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Paid Sick Leave Guidance
No. 0815-01
August 11, 2015

On February 12, 2015, Mayor Nutter signed the Promoting Healthy Families and Workplaces: Paid Sick Leave Ordinance. As of May 13, 2015 the ordinance went into effect, and employees began accruing sick leave. Under the Paid Sick Leave law, companies with ten or more employees must provide 1 hour of paid sick leave for every 40 hours worked within the City of Philadelphia boundaries, up to a maximum of 40 hours per calendar year of paid sick leave to employees (any chain establishment must provide paid sick leave regardless of the employee count.). Employers may also choose to allow employees to earn sick leave at a rate more generous than the required minimum rate. Beginning on August 11, 2015, employees can start using accrued paid sick leave, provided they have been employed for ninety calendar days.

Employees are to be paid their hourly rate, or, at a minimum, the Pennsylvania minimum wage of $7.25 per hour when paid sick time is used. In certain situations in which employees earn a regular hourly rate below the state minimum wage or a wage not calculated per hour, compensation under the ordinance for these specific job categories is outlined below. These employment compensation types include:

- Hourly Employees
- Salary Employees
- Tipped Employees (e.g. wait staff)
- Per Diem Employees
- Commission Paid Employees

<u>Paid Sick Time Compensation Guidance</u>

- **Hourly-Wage Employees** should be paid their regular hourly rate for any sick time used.
- **Tipped Employees** should be paid, at least, the state minimum wage for tipped staff of $2.83 per hour for any sick time used.
- **Per-Diem Employees** should be paid at a minimum, an average hourly rate based on past time worked for any used sick time.
- **Full Commission Employees** must be paid at least the State of Pennsylvania minimum wage of $7.25 per hour for any used sick time.
- Employees who earn a **Base Pay Plus Commission** must be paid the hourly or daily rate of their base salary for any used sick time.
- **Salary Employees** must be paid the hourly or daily rate of their current salary.

Tracking of Time Guidance

Employers are responsible for tracking employees' time through their current Human Resource system or Offline time tracking process. This includes tracking:

- Hours/Days worked
- Accrued sick hours
- Used sick hours

The compensation guidance does not preclude employers from paying employees a rate higher than the minimum wage. The City of Philadelphia does not take a position, and is not advising employers, as to what State and Federal minimum wage laws require. Regulations will be available in the Fall of 2015. Until then, employers should follow the paid Sick Leave Ordinance and published guidance issued by the Managing Director of the City of Philadelphia.