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A Mostly Quiet Year for Employment Laws During Connecticut's 2024 Legislative Session

Connecticut's legislative session concluded without many significant updates to the state's labor and employment laws. While it was generally a quiet year on the labor and employment front, the legislature did pass a significant expansion of Connecticut's Paid Sick Leave Law. Additionally, as in previous years, there were several proposed bills that did not pass in the session that employers should keep an eye on for next year. Below is a summary of notable labor and employment legislation that passed during Connecticut's 2024 legislative session, which ended in May.

Expansion of Connecticut Paid Sick Leave

In 2012, Connecticut became the first state to require certain private employers to provide covered employees with annual paid sick leave. This year, the legislature greatly expanded that landmark legislation. Connecticut's existing Paid Sick Leave Law—which remains in effect until January 1, 2025—mandates employers with 50 or more employees to provide annual paid sick leave to their "service workers." A service worker is defined as an employee who is paid hourly, not exempt from minimum wage and overtime requirements, and is primarily engaged in certain enumerated occupational classifications (e.g., social workers, food service managers, therapists, paramedics). A recently passed law significantly expands the employers and employees subject to the Paid Sick Leave Law beginning on January 1, 2025. Below is a summary of the key changes. **Covered Employers:** Connecticut's Paid Sick Leave Law will no longer be limited to employers with 50 or more employees. Eventually, it will apply to virtually all private-sector employers. Coverage will expand as follows over the next three years:

- Effective January 1, 2025, the Paid Sick Leave Law will apply to employers with 25 or more employees.
- Effective January 1, 2026, the Paid Sick Leave Law will apply to employers with 11 or more employees.
- Effective January 1, 2027, the Paid Sick Leave Law will apply to employers with one or more employees.

Covered Employees: Most significantly, the concept of "service worker" will be removed and covered employers will be required to provide paid sick leave to all employees (with some exceptions for seasonal employees). **Permissible Reasons for Taking Sick Leave:** The legislation also expands the permitted reasons for taking paid sick leave. First, it expands the use of leave relating to the needs of family members beyond the employee's spouse or child. Beginning on January 1, 2025, covered "family members" for whom employees may take leave will expand to include spouses, siblings, children, grandparents, grandchildren, and parents, as well as individuals "related to the employee by blood or affinity whose close association the employee shows to be equivalent to those family relationships." As of January 1, 2025, the permitted reasons for taking leave will also expand to include:

- closure by order of a public official, due to a public health emergency, of either an employer's place of business or a family member's school or place of care; and
- a determination by a health authority, employer of the employee, employer of a family member, or healthcare provider that the employee or family member poses a risk to the health of others due to such employee's or family member's exposure to a communicable illness, whether or not the employee or family member contracted the communicable illness.

This marks the second significant expansion of permitted uses of sick leave in as many years. Connecticut's Paid Sick Leave Law expanded in October 2023 to permit sick leave for "mental health wellness days," which permits covered employees to

use paid sick leave to attend to their own emotional and psychological well-being. The new law prohibits employers from requiring an employee to provide documentation that paid sick leave is being taken for a permitted purpose. **Accrual and Carryover Requirements:** As of January 1, 2025, the accrual rate will increase from one hour of paid sick leave for every 40 hours worked to one hour of paid sick leave for every 30 hours worked, up to a maximum of 40 hours per year, though employers may choose to provide more paid sick leave or faster accrual. Employees will be able to carry over up to 40 hours of unused paid sick leave to the following year, but they will not be entitled to use more than 40 hours in a year. Employees will be permitted to use their accrued paid sick leave beginning on their 120th calendar day of employment. **Notice and Recordkeeping Requirements:** The new law also requires employers to provide employees with written notice of their rights by January 1, 2025, or at the time of hire, whichever is later. The Commissioner of the Connecticut Department of Labor is required to publish an updated model poster and written notice that employers may use to comply with this requirement.

Minimum Wage Increase

Effective January 1, 2024, Connecticut's minimum wage increased from $15.00 per hour to $15.69 per hour. This increase is based on the percentage change in the Employment Cost Index (ECI), which is calculated by the U.S. Department of Labor. On January 1, 2025, the minimum wage will increase to $16.35 per hour. Future annual increases will happen on January 1 based on the U.S. Department of Labor's calculation of the ECI for the 12-month period ending June 30 of the preceding year.

Notable Bills That Did Not Pass

Proposed Limitations on Noncompete Agreements Connecticut has been unsuccessful in recent years in passing legislation that limits or bans noncompete agreements. There was another failed attempt to pass such legislation this year. Under House Bill 5269, which did not become law, noncompetes would have been permissible only if the noncompete:

- lasted for one year or less post-termination;
- was necessary to protect a legitimate business interest of the employer that could not be protected through less restrictive means, such as nondisclosure or nonsolicitation agreements; and
- was no more restrictive than necessary with respect to duration, geographic scope, type of work, and type of employer.

Noncompetes also would not have been enforceable against nonexempt employees, employees who receive compensation less than three times the minimum wage, and independent contractors with compensation of less than five times the minimum wage. Workers also could not be required to submit to adjudication outside Connecticut. ***Proposed Impermissible Use of Nondisclosure Agreements*** Senate Bill 4, which did not pass, would have voided nondisclosure and nondisparagement agreements relating to conduct the employee reasonably believes to be a discriminatory employment practice. Senate Bill 4 also would have created a new cause of action for:

- discriminating against a person for disclosing conduct the person reasonably believed to be a discriminatory employment practice; or
- discriminating against a person because such person disparaged the employer for engaging in conduct the person reasonably believed to be a discriminatory employment practice.

Violations would have carried a minimum penalty of $10,000 per violation.

Takeaways

While 2024 was generally a quiet legislative session in Connecticut for employment-related laws, employers should begin preparing for the expansion of the Paid Sick Leave Law and ensure that their policies and practices are in compliance with the changes set to take effect on January 1, 2025. Employers also should be mindful that some of the bills that did not pass this year may be on the docket again next year.

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