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SENATE BILL NO. 481

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 3, 2020)

(Patrons Prior to Substitute—Senators Favola and Barker [SB 1069])
Senate Amendments in [] - February 11, 2020

A BILL to amend the Code of Virginia by adding a section numbered 40.1-27.3 and by adding in Chapter 3 of Title 40.1 an article numbered 2.1, consisting of sections numbered 40.1-33.1 through 40.1-33.14, relating to employees; earned paid sick time; civil penalties.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 40.1-27.3 and by adding in Chapter 3 of Title 40.1 an article numbered 2.1, consisting of sections numbered 40.1-33.1 through 40.1-33.13, as follows:

§ 40.1-27.3. Discharge of employee for taking unpaid sick leave prohibited.

A. No employer shall discharge, demote, or otherwise discriminate against an employee for being absent from work for any purpose set forth in subdivision A 1, 2, or 3 of § 40.1-33.3. An employer shall not be held in violation of this section if the employee's absence for such a reason exceeds 16 hours in any calendar year.

B. The provisions of subsection A apply only if the employee is not required to be compensated for such time off from work.

C. An employee who is discharged, demoted, or otherwise discriminated against in violation of subsection A is entitled to bring a civil action in a court of competent jurisdiction against an employer violating such provisions. Upon prevailing in such an action, the person aggrieved by a violation of this article is entitled to the remedies set out in subsection B of § 40.1-33.9.

Article 2.1.

Healthy Working Families Act.

§ 40.1-33.1. Definitions.

As used in this article, unless the context requires a different meaning:

"Earned paid sick time" means time that is compensated at the same hourly rate and with the same benefits, including health care benefits, as an employee normally earns during hours worked and is provided by an employer to an employee for the purposes described in § 40.1-33.3; however, such hourly rate shall not be less than the minimum wage amount set forth in § 40.1-28.10 without reduction for any tip credit that the employer would otherwise be permitted to claim.

"Employer" means any employer as defined in § 40.1-2 that employs 15 or more employees. Notwithstanding § 40.1-2.1, "employer" includes the Commonwealth and its agencies, institutions, and political subdivisions. "Employer" does not include any agency of the federal government.

"Family member" means:

1. Regardless of age, a biological child, adopted or foster child, stepchild, legal ward, child to whom the employee stands in loco parentis, or an individual to whom an employee stood in loco parentis when the individual was a minor;

2. A biological parent, foster parent, stepparent, adoptive parent, legal guardian of an employee or an employee's spouse, or an individual who stood in loco parentis to an employee when the employee or employee's spouse was a minor child;

3. An individual to whom an employee is legally married under the laws of any state;

4. A grandparent, grandchild, or sibling, whether of a biological, foster, adoptive, or step relationship, of an employee or the employee's spouse;

5. An individual for whom an employee is responsible for providing or arranging care, including helping that individual obtain diagnostic, preventive, routine, or therapeutic health treatment; or

6. Any other individual related by blood or affinity whose close association with an employee is the equivalent of a family relationship.

"Health care professional" means any person licensed under federal or state law to provide medical or emergency services, including physicians, nurses, and emergency room personnel.

"Retaliatory personnel action" means a denial of any benefit provided pursuant to this article; any threat, discharge, suspension, demotion, reduction of hours, or report of or threat to report an employee's suspected citizenship or immigration status or the suspected citizenship or immigration status of a family member of the employee to an agency of federal, state, or local government; or the taking of any other adverse action against an employee as a result of the employee's exercise of any benefit provided pursuant to this article, including the imposition of any sanction against an employee who is the recipient of public benefits, as a result of the employee's exercise of any benefit provided pursuant

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60 to by this article. "Retaliatory personnel action" includes interference with or punishment for in any
61 manner participating in or assisting an investigation, proceeding, or hearing under this article.

62 "Year" means a regular and consecutive 12-month period as determined by the employer, except that
63 for the purposes of §§ 40.1-33.6 and 40.1-33.8, "year" means a calendar year.

64 **§ 40.1-33.2. Accrual of earned paid sick time.**

65 A. All employees shall accrue a minimum of one hour of earned paid sick time for every 30 hours
66 worked. An employee shall not earn or use more than 40 hours of earned paid sick time in a year,
67 unless the employer selects a higher limit.

68 B. Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the federal
69 Fair Labor Standards Act, 29 U.S.C. § 201 et seq., will be assumed to work 40 hours in each work
70 week for purposes of earned paid sick time accrual unless their normal work week is less than 40 hours,
71 in which case earned paid sick time accrues on the basis of that normal work week.

