NEW LAW: Nevada Passes Mandatory Paid Leave Law

On June 12, 2019, Nevada Governor Steve Sisolak signed <u>SB 312</u> – making Nevada the second state to require certain employers provide paid leave benefits to their employees. This paid leave can be used for any purpose and is not limited to just sick time.

Under the new law, Nevada employers who employ 50 or more employee will be required to provide employees with 0.01923 hours of paid leave for each hour worked, up to a maximum of 40 hours of paid leave per benefit year. This means that an employee who works a total of 40 hours per week, 52 weeks per year (or 2,080 hours in the year) would accrue 40 hours of paid leave in the year. These paid leave benefits are paid at the employee's regular rate of pay.

Employers may choose to have employees accrue paid leave benefits at the statutory rate or can "frontload" the entire 40 hours of paid leave at the start of the year. In addition, employers are required to allow an employee carryover unused paid leave benefits from year to year; however, employers can limit the carryover to 40 hours per year.

Employers are also permitted to limit the amount of paid leave benefits an employee uses in the year. An employee's use of paid leave benefits can be limited to 40 hours in the year. In addition, employers require employees to use accrued leave in a minimum of 4-hour increments.

Employees are permitted to use their paid leave benefits on the 90th calendar day of their employment. In addition, employees are not required to provide the employer with any reason for taking the leave. However, employers may require that employees give notice of their need for taking paid leave "as soon as practicable."

An employee's request to use paid leave benefits generally must be granted and employers are not permitted to require an employee find a replacement as a condition for taking the leave.

Employers are required to keep records of employees' accrual and use of paid leave benefits for at least one year following the accrual/use and these records must be made available to the Labor Commissioner for inspection upon request.

Finally, the Nevada Labor Commissioner will be preparing a poster describing the employees' rights under this new law. Once developed, employers will be required to post this new poster in a conspicuous location in the workplace.

The new law goes into effect on January 1, 2020. It is recommended that employers start preparing for this law by drafting a compliant paid leave policy.