choose one leave type over another or require employees to exhaust one type of leave before using paid prenatal leave.
    - Paid prenatal leave does not accrue. All employees automatically have 20 hours of paid prenatal leave beginning January 1, 2025, or upon their date of hire, whichever is later.
    - Paid prenatal leave may only be used by the employee directly receiving prenatal healthcare services. Family members or other persons may not use this leave to attend prenatal appointments.