72 C. Earned paid sick time as provided in this section shall begin to accrue at the commencement of
73 employment or on January 1, 2021, whichever is later. An employer may provide all earned paid sick
74 time that an employee is expected to accrue in a year at the beginning of the year.

75 D. Employees shall not be entitled to use accrued earned paid sick time until the ninetieth calendar
76 day following commencement of their employment, unless otherwise permitted by the employer. On and
77 after the ninetieth calendar day of employment, employees may use earned paid sick time as it is
78 accrued.

79 E. Any employer with a paid leave policy, such as a paid time off policy, that makes available an
80 amount of paid leave sufficient to meet the requirements of this section to provide employees with at
81 least 40 hours of paid sick time a year and that may be used for the same purposes and under the same
82 conditions as earned paid sick time under this article is not required to provide additional paid sick
83 time .

84 F. Nothing in this section shall be construed as requiring financial or other reimbursement to an
85 employee from an employer upon the employee's termination, resignation, retirement, or other
86 separation from employment for accrued earned paid sick time that has not been used.

87 G. If an employee is transferred to a separate division, entity, or location, but remains employed by
88 the same employer, the employee is entitled to all earned paid sick time accrued at the prior division,
89 entity, or location and is entitled to use all earned paid sick time as provided in this section. If an
90 employee is separated from employment with an employer and the employee is rehired within 12 months
91 of separation by the same employer, previously accrued earned paid sick time that had not been used
92 shall be reinstated. Further, the employee shall be entitled to use accrued earned paid sick time and
93 accrue additional earned paid sick time at the recommencement of employment.

94 H. When a different employer succeeds or takes the place of an existing employer, all employees of
95 the original employer who remain employed by the successor employer are entitled to all earned paid
96 sick time that they accrued when employed by the original employer, and to use earned paid sick time
97 previously accrued.

98 I. At its discretion, an employer may loan earned paid sick time to an employee in advance of
99 accrual of earned paid sick time by such employee.

100 [J. The provisions of this article shall not apply to an employer that has entered into a bona fide
101 collective bargaining agreement with respect to the employees that are covered by such agreement, for
102 the duration of the agreement, provided that the collective bargaining agreement provides at least five
103 days or its equivalent of paid time off for full-time employees and a prorated amount for part-time
104 employees, on an annual basis.]

105 **§ 40.1-33.3. Use of earned paid sick time.**

106 A. Earned paid sick time shall be provided to an employee by an employer for:

107 1. An employee's mental or physical illness, injury, or health condition; an employee's need for
108 medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an
109 employee's need for preventive medical care;

110 2. Care of a family member with a mental or physical illness, injury, or health condition; care of a
111 family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury,
112 or health condition; or care of a family member who needs preventive medical care; or

113 3. Closure of the employee's place of business by order of a public official due to a public health
114 emergency or an employee's need to care for a child whose school or place of care has been closed by
115 order of a public official due to a public health emergency, or care for oneself or a family member
116 when it has been determined by the health authorities having jurisdiction or by a health care provider
117 that the employee's or family member's presence in the community may jeopardize the health of others
118 because of his or her exposure to a communicable disease, whether or not the employee or family
119 member has actually contracted the communicable disease.

120 B. Earned paid sick time shall be provided upon the request of an employee. Such request may be
121 made orally, in writing, by electronic means, or by any other means acceptable to the employer. When

122 possible, the request shall include the expected duration of the absence.

123 C. When the use of earned paid sick time is foreseeable, the employee shall make a good faith effort
124 to provide notice of the need for such time to the employer in advance of the use of the earned paid
125 sick time and shall make a reasonable effort to schedule the use of earned paid sick time in a manner
126 that does not unduly disrupt the operations of the employer.

127 D. An employer that requires notice of the need to use earned paid sick time shall provide a written
128 policy that contains procedures for its employees to provide notice. An employer that has not provided
129 to an employee a copy of its written policy for providing such notice shall not deny earned paid sick
130 time to the employee based on noncompliance with such a policy.

131 E. An employer may not require, as a condition of an employee's taking earned paid sick time, that
132 an employee search for or find a replacement worker to cover the hours during which the employee is
133 using earned paid sick time.

