

Ready for AZ Prop 206 (Mandatory Sick Time Pay)?

AZ Prop 206 took effect July 1, 2017 requiring Arizona employers to calculate, accrue, track, report and pay sick time according to requirements governed by the state.

It is estimated that as many as 40% of Arizona employers (even those headquartered out of state) are not in compliance and are in risk of stiff penalties from the state and potential lawsuits from their employees!



The Numbers:

1-14 W-2 employees – 24 hours per year paid sick time.

15+ W-2 employees – 40 hours per year paid sick time.

Accrual Rate – 1-hour paid sick time for every 30 hours worked.

1-2 days sick leave – no proof for leave required.

\$250 Fine if sick time isn't printed on or attached to pay stub.

Even companies with generous paid-time-off policies are still required to monitor and track sick time usage and pay, as well as print year-to-date usage and balances on employee's pay stubs. Subject to certain parameters, (such as providing the full amount of paid sick time at the beginning of the year) unused sick time at the end of each year must be carried forward to the new year.

Prop 206 requires posting sufficient notice, tracking and recording all sick time accrued, used, available, paid and owed. There are stiff penalties for failure to comply with the state's record-keeping/notice requirements. First record-keeping/notice violations are subject to \$250 fine with additional violations subject to \$1,000 or more per infraction.

Sick time can be taken by employees in the smallest increment an employer's payroll system allows. Employees are not required to provide the reason why they are taking sick leave up to three consecutive days, and the law prohibits retaliation against employees for requesting or taking sick time for a period of 90 days.

The penalty for not paying sick time can be 100% of the sick time owed plus two-times damages and, if the employee sues to force their employer to pay sick time and wins, the employer must also pay attorney's fees,

TAG Employer Services provides a free Expert Prop 206 readiness check-up for Arizona Employers (855.227.5824).