



## Three States Vote to Require Paid Sick Leave, Joining Nationwide Trend

Election Day 2024 was impactful in many ways, including for employers that have employees in Alaska, Missouri, and Nebraska. Voters in those three states voted to mandate paid sick leave for employees, in addition to raising the minimum wage in Missouri and Alaska. Read the full text of the [Alaska ballot initiative](#), the [Missouri proposition](#), and the [Nebraska initiative](#). There is no federally mandated paid sick leave, and the federal minimum wage is \$7.25 per hour.

### Alaska

Employers with employees in Alaska will now need to pay employees a minimum wage of \$13.00 per hour, effective July 1, 2025. The minimum wage in Alaska will go up to \$14.00 per hour on July 1, 2026, and \$15.00 per hour on July 1, 2027. Employers will also be required to provide up to 56 hours of paid sick leave per year for employers with 15 employees or more, or 40 hours of paid sick leave per year if they have fewer than 15 employees. The paid sick leave provisions take effect on July 1, 2025.

### Missouri

As of January 1, 2025, the minimum wage in Missouri will go up to \$13.75 per hour. The minimum wage will also rise again on January 1, 2026, to \$15.00 per hour. The minimum wage will be adjusted annually after 2026. Employers who are engaged in a retail or service business whose annual gross income is less than \$500,000 are exempt from the state minimum wage law.

The bigger change to Missouri law is that employers must now provide paid sick leave to their employees. This change will take effect on May 1, 2025. As with the

minimum wage portion of the law, employers who are engaged in a retail or service business whose annual gross income is less than \$500,000 are exempt from the law.

Starting on May 1, 2025, employees who work for covered employers in Missouri must begin to accrue paid sick leave at a rate of at least one hour of paid sick leave per 30 hours worked. Employers with 15 or more employees must allow employees to use up to 56 hours of paid sick leave per year. Employers with fewer than 15 employees must allow employees to use up to 40 hours of paid sick leave per year. Employers must allow employees to roll over up to 80 hours of accrued but unused paid sick leave each year.

Employees must be paid their “same hourly rate” for the paid sick leave that they accrue and use. For employees who are paid hourly and who are paid only one hourly rate, that rate will be their “same hourly rate.” For employees who are paid multiple hourly rates or for employees who are not paid on an hourly basis (e.g. salaried employees, employees paid on commission, employees paid by piece rate), employers should take a close look at the new law and consider obtaining legal advice to determine the appropriate hourly rate. Pre-existing paid leave or PTO policies may comply with this law if they meet the minimum requirements of the law.

## **Nebraska**

Nebraska’s ballot initiative did not impact its minimum wage. It does require employers with fewer than 20 employees to provide up to 40 hours of paid sick leave per year. Employers with 20 or more employees must provide up to 56 hours of paid sick leave per year. Employees must accrue at least one hour of paid sick leave for every 30 hours worked. The paid sick leave must be paid at the employee’s regular hourly rate. These changes take effect on October 1, 2025. Unlike the Missouri law, the Nebraska law does not categorically exempt a smaller employer whose annual gross income is less than \$500,000 per year.

Accrued paid sick leave time must be carried over to the following year, unless the employer elects to “pay out” the accrued time at the end of the year and then provide paid sick leave at the start of the year that meets or exceeds the requirements of the law. Employers with pre-existing paid leave or PTO policies should consider if their current policies comply with the law.

## Nationwide Trend of Sick Leave Mandates Continues

With the additions of Alaska, Missouri, and Nebraska, a total of 22 states will have paid sick leave laws in effect in 2025. Washington D.C. and approximately two dozen municipalities across the country also mandate that employers provide paid sick leave. Navigating differences in various state and local paid sick leave laws can be a significant challenge for employers with multistate operations.

### Key Takeaways

- Missouri's minimum wage will be \$13.75 beginning on January 1, 2025.
- Alaska's minimum wage will be \$13.00 beginning on July 1, 2025.
- As of May 1, 2025, most Missouri employers will now be required to allow employees to accrue one paid hour of sick leave for every 30 hours worked.
- As of October 1, 2025, most Nebraska employers will now be required to allow employees to accrue one paid hour of sick leave for every 30 hours worked.
- Consult with an employment law attorney to determine if your existing paid leave policy is compliant.
- Keep an eye on legal updates, as there may be rules and regulations put in place to help implement these new laws.

*This blog was drafted by Katherine (Kate) Davis, an attorney in the Kansas City, Missouri, office of Spencer Fane. For more information, visit [www.spencerfane.com](http://www.spencerfane.com).*

Click [here](#) to subscribe to Spencer Fane communications to ensure you receive timely updates like this directly in your inbox.