134 F. An employer may not require an employee to work an alternate shift to make up for the use of
135 sick time.

136 G. Upon mutual consent by the employee and the employer, an employee may work additional hours
137 or shifts to compensate for hours or shifts during which the employee was absent from work without
138 using accrued sick time for the hours or shifts missed. However, the employer may not require the
139 employee to work additional hours or shifts authorized by this subsection. If the employee works
140 additional hours or shifts, the employer shall comply with any applicable federal, state, or local laws
141 regarding overtime pay.

142 H. Earned paid sick time may be used in the smaller of hourly increments or the smallest increment
143 that the employer's payroll system uses to account for absences or use of other time.

144 I. For earned paid sick time of three or more consecutive work days, an employer may require
145 reasonable documentation that the earned paid sick time has been used for a purpose for which such
146 leave is required to be provided as set forth in subsection A. Documentation signed by a health care
147 professional indicating that earned paid sick time is necessary shall be considered reasonable
148 documentation for purposes of this subsection. If an employer requires such documentation for the use
149 of an employee's earned paid sick time and the employer does not offer health insurance to the
150 employee, then the employer is responsible for paying all out-of-pocket expenses the employee incurs in
151 obtaining the documentation.

152 J. Employees may donate accrued sick time to another employee if the other employee uses the
153 donated sick time for the purpose specified in this section and the employer has a policy that allows an
154 employee to donate sick time to a coworker for the purpose specified in this section.

155 **§ 40.1-33.4. Exercise of rights protected; retaliation prohibited.**

156 A. Neither an employer nor any other person shall interfere with, restrain, or deny the exercise of,
157 or the attempt to exercise, any benefit provided pursuant to this article.

158 B. An employer shall not take retaliatory personnel action or discriminate against an employee or
159 former employee because the person has requested or used earned paid sick time provided pursuant to
160 this article; filed a complaint with the Commissioner or a court or informed any person about any
161 employer's alleged violation of this article; participated in an investigation, hearing, or proceeding or
162 cooperated with or assisted the Commissioner in investigations of any alleged violation of this article;
163 or informed any individual of such individual's potential benefits under this article.

164 C. An employer's absence control policy shall not count earned paid sick time taken under this
165 article as an absence that may lead to or result in discipline, discharge, demotion, suspension, or any
166 other adverse action.

167 D. Protections of this section shall apply to any person who mistakenly but in good faith alleges a
168 violation of any provision of this article.

169 E. There shall be a rebuttable presumption of unlawful retaliatory personnel action under this
170 section whenever an employer takes adverse action against an individual within 90 days of when that
171 individual:

172 1. Files a complaint with the Commissioner or a court alleging a violation of any provision of this
173 article;

174 2. Informs any person about an employer's alleged violation of this article;

175 3. Cooperates with or assists the Commissioner or other persons in the investigation or prosecution
176 of any alleged violation of this article;

177 4. Opposes any policy, practice, or act that is unlawful under this article; or

178 5. Informs any individual of benefits provided to that individual under this article.

179 **§ 40.1-33.5. Notice and posting.**

180 A. Each employer shall give its employees written notice of the following information at the
181 commencement of employment or by March 1, 2021, whichever is later:

182 1. That employees are entitled to earned paid sick time and the amount of earned paid sick time;

