
Labor Committee

HB 1163

Brief Description: Concerning paid vacation leave.

Sponsors: Representatives Tarleton, Walkinshaw, Moeller, Ortiz-Self, Gregerson, Pollet, S. Hunt, Appleton, Ormsby and Goodman.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires employers with 10 or more employees, other than certain educational institutions, to provide paid vacation leave to employees.

Hearing Date: 1/29/15

Staff: Joan Elgee (786-7106).

Background:

State and federal laws address leave from employment.

Under the federal Family and Medical Leave Act (FMLA), eligible employees are entitled to up to 12 weeks of unpaid leave in a 12-month period for specified reasons. The state Family Leave Act is very similar to the FMLA. Paid family leave for the birth or placement of a child is delayed until funding and an implementation date are provided. Under the state family care law, if employees are entitled to sick leave or other paid time off, employers must allow employees to use their choice of leave to care for certain family members.

Summary of Bill:

Paid vacation leave requirements are established.

Employers covered are all private and public employers with ten or more employees. School districts, community and technical colleges, and institutions of higher education are exempt.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Coverage. Most employees of covered employers are covered, including part-time employees. Temporary employees who work for an employer for less than six months do not accrue leave. However, if an employee is rehired by the employer within seven months, time worked previously counts for purposes of leave accrual and unused leave must be reinstated. Persons who work in Washington on an occasional basis are covered if they work 240 hours a year or more in the state. Employees are not covered if the requirements are expressly waived in a collective bargaining agreement in clear and unambiguous terms.

Accrual. Employees accrue two hours leave for every 40 hours worked, after working for an employer for six months. Leave accrues on a pro rata basis at each pay period and for employees who work less than 40 hours per week.

Use of Leave. An employer must grant the leave requested if the employee follows the employer's written policy or, if the employer does not have a written policy, upon the employee's request, unless the employer demonstrates business necessity. An employer may require up to 12 months employment before an employee may request leave.

Compensation. Compensation for vacation leave must be at the same pay and with the same benefits as the employee would have earned during the time leave is taken. No cash-out is required.

Enforcement. Upon complaint, the Director of the Department of Labor and Industries (Department) may investigate and issue a notice of infraction if a violation occurred. The Director may order an employer to comply with the law and may also impose a civil penalty of \$500 for a first violation and \$1,000 for a subsequent violation, as well as require compensation to the Department. Retaliation for filing a complaint and for other actions is prohibited. The Department has rule-making authority.

Recordkeeping/Notice. Employers must provide current information to each employee on accrued and available leave. Any system may be used, including an online system. Employers must also give notice to employees about paid vacation leave by displaying a poster or giving notice to each employee. The notice must be in English and any language spoken by at least 5 percent of the employer's workforce. The Department's next reprinting of employment posters must include paid vacation leave.

Other Laws/Policies. The leave requirement is a minimum and is not intended to discourage or prohibit more generous policies or to diminish an employer's obligation to comply with any more generous leave. The provisions do not preempt any requirements, including local ordinances, that provide for greater leave or other employee protections.

Study. The Washington State Institute for Public Policy (WSIPP) must evaluate the impact of the requirements on the state's economy and the health and well-being of employees. The study must include a survey of employers and employees. The Department must cooperate with the WSIPP. In addition, the WSIPP must study the feasibility of the Department or another agency offering a commercial, nonproprietary, online system for tracking vacation leave. The WSIPP must submit a report to the Legislature by December 1, 2018 on its evaluation of the requirements and recommendations on an online system.

Appropriation: None.

Fiscal Note: Requested on January 20, 2015

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.