State/Local Compliance Update: May 2024

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

Connecticut

- **Connecticut expands paid sick leave law.** On May 21, Governor Lamont signed into law H.B. No. 5005 amending key portions of the Connecticut Paid Sick Leave 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. Covered employers should review their existing leave policies and update as needed to ensure compliance with these new amendments. 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.

Illinois

- **Chicago paid leave final rules issued.** Chicago published final rules interpreting the Chicago Paid Sick and Safe Leave Ordinance which takes effect on July 1, 2024. Under the updated ordinance, Chicago employees continue to be entitled to earn up to 40 hours of paid sick leave per 12-month period but also will be entitled to earn up to 40 hours of paid leave, usable for any reason, per 12-month period.
- **Illinois paid leave final rules issued.** Illinois has published final rules interpreting the Illinois Paid Leave for All Workers Act (PLAWA) which took effect on January 1, 2024. Note that the PLAWA does not apply to any employer located in a municipality or county where the employer is required by local law or ordinance to provide paid leave time to its employees. So, employers located within Chicago or Cook County will be subject only to the requirements of those specific ordinances.

Maryland

- **Maryland delays implementation of the Time to Care Act.** Maryland Governor Moore signed into law a bill delaying implementation of the Family and Medical Leave Insurance Program (Time to Care Act) where Maryland workers will receive up to 12 weeks of paid family and medical leave through a state fund financed by employee and employer contributions. With the delay, contributions will now begin on July 1, 2025, and covered employees will begin receiving benefits on July 1, 2026. The secretary of labor will set the rate of contribution by Feb. 1, 2025. The secretary of labor had set the rate of 0.90% for employers with at least 15 employees. However, this rate is likely to change due to the updated law and the delay. Once set by the secretary of labor, the rate will be in effect from July 1, 2025, to June 30, 2026.
- **Maryland enacts data privacy laws.** Maryland became the 18th state to pass data privacy laws when Governor Moore signed both the Maryland Online Data Privacy Act of 2024 (MODPA) and the Maryland Age Appropriate Design Code (Kids Code) into law on May 9, 2024. The MODPA goes into effect October 1, 2025, and the Kids Code goes into effect October 1, 2024.
    - MODPA applies to any business or person that produces products or services that are targeted to residents of Maryland, and either: (a) controls or processes the personal data of at least 35,000 Maryland consumers, excluding personal data controlled or processed solely for the purpose of completing a payment transaction; or (b) controls or processes the personal data of at least 10,000 unique Maryland consumers and derives more than 20% of its gross revenue from the sale of personal data. These thresholds are lower than most state privacy laws and will require compliance on the part of more companies. Note, however, that MODPA does not apply to HIPAA covered entities or business associates or to information governed by HIPAA (i.e., PHI).
    - The Kids Code requires certain entities that offer online products which are reasonably likely to be accessed by children to complete a data protection impact assessment under certain circumstances. The law also provides certain privacy protections for specific online products, prohibits certain data collection and sharing practices, authorizes certain monitoring practices, each generally relating to the protection of online privacy of children.