

### Paid Sick Leave: Items for Discussion

- If Nevada were to pass sick leave legislation that included exemptions at certain employee levels, Guinn Center estimates the following:
  - At 15 workers or fewer, 59,586 private sector businesses would be exempt (80.0 percent of the total). At 25 workers or fewer, 65,005 businesses would be exempt (87.3 percent of the total). At a threshold of 35 workers or fewer, 67,458 (90.6 percent of the total) would be exempt. At 50 workers or fewer, 69,334 would be exempt (93.1 percent of the total).
  - With respect to employee size, for the private sector, at 15 workers or less, 224,289 employees would be exempt (17.2 percent of the total). At 25 workers or less, 325,639 (25.0 percent of the total) would be exempt. At a threshold of 35 workers or less, 397,601 (30.5 percent of the total) would be exempt. At 50 workers or less, 476,006 (36.5 percent of the total) would be exempt.
  - **A proposal to exempt private employers with 25 or fewer workers would exempt almost 90 percent of employers in Nevada and 25 percent of workers. A proposal to exempt private employers with 50 or fewer workers would exempt almost 95 percent of employers and over 35 percent of workers.**

	Employees		Establishments	
	Number (N)	Percentage of the Total (%)	Number (N)	Percentage of the Total (%)
15 workers or less	224,289	17.2%	59,586	80.0%
25 workers or less	325,639	25.0%	65,005	87.3%
35 workers or less	397,601	30.5%	67,458	90.6%
50 workers or less	476,006	36.5%	69,334	93.1%

Source: Data provided to the Guinn Center by DETR. Estimates constructed by the Guinn Center.

- Currently, 11 states and the District of Columbia require paid sick leave. These states are: Arizona, California, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, Oregon, Rhode Island, Vermont, and Washington. (Source: National Conference of State Legislatures; Michigan Chamber of Commerce)
- Exemptions, or carve-outs, vary by state. Some are more restrictive, while others are more expansive. In New Jersey, only public employers are exempt from its paid sick law, and in Washington, all employers must extend paid sick leave coverage to all non-exempt employees.
- Of the 12 states (i.e., 11 states, plus D.C.) with paid sick leave laws, six have explicit carve-outs at certain employee levels. These may be referred to as small business exemptions or employer-size sick time thresholds. This means that businesses of a certain size, as defined in law, do not have to provide sick leave. But there is some variation across definitions.
  - The 6 states with explicit carve-outs at certain employee levels are as follows: Connecticut (1-49 employees); Maryland (1-14 employees); Massachusetts (1-10 employees); Michigan (1-49 employees); Oregon (1-9 employees); and Rhode Island (1-17 employees). ***Half of the states do not have carve-outs for employer size; of those that do, most carve-outs are for less than 20 employees.*** Connecticut and Michigan are the only states that have higher carve-outs (1-49 employees).
  - Of the six states with carve-outs at certain employee levels, three—Maryland, Massachusetts, and Oregon—require employers with size exemptions to provide *unpaid* sick leave in the amount of 40 hours/year. Rhode Island currently requires employers below the threshold to provide 32 hours/year of unpaid sick leave, which will increase to 40 hours/year after 2019. Small businesses in Connecticut and Michigan are fully exempt. In all four states, the amount of unpaid sick leave accrued by workers in exempt businesses is equivalent to that accrued by those receiving paid sick leave in non-exempt businesses.

- The remaining six states are fully exempt, as well, though two specify variation in the number of hours/days accrued on the basis of employer size. In Arizona, employers with 15 or more employees must provide 40 hours per year of paid sick leave; those with fewer than 15 employees must provide 24 hours of paid sick leave per year. The District of Columbia requires the following: 3 days per year of paid sick leave for employers that employ 1-24 employees; 5 days per year of paid sick leave for employers that employ 25-99 employees; and 7 days per year of paid sick leave for employers with 100 or more employees.
  - **Two states**, Connecticut and Michigan, have employer size carve-outs, meaning that employers below a certain threshold of employees in these states are fully exempt from paid sick leave provision. **Four states**—Maryland, Massachusetts, Oregon, and Rhode Island—have employer size carve-outs but must provide unpaid sick leave below the thresholds. **Six states**—Arizona, California, the District of Columbia, New Jersey, Vermont, and Washington—do not have employer size carve-outs, but two of these (Arizona/D.C.) provide differing amounts of paid sick leave on the basis of employer size.
- Some states (California, Connecticut) have created carve-outs for different employee types (e.g., California exempts construction employees that are covered by collective bargaining agreements).
  - Nationally, more than 34 million workers do not have paid sick days; of these, three in ten (about 30.0 percent) private sector employees and just under seven in ten (nearly 70.0 percent) of low-income employees do not have paid sick leave. (*Source*: National Partnership for Women & Families)
  - Data shows that about 60.0 percent of Nevadans have access to paid sick days, **while approximately 40.0 percent (roughly 510,000 workers) do not have access to paid sick days.** (*Source*: Institute for Women’s Policy Research)
  - Approximately **eighty-one (81.0) percent of employees who lack access to paid sick days nationally work in food service.** Generally speaking, it is those individuals who interact with the public most frequently that do not have paid sick leave. This means greater exposure to illnesses and a higher likelihood of contagion, which has an impact on public health. (*Source*: National Partnership for Women & Families)
    - **In Nevada, roughly 22.8 percent of employment is concentrated in the accommodation and food services sector.** Almost half (**47.9 percent**) of employment is concentrated in accommodation/food services and leisure/hospitality. As such, *some of Nevada’s employees may be positioned to benefit from paid sick leave legislation.*
  - There is an association between lack of access to sick days and those without access to medical care. While employers can incur costs associated with paid sick leave, in the aggregate, it may be costlier not to offer this protection. According to the National Partnership for Women & Families, “It is estimated that preventable emergency room visits among workers without paid sick days cost the United States more than \$1.1 billion per year...[.]” This could imply that **paid sick leave translates into broad health cost savings over the long term.** *In Nevada, health care costs and premiums have witnessed double-digit growth in recent years.*
  - While there is no evidence to suggest that lack of access to paid sick leave disproportionately affects women, it can contribute to a gender gap, as women are likelier to receive lower wages than men, holding occupation constant. Absenteeism, particularly for mothers who are the sole or primary household earners, can result in lost pay, reinforcing the wage-based gender gap.
  - Few states have implemented paid sick leave legislation, and, of those that have, the policies have not been in effect for sufficient time to evaluate the long-term impact on employment. However, **preliminary research suggests that unemployment did not increase in three states that mandate paid sick leave** (California, New Jersey, and Rhode Island).