- 183 2. *The terms of the use of earned paid sick time provided under this article;*
184 3. *That retaliatory personnel action against employees who request or use earned paid sick time is*
185 *prohibited;*
186 4. *That each employee has the right to file a complaint or bring a civil action if earned paid sick*
187 *time as required by this article is denied by the employer or the employee is subjected to retaliatory*
188 *personnel action for requesting or taking earned paid sick time; and*
189 5. *Contact information for the Department where questions about rights and responsibilities under*
190 *this article can be answered.*
191 B. *The notice required by subsection A shall be in English, Spanish, and any language that is the*
192 *first language spoken by at least 10 percent of the employer's workforce, provided that such notice has*
193 *been provided by the Department.*
194 C. *The amount of earned paid sick time available to the employee, the amount of earned paid sick*
195 *time taken by the employee to date in the year, and the amount of pay the employee has received as*
196 *earned paid sick time shall be recorded in, or on an attachment to, the employee's regular statement of*
197 *earnings provided under § 40.1-29.*
198 D. *Employers shall display a poster that contains the information required by subsection A in a*
199 *conspicuous and accessible place in each establishment where such employees are employed. The poster*
200 *displayed shall be in English, Spanish, and any language that is the first language spoken by at least 10*
201 *percent of the employer's workforce, provided that such poster has been provided by the Department.*
202 E. *The Department shall create and make available to employers, in all languages spoken by more*
203 *than 10 percent of the Commonwealth's workforce and any language deemed appropriate by the*
204 *Department, model notices and posters that contain the information required under subsection A for*
205 *employers' use in complying with subsections A and D.*
206 F. *An employer that willfully violates the notice and posting requirements of this section shall be*
207 *subject to a civil penalty in an amount not to exceed \$100 for each separate offense.*
208 **§ 40.1-33.6. Employer records.**
209 *Each employer shall retain records documenting the number of hours worked by employees and*
210 *earned paid sick time taken by employees, for a period of three years, and shall allow the Department*
211 *access to such records, with appropriate notice and at a mutually agreeable time, to monitor*
212 *compliance with the requirements of this article. When an issue arises as to an employee's entitlement to*
213 *earned paid sick time under this article, if the employer does not maintain or retain adequate records*
214 *documenting hours worked by the employee and earned paid sick time taken by the employee, or does*
215 *not allow the Commissioner reasonable access to such records, it shall be presumed that the employer*
216 *has violated this article, absent clear and convincing evidence otherwise.*
217 **§ 40.1-33.7. Regulations.**
218 *The Commissioner shall adopt appropriate regulations for the implementation and enforcement of*
219 *this article.*
220 **§ 40.1-33.8. Enforcement; civil penalties; actions to recover amounts on behalf of employees.**
221 A. *The Commissioner shall enforce the provisions of this article. In effectuating such enforcement,*
222 *the Commissioner shall establish a system utilizing multiple means of communication to receive*
223 *complaints regarding noncompliance with this article and to investigate complaints received by the*
224 *Commissioner in a timely manner.*
225 B. *Any person alleging a violation of this article shall have the right to file a complaint with the*
226 *Commissioner within one year of the date the person knew or should have known of the alleged*
227 *violation. The Commissioner shall encourage reporting pursuant to this subsection by keeping*
228 *confidential, to the maximum extent permitted by applicable laws, the name and other identifying*
229 *information of the employee or other person reporting the violation; provided, however, that with the*
230 *authorization of such person, the Commissioner may disclose the person's name and identifying*
231 *information as necessary to enforce this article or for other appropriate purposes.*
232 C. *Upon receiving a complaint alleging a violation of this article, the Commissioner shall investigate*
233 *such complaint and attempt to resolve it through mediation between the complainant and the subject of*
234 *the complaint, or other means. The Commissioner shall keep complainants notified regarding the status*
235 *of their complaint and any resultant investigation. If the Commissioner believes that a violation has*
236 *occurred, he shall issue to the offending person or employer a notice of violation and the relief required*
237 *of the offending person or entity. The Commissioner shall prescribe the form and wording of such*
238 *notices of violation including any method of appealing a decision of the Commissioner.*
239 D. *The Commissioner shall notify any employer who he alleges has violated any provision of this*
240 *article by certified mail. Such notice shall contain a description of the alleged violation. Within 15 days*
241 *of receipt of notice of the alleged violation, the employer may request an informal conference with the*
242 *Commissioner regarding such violation.*
243 E. *Any such employer who knowingly violates this article shall be subject to a civil penalty not to*
244 *exceed \$150 for the first violation and, for subsequent violations that occur within two years of any*

245 previous violation, not to exceed \$300 for the second violation and not to exceed \$500 for each
246 successive violation. In determining the amount of any civil penalty to be imposed, the Commissioner
247 shall consider the size of the business of the employer charged and the gravity of the violation. The
248 decision of the Commissioner shall be final.

249 F. The Commissioner, with the written and signed consent of an employee, may institute a
250 proceeding in a court of competent jurisdiction on behalf of an employee to enforce compliance with
251 this article and to collect the following amounts from the employer that violated this article, which
252 amounts shall be paid to the employee entitled thereto:

253 1. In each instance of earned paid sick time taken by an employee but unlawfully not compensated
254 by the employer, for three times the wages that should have been paid under this article;

255 2. In each instance of earned paid sick time requested by an employee but unlawfully denied by the
256 employer and not taken by the employee or unlawfully conditioned upon searching for or finding a
257 replacement worker, for \$250;

258 3. In each instance of unlawful retaliation not including discharge from employment, for full
259 compensation including wages and benefits lost, an additional amount of at least \$500, and equitable
260 relief as appropriate; and

261 4. In each instance of unlawful discharge from employment, for full compensation including wages
262 and benefits lost, an additional amount of \$1,500, and equitable relief, including reinstatement, as
263 appropriate.

