

# Small Business Notes

Minnesota Department of Employment and  
Economic Development (DEED)

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of Labor  
Announces  
Adoption of Final  
Rule Requiring  
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## **U.S. Department of Labor Announces Adoption of Final Rule Requiring Paid Sick Leave for Employees of Federal Contractors**

On September 29, the U.S. Department of Labor announced adoption of the rule proposed on February 24, 2016 to implement the provisions of Executive Order 13706 signed by the President on September 7, 2015 requiring certain covered employers holding federal contracts to offer up to seven days (56 hours) of paid sick leave each year.

Covered employers will be employers entering into new contracts where the solicitation was issued or the contract awarded on or after January 1, 2017 and where the contract is covered by the federal Service Contract Act, the Davis-Bacon Act, or is a contract for concession operations or service activities on federal property or lands. The rule requires only that employees accrue and use paid sick leave while working on covered contracts.

Covered employees will be employees whose wages are governed by the Service Contract Act, the David-Bacon Act, or the fair Labor Standards Act (including employees who qualify for exemption from minimum wage and overtime provisions).

Employees would be paid 1 hour of paid sick time for every 30 hours worked up to 56 hours in a year. An employee could carry over unused sick time from year to year while working on covered contracts for the same employer. Alternatively, employers can front-load the full 56 hours of leave for each employee each year for ease of administration.

Employers will not be required to “cash out” any unused sick time when a covered employee leaves his or her job.

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Employees will be able to use paid sick leave (from one hour to the fully accrued amount of time) for the following reasons:

- The employee's own illness or other health care need including preventive care;
- Care of a family member of the employee who has an illness, requires health care, or requires preventive care;
- Purposes resulting from the employee or a family member being the victim of domestic violence, sexual assault or stalking. Employers can require employees using three or more consecutive days of paid leave to provide certification from a health care provider or, in the case of a victim of domestic violence, sexual assault or stalking, from another source able to document the need for receipt of health care or other services.

Past issues of Small Business Notes are available on the Department of Employment and Economic Development website at <http://mn.gov/deed/>

Publication of the final rule in the Federal register should occur before October 15.

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