Non-Minneapolis Employers Must Comply With Minneapolis Paid Sick Leave Law, Appeals Court Rules

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Disability, Leave and Health Management Minneapolis' Sick and Safe Ordinance extends to any employee who performs at least 80 hours of work per benefit year in the City of Minneapolis, even if his or her employer is not located within the city's limits, the Minnesota Court of Appeals has held. <u>Minnesota Chamber of Commerce v. Minneapolis</u>, No. A18-0771 (Apr. 29, 2019). This significant ruling stretches Minneapolis-imposed requirements to non-Minneapolis employers, including — in some instances — requiring them to provide paid time off to their employees.

Minneapolis Ordinance and Amendment

In 2016, the City of Minneapolis enacted a sick and safe leave ordinance "to safeguard the public welfare, health, safety, and prosperity of the people of ... the City." The ordinance requires employers to provide employees who work more than 80 hours a year with "one (1) hour of sick and safe time for every thirty (30) hours worked up to a maximum of forty-eight (48) hours in a ... year." For details, see our article, Minneapolis Becomes First City in Minnesota to Require Paid Sick Leave.

Employees may use the leave for their own, or a family member's, needs related to health, domestic abuse, sexual assault, stalking, and school, daycare, and workplace closings. The ordinance also requires employers to track the accrual and use of leave time.

Shortly after the ordinance was set to take effect on July 1, 2017, the Minneapolis Chamber of Commerce, along with other businesses and association groups, initiated litigation to keep the ordinance from taking effect. Particularly at issue was whether Minneapolis may enact an ordinance that operated outside its geographic borders.

In 2018, while the litigation was pending, Minneapolis amended the ordinance so that sick and safe time would accrue only when an employee works "within the geographic boundaries of the City" and leave time could be used only "when the employee is scheduled to perform work within the geographic boundaries of the City."

Appeals Court Decision

The Court of Appeals engaged in a lengthy discussion of statutory conflicts, preemption, and whether the statute inappropriately operates extraterritorially. The Court upheld the ordinance, lifting an injunction issued by a lower court that limited the ordinance to employers in Minneapolis. This decision begins a 30-day period for the Chamber to appeal the decision to the Minnesota Supreme Court, which is likely.

Compliance

Employers with an employee who works in the City of Minneapolis for at least 80 hours in one benefit year must comply with the ordinance. The following are some of those requirements:

- The employee must receive one hour of sick and safe time for every 30 hours he or she works in the City of Minneapolis;
- The employee may use the accrued leave time to care for his or her own health or the
 health of a family member or member of the household, or to address issues caused by
 domestic violence, sexual harassment, or stalking while scheduled to perform work
 within the geographic boundaries of the City of Minneapolis;
- The leave must be paid unless the employer has up to five employees (regardless of location); and
- The accrual and use of leave time must be tracked.

To further discuss the ordinance's requirements, and whether it applies to your organization, please contact your Jackson Lewis attorney.

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