



Philadelphia Ordinance to Require Some Employers to Provide Paid Sick Leave

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Certain Philadelphia employers will be required to provide full-time employees with paid sick leave beginning July 1, 2012. The City Council voted 15-2 in support of the measure and Mayor Michael Nutter did not veto it. The new Ordinance, an amendment to Chapter 17-1300 of the Philadelphia Code, is entitled, "Philadelphia 21st Century Minimum Wage and Benefits Standard". Mayor Nutter previously vetoed a broader paid sick leave bill, which would have applied to all Philadelphia employers with more than five employees.

The new Ordinance will apply to:

for-profit service contractors and subcontractors with annual gross receipts above \$1 million on contracts with the City in excess of \$10,000 over a 12-month period;

non-profit service contractors and subcontractors on contracts with the City in excess of \$100,000 over a 12-month period;

recipients or subcontractors of city leases, concessions, or franchises that employ more than 25 employees;

employees of the City of Philadelphia (including all agencies and departments);

City financial aid recipients; and

public agencies that receive contracts for \$10,000 or more in a 12-month period.

Covered employers with at least 11 employees must provide at least 56 hours of paid sick time in a calendar year. Covered employers with at least five but fewer than 11 employees must provide at least 32 hours of paid sick time in a calendar year. Employers can select to provide more time than required.

Covered employees will accrue paid sick leave from the commencement of their employment. They will accrue a minimum of one hour of paid sick time for every 40 hours worked in Philadelphia. Employees will be entitled to use paid sick time beginning on the 90th calendar day following the commencement of their employment.

Paid sick time can be carried over to the following calendar year. However, an employee's annual use of paid sick time is capped at 56 hours for employers with at least 11 employees and 32 hours for employers with at least five but fewer than 11 employees.

The City's Office of Labor Standards may grant a partial or total waiver of the paid sick leave requirement under certain circumstances, including in the event the employer is unable to pay all or part of the new leave standard or a waiver would further the interests of the City, or pursuant to a collective bargaining agreement.

An employer that fails to abide by this Ordinance may be required to pay damages equal to the amount of unpaid sick time, plus actual damages suffered by the employee as a result of the violation, and reasonable attorney's fees.

Companies doing business in Philadelphia should determine whether they are covered by this Ordinance. If so, they should determine whether their leave policies need to be revised to conform to the Ordinance (including the method for leave accrual, carrying over leave from year to year, and the timing for when such leave begins to accrue) and whether their labor costs will be affected.

Jackson Lewis attorneys are available to answer inquiries regarding this new law and assist employers in achieving compliance with its requirements.

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