264 G. Upon entry of a final order of the Commissioner, or upon entry of a judgment of a court of
265 competent jurisdiction, against the employer, the Commissioner or the court shall assess reasonable
266 attorney fees.

267 H. The Commissioner shall annually report on its website the number and nature of the complaints
268 received pursuant to this article; the results of investigations undertaken pursuant to this article,
269 including the number of complaints not substantiated and the number of notices of violations issued; the
270 number and nature of adjudications pursuant to this article; and the average time for a complaint to be
271 resolved pursuant to this chapter.

272 I. Any person aggrieved by a violation of this article may file a complaint with the Attorney General.
273 The filing of a complaint with the Attorney General will not preclude the filing of a civil action under
274 § 40.1-33.9. The Attorney General may bring a civil action to enforce the provisions of this article, in
275 which action the Attorney General may seek injunctive relief of the imposition of civil penalties in such
276 amounts as are authorized under this section.

277 J. Civil penalties owed under this article shall be paid to the Commissioner for deposit into the
278 general fund. The Commissioner shall prescribe procedures for the payment of proposed assessments of
279 civil penalties that are not contested by employers. Such procedures shall include provisions for an
280 employer to consent to abatement of the alleged violation and to pay a proposed civil penalty or a
281 negotiated sum in lieu of such civil penalty without admission of any civil liability arising from such
282 alleged violation.

283 **§ 40.1-33.9. Civil actions.**

284 A. Any person aggrieved by a violation of this article, or any entity a member of which is aggrieved
285 by a violation of this article, may bring a civil action in a court of competent jurisdiction against an
286 employer violating this article. Such action may be brought by a person aggrieved by a violation of this
287 article without first filing an administrative complaint; however, a recovery under this section shall be
288 in lieu of any recovery under subsection F of § 40.1-33.8.

289 B. Upon prevailing in an action brought pursuant to this section, a person aggrieved by a violation
290 of this article shall:

291 1. Recover a sum equal to twice the total of (i) the amount of any unpaid earned sick time and (ii)
292 the amount of any actual damages suffered as the result of the employer's violation of this article; and

293 2. Be entitled to such legal or equitable relief as may be appropriate to remedy the violation,
294 including, without limitation, reinstatement to employment, back pay, and injunctive relief.

295 C. The statute of limitations for a civil action brought pursuant to this section shall be for a period
296 of two years from the date the alleged violation occurred or the date the person aggrieved by a
297 violation of this article knew or should have known of the violation.

298 **§ 40.1-33.10. Confidentiality and nondisclosure.**

299 An employer may not require disclosure of the details of an employee's or an employee's family
300 member's health information as a condition of providing earned paid sick time under this article. If an
301 employer possesses health information about an employee or employee's family member, such
302 information shall be treated as confidential and not disclosed except to the affected employee or with
303 the permission of the affected employee.

304 **§ 40.1-33.11. Encouragement of more generous earned paid sick time policies; no effect on more**
305 **generous policies or laws.**

306 A. Nothing in this article shall be construed to discourage or prohibit an employer from the adoption
307 or retention of an earned paid sick time policy more generous than the one required by this article.

308 B. Nothing in this article shall be construed as diminishing the obligation of an employer to comply
309 with any contract, collective bargaining agreement, employment benefit plan, or other agreement
310 providing more generous earned paid sick time to an employee than required by this article. Nothing in
311 this article shall be construed as diminishing the rights of public employees regarding earned paid sick
312 time or use of earned paid sick time as provided in any law pertaining to public employees.

313 C. Nothing in this article shall be construed to supersede any provision of any local law that
314 provides greater rights to earned paid sick time than the rights established under this article.

315 **§ 40.1-33.12. Effect on other requirements.**

316 This article provides minimum requirements pertaining to earned paid sick time and shall not be
317 construed to preempt, limit, or otherwise affect the applicability of any other law, regulation,
318 requirement, policy, or standard that provides for greater accrual or use by employees of earned paid
319 sick time or that extends other protections to employees.

320 **§ 40.1-33.13. Public education and outreach.**

321 The Department shall develop and implement a multilingual outreach program to inform employees,
322 parents, and persons who are under the care of a health care provider about the availability of earned
323 paid sick time required to be provided pursuant to this article. This program shall include the
324 distribution of notices and other written materials in English, Spanish, and any language that is the first
325 language spoken by at least 10 percent of the Commonwealth's population to all child care and elder
326 care providers, schools, hospitals, community health centers, and other health care providers.

327 **2. That the provisions of this act shall become effective on January 1, 2021.**