



BASSFORD REMELE

Exploring the Pros and Cons of Accrued vs. Front-loaded Sick and Safe Time Policies

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The beginning of Minnesota’s mandatory paid sick and safe time (“SST”) is rapidly approaching, and employers need to determine how they will comply with Minnesota’s Earned Sick and Safe Time Act.² Employers have three methods for complying with the Act. The first option uses an accrual method; the remaining two options use a front-loading method. Below is a high-level chart summarizing the key differences between the three methods, including pros and cons of each, along with scenarios where one method may be more practical than another.

<u>Accrued</u>	<u>Front-Load 48</u>	<u>Front-Load 80</u>
1 hour of SST per 30 hours worked (capped at 48 hours of SST)	Minimum of 48 hours of SST	Minimum of 80 hours of SST
Accrues on a rolling basis	Available at the beginning of employer’s calendar year ³	Available at the beginning of employer’s calendar year ³
Unused SST rolls over (accrued SST cannot exceed 80 hours)	No rollover	No rollover
No payout at the end of the employer’s calendar year	Must payout at the end of the employer’s calendar year	No payout of unused time at the end of the employer’s calendar year
Can prorate for part-time or seasonal employees	Cannot prorate for part-time or seasonal employees	Cannot prorate for part-time or seasonal employees

Pros

Accommodates a business model that utilizes both full-time and part-time or seasonal employees	Easier payroll recording/management	Easier payroll recording/management
	May be more appealing to applicants	May be more appealing to applicants

Pros

Pros

Cons

Payroll recording/management may be more complicated, particularly if there is a large number of part-time or seasonal employees that are subject to prorated SST	Does not accommodate for a business model that utilizes both full-time and part-time or seasonal employees	Does not accommodate for a business model that utilizes both full-time and part-time or seasonal employees
	Budgeting implications due to end-of year payout requirement	Provides nearly twice as much SST as the other two methods

Cons

Cons

Scenarios

Employers who primarily employ seasonal and part-time employees that generally work less than 1440 hours per year	Employers who use a combination of full-time and part-time or seasonal employees and who can budget for large payouts at the end of their calendar year	Employers who employ almost exclusively full-time employees and cannot budget for large payouts at the end of their calendar year
Employers who have existing systems and procedures that easily track SST accrual and usage		Employers who have an existing paid time off program and maintain employee absence data that indicates their employees are generally not using all of their available paid time off

Scenarios

Scenarios

¹ Nothing in these materials should be relied upon as legal advice from Bassford Remele, P.A. In addition, nothing herein creates an attorney-client relationship between Bassford Remele, P.A. and any reader of these materials.

Beth LaCanne is an attorney at Bassford Remele, P.A. in its employment practice group. She and her colleagues represent clients in employment matters ranging from providing advice on employee handbooks to defending employers in administrative and legal proceedings. If you have questions about your company's compliance with the new law, Bassford Remele's team of employment attorneys are available to help. Please contact Beth at blacanne@bassford.com or 612-376-1610.

² Employers with employees who work in Minneapolis, St. Paul, Bloomington, and Duluth must also consider those city's sick and safe time ordinances. Additionally, mandatory sick and safe time is not required for employees in the building and construction industry who are covered by a collective bargaining agreement that contains a valid waiver of the Act's requirements.

³ An employee who begins working during the employer's calendar year must be given the full 48 or 80 hours at the start of their employment.