



**CITY OF LOS ALTOS  
CITY COUNCIL MEETING  
June 23, 2015**

**CONSENT CALENDAR**

**Agenda Item # 5**

**SUBJECT:** Receive a report on the Healthy Workplaces, Healthy Families Act (AB 1522)

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**BACKGROUND**

The Healthy Workplaces, Healthy Families Act (AB 1522) was introduced into legislation in January of 2014. The bill was based on research that showed that an estimated six million California workers lacked paid sick leave, which creates a health hazard by encouraging employees to come to work sick or to send their ill children to school or daycare.

The Healthy Workplaces, Healthy Families Act (AB 1522) was signed into law on September 10, 2014. It requires all employers public and private, large and small, for profit and not for profit to begin to provide paid sick leave benefits to all employees beginning on July 1, 2015.

**EXISTING POLICY**

Full-time City employees earn sick leave at the accrual rate of 3.69 hours per pay period

**PREVIOUS COUNCIL CONSIDERATION**

None

**DISCUSSION**

The City of Los Altos' current sick leave policy applies only to full-time employees and does not apply to part-time, seasonal or temporary staff. Effective July 1, 2015, California's Paid Sick Leave law requires the City to provide paid sick leave to all employees. Employers were granted two methods to administer this new benefit: the accrual method (based on hours worked); or the lump sum method (employees granted lump sum amount at beginning of the year).

To be consistent with the City's existing sick leave policy, the City has chosen to administer this benefit for part-time employees under the accrual method, which is outlined below:

- An employee begins to accrue paid sick leave at the rate of one (1) hour of paid sick leave for every thirty (30) hours worked beginning on the first day of employment.
- An employee is not eligible to begin using any accrued paid sick leave until after 90 days of employment with the City.
- An employee is only allowed to use up to a maximum of 3 days or 24 hours of paid sick leave in a 12-month period.
- An employee can only accrue paid sick leave up to a cap of 6 days or 48 hours in a 12-month period. Any unused accrued paid sick leave does carryover year to year while continuously employed and is not cashed out at the time of separation.

Existing part-time City employees that have already been employed for more than 30 days on July 1, 2015, will be entitled to accrue sick leave immediately. If they have been employed for more than 90 days by July 1, 2015, they will be eligible to use paid sick leave immediately as it is accrued.

**PUBLIC CONTACT**

Posting of the meeting agenda serves as notice to the general public.

**FISCAL/RESOURCE IMPACT**

The financial impact of adhering to the Healthy Families Act AB 1522 is unknown as it is uncertain how many part-time employees will utilize this leave. The City estimates that approximately 70% of the City's part-time, seasonal, temporary workforce will qualify for this benefit.

**ENVIRONMENTAL REVIEW**

Not applicable

**RECOMMENDATION**

Receive a report on the Healthy Workplaces, Healthy Families Act (AB 1522)

**ALTERNATIVES**

The Healthy Workplaces, Healthy Families Act (AB 1622) requires all employers to comply with this provision.

Prepared by: Debinique Blackburn, Human Resources Manager

**ATTACHMENTS:**

1. Current Sick Leave Policy Section 19.03 of Personnel Regulations
2. Division of Labor Standards Notice

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*Receive a report on The Healthy Workplaces, Healthy Families Act (AB 1522)*

| <b>Years of Continuous Service</b> | <b>Hours of Annual Vacation Accrued MAX</b> |     |
|------------------------------------|---|-----|
| Less than 5 years                  | 80 hours (10 days)                          | 240 |
| 5 years                            | 120 hours (15 days)                         | 360 |
| 6 years                            | 128 hours (16 days)                         | 384 |
| 8 years                            | 136 hours (17 days)                         | 408 |
| 10 years                           | 144 hours (18 days)                         | 432 |
| 12 years                           | 152 hours (19 days)                         | 456 |
| 14 years                           | 160 hours (20 days)                         | 480 |
| 20 years                           | 180 hours (22.5 days)                       | 540 |

FTE part-time appointed employees will accrue vacation hours on a prorated basis based upon the total number of currently and regularly scheduled hours worked.

Vacation accrual changes will begin on the pay period following the anniversary date. The maximum vacation accrual balance permitted will be three times the employee's annual accrual rate. Vacation earning and accruals will stop once the employee has reached his/her maximum vacation accrual balance.

[POA represented employees REFER TO CURRENT POA MOU ARTICLES 19.1, 19.2 and 19.3 and TEAMSTERS LOCAL 350 represented employees REFER TO CURRENT MOU ARTICLES 12.1-12.7.]

Only probationary and Full-Time Equivalent (FTE) regular and FTE part-time employees shall be entitled to paid vacation leave. Temporary (unless receiving benefits) part-time and seasonal employees shall not be entitled to paid vacation leave.

