

Paid Leave Legislation in Nevada

In 2019, Nevada enacted [Senate Bill \(SB\) 312](#), which went into effect on January 1, 2020. The legislation requires private employers with 50 or more employees to provide paid leave to all scheduled employees at a rate of at least 0.01923 hours of paid leave per hour of work performed. For a full-time worker, that amounts to approximately 40 hours per year or five 8-hour workdays. Temporary, seasonal, or on-call employees are exempt from the provisions of SB 312, as are those who receive paid leave under a contract, policy, collective bargaining agreement or other agreement.

The Guinn Center obtained data from the Nevada Department of Employment, Training and Rehabilitation (DETR) to estimate the number of employees and establishments that are exempt from the legislation. The legislation threshold does not match the data precisely, as SB 312 exempts those with fewer than 50 employees, while the data includes those with at least 50 employees. Thus, the estimates slightly overstate exemptions and should be interpreted with caution. The data is displayed in Table 1.

An exemption for private employers with 50 or fewer workers comprises almost 95 percent of employers and over 35 percent of workers. At 50 workers or fewer, 69,334 employers are exempt (93.1 percent of the total), and 476,006 employees are exempt (36.5 percent of the total).

Prior to enactment of SB 312, several other employee thresholds were considered. Table 1 also shows the number of exempt employees and establishments had the three employee levels under consideration – 15 workers or fewer, 25 workers or fewer, or 35 workers or fewer – been implemented:

- At 15 workers or fewer, 59,586 private sector businesses would have been exempt (80.0 percent of the total). At 25 workers or fewer, 65,005 businesses would have been exempt (87.3 percent of the total). At a threshold of 35 workers or fewer, 67,458 (90.6 percent of the total) would have been exempt.
- With respect to employee size, for the private sector, at 15 workers or less, 224,289 employees would be exempt (17.2 percent of the total). At 25 workers or less, 325,639 (25.0 percent of the total) would be exempt. At a threshold of 35 workers or less, 397,601 (30.5 percent of the total) would be exempt.

Thus, as the thresholds decrease, more employees qualify for paid leave but fewer private employers are exempt.

Table 1. Summary of Exempt Employees and Establishments (without 501(c)(3) Non-Profits)				
	Employees		Establishments	
	Number (N)	Percentage of the Total (%)	Number (N)	Percentage of the Total (%)
15 workers or less	224,289	17.2%	59,586	80.0%
25 workers or less	325,639	25.0%	65,005	87.3%
35 workers or less	397,601	30.5%	67,458	90.6%
50 workers or less	476,006	36.5%	69,334	93.1%

Source: Data provided to the Guinn Center by DETR. Estimates constructed by the Guinn Center.

