LEGAL UPDATES

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Nebraska Governor Signs Amendment to State's Paid Sick Leave Law

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As discussed in our January 2025 update, the Nebraska Healthy Families and Workplaces Act, which requires employers to provide paid sick leave to qualified employees, goes into effect **October 1, 2025.**

On June 4, 2025, Nebraska Governor Jim Pillen signed LB 415, an Amendment which clarified and modified the Act. We provide below the Amendment's key changes to the Act.

Eligibility and coverage

The Amendment updated the Act's employee eligibility and employer coverage. With the Amendment, the Act now applies to private employers in Nebraska with 11 or more employees. Prior to the Amendment, the Act applied to all private employers regardless of size.

The Amendment adds several exceptions to the definition of employee. Now, employers are not required to provide paid sick leave to (1) individual owner-operators, (2) independent contractors, (3) employees who work less than 80 hours in Nebraska during a calendar year, (4) individuals "employed in agricultural employment of a seasonal or other temporary nature," (5) employees covered by the federal Railroad Unemployment Insurance Act, or (6) individuals under the age of 16.

Although there is an exception for temporary agricultural employees, there is no blanket exemption for agricultural employers.

Accrual

Small businesses, now defined as businesses with 11 to 19 employees, are still required to provide up to 40 hours of paid sick leave annually. Businesses with 20 or more employees are required to provide up to 56 hours of paid sick leave

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annually. The minimum required accrual rate remains 1 hour of paid sick leave per 30 hours worked. The Amendment clarified that accrual begins after an employee has achieved 80 hours of consecutive employment, meaning new hires will not begin to accrue until this time.

The Amendment clarified that any paid sick leave already given to employees between January 1, 2025, and October 1, 2025, will be counted toward an employer's requirements under the Act for 2025.

Compensation

Paid sick leave is compensated at the same hourly rate and with the same benefits that the employee normally earns. The Amendment clarified that employees paid on a commission, mileage, piece-rate, or fee-for-service basis will be compensated at an hourly rate determined using an average weekly rate under Neb. Rev. Stat. 48-126. The average weekly rate will be reduced to an hourly rate based on a 40-hour work week.

Existing paid leave policies

Employers with paid leave policies that provide an amount of paid leave that equals or exceeds the amount required under the Act do not need to provide additional paid sick leave and are not required to allow employees to carry over accrued paid leave beyond their existing policy.

Notice of use

With the Amendment, the Act no longer expressly requires employers to provide paid sick leave upon *oral* request from an employee. The employer must still provide paid sick leave when an employee's request complies with the Act.

Employee's separation

The Amendment clarifies that an employer is not required to pay out unused paid sick time to an employee upon separation.

Private right of action

Employees no longer have a private right of action with the Amendment.

What this means to you

As the state prepares for the Act's implementation, employers must familiarize themselves with the new requirements to ensure a smooth transition. Employers are advised to review and update their leave policies to ensure compliance. This includes revising paid time off policies, updating employee handbooks, tracking leave accrual, and preparing for potential operational impacts due to employee

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absences. Employers must also establish procedures for maintaining confidentiality of health information.

As a reminder, the Act requires employers to provide written notice of employees' rights under the Act by **September 15, 2025**, or at the start of employment.

The Nebraska Department of Labor (NDOL) has provided FAQs found here, as well as a **model employee notice** and **poster** for employers to use.

Contact us

If you have any questions regarding the new law, please contact Amanda JoLee, Haley Judd, Marnie Jensen, or your Husch Blackwell attorney. We are available to assist businesses in navigating these changes effectively.

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