



NEBRASKA HEALTHY FAMILIES AND WORKPLACES ACT – PAID SICK LEAVE

CO-HOSTED BY: MCMILL CPAS & ADVISORS + ZELLE HR SOLUTIONS

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OVERVIEW

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BACKGROUND & PURPOSE

- Passed via Initiative 436 in November 2024
- Codified as the Nebraska Healthy Families and Workplaces Act
- Enabling legislation: LB 415
- Administered by the Nebraska Department of Labor (NDOL)
- Purpose: To provide eligible employees in Nebraska the right to earn paid sick leave for personal or family health needs and provide certain provisions naturally and necessarily related to that purpose.
- Effective date: October 1, 2025



COVERAGE

- Applicable to private employers with at least eleven (11) employees.
- Exemptions:
 - Employers with less than ten (10) employees
 - Federal and state agencies
 - Independent contractors
 - Seasonal agricultural workers
 - Employees under sixteen (16)
 - Workers covered by the Railroad Unemployment Insurance Act



EMPLOYEE ELIGIBILITY

- Must work at least eighty (80) hours in Nebraska in a designated year.
- Includes full-time, part-time, and temporary employees.



OPTIONS

- A covered employer may offer paid sick leave in the following formats:
 - Existing PTO Policy: It is possible an employer's current policy already meets or exceeds the requirements of the Act. In this case, they are not required to provide additional paid sick leave or allow carryover beyond policy limits.
 - “Employers whose current paid leave policy already meets the requirements of the Act are not required to allow an employee to accrue or carry over benefits beyond the existing policy.”
 - If an employer has part-time employees who are not eligible for PTO, implement a Part-Time Paid Sick Leave Policy.
 - 100% compensable upon employment separation.
 - Paid Sick Leave Policy: When an employer wants to keep vacation and sick leave separate.
 - Only the sick leave policy is subject to the requirements of the Act.
 - Only vacation leave is 100% compensable upon employment separation.



ACCRUAL RULES

- Begins after eighty (80) hours of employment.
 - Can be sooner at the discretion of the employer.
- Accrual rate: One (1) hour for every thirty (30) hours worked.
- Annual caps of accrual and use:
 - Forty (40) hours for employers with eleven (11) to nineteen (19) employees.
 - Fifty-six (56) hours for employers with twenty (20) or more employees.
- PTO Policy:
 - Cannot accrue additional PTO beyond the maximum cap.
- Paid Sick Leave Policy:
 - Can accrue additional sick leave beyond the accrual cap due to unlimited carryover.



USAGE OF PAID SICK LEAVE

- For an employee or family member's:
 - Illness, injury, or medical care
 - Preventive care
 - School-related health meetings
 - Public health emergencies (i.e., closures, isolation, etc.)
- Can be used in hourly or smaller increments.
- Not deemed work time for the purpose of computing overtime.



DOCUMENTATION & NOTICE

- Employers may require reasonable documentation after three (3) consecutive days.
 - Reasonable documentation is defined as: Documentation signed by a health care professional indicating that paid sick leave is or was necessary OR if the employee or a family member did not receive services from a health care professional or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, a written statement from the employee indicating that the employee is taking or took paid sick leave for a qualifying purpose.
- Employers must have a written notice policy; otherwise, sick leave cannot be denied.
- Employees cannot be required to find shift replacement for an absence covered by the Act.



TRACKING REQUIREMENTS

- Both, PTO policies and paid sick leave policies, have these tracking requirements:
 - Employees must either receive a statement or an attachment to their regular paycheck of the following on each regular pay period:
 - Amount of paid sick leave available (for PTO policy, can just be PTO available)
 - Amount of paid sick leave taken (for PTO policy, can just be PTO taken)
 - Amount of pay (\$) the employee has received as paid sick time (for PTO policy, can just be amount of pay the employee has received as PTO)
 - Can be satisfied with an online system that employees can access.
 - If an employer does not have an online system to track these or their payroll system does not have the capability, they must fulfill this obligation by manually tracking.



SPECIAL CONSIDERATIONS

- Paid sick leave does not accrue during unpaid FMLA unless employer policy allows.
- Paid sick leave can be required to run concurrently with FMLA.
- Act does not cover for pet care or domestic violence-related leave.
- Sick leave taken under the Act cannot be counted as an absence that leads to disciplinary action, retaliation, or any other adverse employment result.
 - If an employer wishes to maintain an absence tracking/occurrence-based attendance policy, they must ensure that it does not penalize an employee for using sick leave under the Act.



OTHER POLICIES IMPACTED

- Other policies that may be impacted include, but are not limited to:
 - Introductory Period
 - Promotion/Transfer/Rehire
 - Employment Classification
 - Attendance
 - Holidays
 - FMLA
 - Leave of Absence
 - Workers' Compensation
 - Short-Term Disability



ENFORCEMENT & PENALTIES

- NDOL handles enforcement.
- No private right of action.
 - Though Notice and Poster include it, lawmakers forgot to amend the Notice and Poster requirements in LB 415 as this was an amended piece from original statute language.
- Penalties:
 - Up to \$500 for first violation.
 - Up to \$5,000 for subsequent violations.



COMPLIANCE DEADLINES & ACTION ITEMS

- Deadlines:
 - September 15, 2025:
 - Written notice to employees (NDOL Notice template is sufficient).
 - Poster displayed (NDOL Poster template is sufficient).
 - October 1, 2025:
 - Law takes effect.
- Action items:
 - Audit workforce for coverage and possible exemptions.
 - Decide on accrual versus front-loading.
 - Review and update PTO/sick leave policies and any other relevant policies (i.e., attendance, FMLA, etc.).
 - Prepare payroll systems for tracking accrual.
 - Ensure compliance with notice and posting requirements.



Q&A



FAQS

Who qualifies as a “family member” in the Act’s language?

We offer an unlimited PTO policy. How would it work with this Act?

My Company is based in Nebraska, but we have two (2) employees in Colorado. Are those two (2) Colorado employees entitled to leave under this Act?

Does the eighty (80) consecutive hour requirement to begin accrual include time worked from any other employer in the state of Nebraska in the year?

What does the term “consecutive” mean when saying an employee has to work for eighty (80) “consecutive” hours before they begin accruing paid sick leave?

My Company fluctuates between eighteen (18) and twenty-two (22) employees during the year. Do they have to provide forty (40) or fifty-six (56) hours of paid sick leave in a year?

My Company has several separate LLCs. Do they have to combine those to count number of employees?

The Act goes into effect on October 1st. When does the eighty (80) consecutive hour requirement begin?





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SOURCES

- [Nebraska Legislature](#)
- [NDOL | Labor Law](#)
- [Nebraska Paid Sick Leave Law: Key Amendments and Compliance Strategies | Koley Jessen](#)
- [Nebraska Paid Sick Time FAQ for Employers | Koley Jessen](#)
- [Update to Nebraska Paid Sick Time: What Employers Need to Know About LB 415 - Knudsen Law](#)