- Nevada’s paid leave law is more broad-based than other jurisdictions: it does not limit use of time accrued for sick leave, family leave, and/or domestic violence leave only.
- Currently, 11 states, plus the District of Columbia, require paid sick leave. The other states are: Arizona, California, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, Oregon, Rhode Island, Vermont, and Washington. (Source: [National Conference of State Legislatures](#); [Michigan Chamber of Commerce](#))
- Exemptions, or carve-outs, vary by state. Some are more restrictive, while others are more expansive. In [New Jersey](#), only public employers are exempt from its paid sick law, and in [Washington](#), all employers must extend paid sick leave coverage to all [non-exempt employees](#).
- Of the 12 states (i.e., 11 states, plus D.C.) with paid sick leave laws, six have explicit carve-outs at certain employee levels. These may be referred to as small business exemptions or employer-size sick time thresholds. This means that businesses of a certain size, as defined in law, do not have to provide sick leave. But there is some variation across definitions.
 - The 6 states with explicit carve-outs at certain employee levels are as follows: [Connecticut](#) (1-49 employees); [Maryland](#) (1-14 employees); [Massachusetts](#) (1-10 employees); [Michigan](#) (1-49 employees); [Oregon](#) (1-9 employees); and [Rhode Island](#) (1-17 employees). ***Half of the states do not have carve-outs for employer size; of those that do, most carve-outs are for less than 20 employees.*** Connecticut and Michigan are the only states that have higher carve-outs (1-49 employees).
 - **Two states**, Connecticut and Michigan, have employer size carve-outs, meaning that employers below a certain threshold of employees in these states are fully exempt from paid sick leave provision. **Four states**—Maryland, Massachusetts, Oregon, and Rhode Island—have employer size carve-outs but must provide unpaid sick leave below the thresholds. **Six states**—Arizona, California, the District of Columbia, New Jersey, Vermont, and Washington—do not have employer size carve-outs, but two of these (Arizona/DC) provide differing amounts of paid sick leave on the basis of employer size.
 - Of the six states with carve-outs at certain employee levels, four—[Maryland](#), [Massachusetts](#), [Oregon](#), and [Rhode Island](#) require employers with size exemptions to provide *unpaid* sick leave in the amount of 40 hours/year. In all four states, the amount of unpaid sick leave accrued by workers in exempt businesses is equivalent to that accrued by those receiving paid sick leave in non-exempt businesses.
 - Arizona and DC specify variation in the number of hours/days accrued on the basis of employer size. In [Arizona](#), employers with 15 or more employees must provide 40 hours per year of paid sick leave; those with fewer than 15 employees must provide 24 hours of paid sick leave per year. The [District of Columbia](#) requires the following: 3 days per year of paid sick leave for employers that employ 1-24 employees; 5 days per year of paid sick leave for employers that employ 25-99 employees; and 7 days per year of paid sick leave for employers with 100 or more employees.

- Like Nevada, some states (California, Connecticut) have created carve-outs for different employee types (e.g., [California](#) exempts construction employees that are covered by collective bargaining agreements).
- California, New Jersey, New York and Rhode Island provide for paid family leave. DC's paid family leave law will go into effect on July 1, 2020. (Source: [National Conference of State Legislatures](#))
- Nationally, more than 32 million workers do not have paid sick days; of these, more than one in four private sector employees and roughly seven in ten low-income employees do not have paid sick leave. (Source: [National Partnership for Women & Families](#))
- Data shows that about 60.0 percent of Nevadans have access to paid sick days, **while approximately 40.0 percent (roughly 510,000 workers) do not have access to paid sick days.** (Source: [Institute for Women's Policy Research](#))
- Approximately **eighty-one (81.0) percent of employees who lack access to paid sick days nationally work in food service.** Generally speaking, it is those individuals who interact with the public most frequently that do not have paid sick leave. This means greater exposure to illnesses and a higher likelihood of contagion, which has an impact on public health. (Source: [National Partnership for Women & Families](#))
 - **In Nevada, roughly 22.8 percent of employment is concentrated in the accommodation and food services sector.** Almost half (**47.9 percent**) of employment is concentrated in accommodation/food services and leisure/hospitality. As such, *some of Nevada's employees may be positioned to benefit from paid sick leave legislation.*
- There is an association between lack of access to sick days and those without access to medical care. While employers can incur costs associated with paid sick leave, in the aggregate, it may be costlier not to offer this protection. According to the [National Partnership for Women & Families](#), "It is estimated that preventable emergency room visits among workers without paid sick days cost the United States more than \$1.1 billion per year...[.]" This could imply that **paid sick leave translates into broad health cost savings over the long term.** *In Nevada, health care costs and premiums have witnessed double-digit growth in recent years.*
- While there is no evidence to suggest that lack of access to paid sick leave disproportionately affects women, [it can contribute to a gender gap](#), as women are likelier to receive lower wages than men, holding occupation constant. Absenteeism, particularly for mothers who are the sole or primary household earners, can result in lost pay, reinforcing the wage-based gender gap.
- Few states have implemented paid sick leave legislation, and, of those that have, the policies have not been in effect for sufficient time to evaluate the long-term impact on employment. However, **preliminary research suggests that [unemployment did not increase](#) in three states that mandate paid sick leave** (California, New Jersey, and Rhode Island).