The times during a calendar year at which an employee may take his vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the service.

Holidays falling within an annual vacation leave shall not be charged as vacation leave, and the vacation leave shall be extended accordingly.

Probationary and Full Time Equivalent (FTE) regular employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination. No such payment shall be made for vacation accumulated contrary to the foregoing provisions.

**19.03 SICK LEAVE**

Sick leave with pay shall be earned by full and part-time Full-Time Equivalent (FTE), temporary employees receiving benefits, probationary and regularly appointed employees from the date of current service with the City at the accrual rate of 3.69 hours per pay period. Sick leave shall not be considered as a privilege which an employee may use at his/her discretion, but shall be allowed only in the case of necessity and actual sickness or disability of the employee, or because of illness or death in his/her immediate family.

Unused sick leave shall be accumulated at the accrual rate per pay period with no limit on the amount of hours accumulated, from the date of current employment.

The maximum amount of sick leave that can be used by an employee in any calendar year to care for an immediate family member is limited to the hours previously accrued by the employee, and is not to exceed one half of the total number of hours that could be accrued by the employee during the calendar year or up to 47.97 hours. If an employee is absent because of illness, s/he must notify his/her department head or his/her immediate supervisor at least one [1] hour prior to the time set for beginning his/her daily duties. If an employee is ill for more than three [3] working days for any one illness, s/he is required to furnish a doctor's certificate to his/her department head.

For every six [6] consecutive months of perfect attendance by probationary or Full-Time Equivalent regularly appointed personnel, eight hours shall be added to the employee's perfect attendance balance. For every twelve [12] consecutive months of perfect attendance, eight additional "bonus hours" [making a total of twenty-four extra perfect attendance hours for the twelve (12) consecutive months of perfect attendance shall be added to any Full Time Equivalent (FTE) regularly appointed employee's perfect attendance balance. Each six [6] or twelve [12] month period shall begin on the date the employee returns to work following an illness or family sick leave.

Sick leave may be withheld wholly or partially by the City Manager if the illness for which it is taken is caused or substantially aggravated by outside employment.

Upon retirement, for any reason, an employee who has served twenty [20] years with the City of Los Altos will be granted one-half [1/2] day's pay or terminal leave for each full month of perfect attendance during the employee's last five [5] years of service. This formula shall apply only to employees in the service of the City of Los Altos as of July 1, 1975.

As an alternate for employees employed July 1, 1975 and for all future employees, the following schedule shall apply upon retirement, for any reason (including disability retirement), honorable separation prior to retirement, or death, providing that at least  $\frac{3}{4}$  of the total months of employment shall have been months of perfect attendance:

**SICK LEAVE PAYOUT  
EFFECTIVE JULY 1, 2010-JUNE 30, 2011**

| <b>Years of Service</b> | <b>Per Month of Perfect Attendance</b> |
|-------------------------|--|
| After 10                | \$13.16                                |
| After 15                | \$17.58                                |
| After 20                | \$23.32                                |
| After 25                | \$26.38                                |
| After 30                | \$30.78                                |
| After 35                | \$35.16                                |

**THIS POSTER MUST BE DISPLAYED WHERE EMPLOYEES CAN EASILY READ IT**

*(Poster may be printed on 8 ½" x 11" letter size paper)*

**HEALTHY WORKPLACES/HEALTHY FAMILIES ACT OF 2014  
PAID SICK LEAVE****Entitlement:**

- An employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the beginning of employment is entitled to paid sick leave.
- Paid sick leave accrues at the rate of one hour per every 30 hours worked, paid at the employee's regular wage rate. Accrual shall begin on the first day of employment or July 1, 2015, whichever is later.
- Accrued paid sick leave shall carry over to the following year of employment and may be capped at 48 hours or 6 days. However, subject to specified conditions, if an employer has a paid sick leave, paid leave or paid time off policy (PTO) that provides no less than 24 hours or three days of paid leave or paid time off, no accrual or carry over is required if the full amount of leave is received at the beginning of each year in accordance with the policy.

**Usage:**

- An employee may use accrued paid sick days beginning on the 90<sup>th</sup> day of employment.
- An employer shall provide paid sick days upon the oral or written request of an employee for themselves or a family member for the diagnosis, care or treatment of an existing health condition or preventive care, or specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.
- An employer may limit the use of paid sick days to 24 hours or three days in each year of employment.

Retaliation or discrimination against an employee who requests paid sick days or uses paid sick days or both is prohibited. An employee can file a complaint with the Labor Commissioner against an employer who retaliates or discriminates against the employee.

For additional information you may contact your employer or the local office of the Labor Commissioner. Locate the office by looking at the list of offices on our website <http://www.dir.ca.gov/dlse/DistrictOffices.htm> using the [alphabetical listing of cities, locations, and communities](#). Staff is available in person and by telephone.