# House File 2135 - Introduced

HOUSE FILE 2135
BY WILLEMS

## A BILL FOR

- 1 An Act relating to employee leave by providing for time off and
- 2 sick leave, and including effective date and applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. Section 91.4, subsection 5, Code 2009, is amended 2 to read as follows:
- The director of the department of workforce development,
- 4 in consultation with the labor commissioner, shall, at the time
- 5 provided by law, make an annual report to the governor setting
- 6 forth in appropriate form the business and expense of the
- 7 division of labor services for the preceding year, the number
- 8 of disputes or violations processed by the division and the
- 9 disposition of the disputes or violations, and other matters
- 10 pertaining to the division which are of public interest,
- 11 together with recommendations for change or amendment of the
- 12 laws in this chapter and chapters 88, 88A, 88B, 89, 89A, 89B,
- 13 90A, 91A, 91C, 91D, 91E, 91F, 92, and 94A, and section 85.68,
- 14 and the recommendations, if any, shall be transmitted by the
- 15 governor to the first general assembly in session after the
- 16 report is filed.
- 17 Sec. 2. Section 91A.2, Code 2009, is amended by adding the
- 18 following new subsection:
- 19 NEW SUBSECTION. 6A. "Paid time off" means a benefit
- 20 provided by an employer that allows an employee to take time
- 21 off from work with pay without regard to the reason the
- 22 employee chooses to take the time off.
- 23 Sec. 3. Section 91A.2, subsection 7, paragraph b, Code 2009,
- 24 is amended to read as follows:
- 25 b. Vacation, holiday, paid time off, sick leave, and
- 26 severance payments which are due an employee under an agreement
- 27 with the employer or under a policy or practice of the
- 28 employer.
- Sec. 4. Section 91A.4, Code 2009, is amended by striking the
- 30 section and inserting in lieu thereof the following:
- 31 91A.4 Employment suspension or termination how wages are
- 32 paid.
- 33 1. An employee's employer shall pay all wages earned by the
- 34 employee up to the time of the suspension or termination, less
- 35 any lawful deductions specified in section 91A.5, no later than

- 1 the next regular payday after suspension or termination, except
  2 as follows:
- 3 a. Earned wages that are the difference between a credit
- 4 paid against wages determined on a commission basis and the
- 5 wages actually earned on a commission basis shall be paid
- 6 by the employer not more than thirty days after the date of
- 7 suspension or termination.
- 8 b. If while employed, an employee earned paid time off
- 9 but did not earn vacation, an employer may reduce pay for
- 10 accumulated paid time off by up to one-third.
- 11 c. If while employed, an employee earned both vacation pay
- 12 and paid time off, no payment for accrued paid time off is
- 13 required.
- 2. An employer shall not adopt a policy or practice of
- 15 denying payment for vacation or for paid time off upon the
- 16 suspension or termination of an employee's employment unless
- 17 the employee's employment was terminated by the employer for
- 18 misconduct as defined in 871 IAC 24.32(1) "a", as set forth in
- 19 section 96.5, subsection 2.
- 20 3. Except as provided in subsection 1, upon suspension or
- 21 termination of an employee's employment, the amount of pay owed
- 22 for accrued paid time off or accrued vacation shall be the
- 23 amount of pay the employee would have received if the employee
- 24 had not been suspended or terminated and had begun taking the
- 25 total amount of accrued paid time off or accrued vacation on
- 26 the date the suspension or termination occurred.
- 27 Sec. 5. NEW SECTION. 91F.1 Definitions.
- 28 1. "Employee" means as defined in the federal Fair Labor
- 29 Standards Act of 1938, 29 U.S.C. ch. 8, as amended to January
- 30 1, 2007.
- 31 2. "Employer" is defined as in the federal Fair Labor
- 32 Standards Act of 1938, 29 U.S.C. ch. 8, as amended to January
- 33 1, 2007.
- 34 3. "Family member" means any of the following:
- 35 a. An employee's spouse or domestic partner.

- 1 b. A child, foster child, stepchild, legal ward, a child of
- 2 a domestic partner, or a child to whom the employee stands in
- 3 loco parentis.
- 4 c. A parent, foster parent, stepparent, legal guardian of
- 5 an employee, or a person who stood in loco parentis when the
- 6 employee was a minor child.
- 7 d. A sibling, foster sibling, stepsibling, or spouse or
- 8 domestic partner of a sibling, foster sibling, or stepsibling.
- 9 Sec. 6. NEW SECTION. 91F.2 Paid sick leave and paid time
- 10 off additional uses.
- 11 1. An employer who provides employees with paid sick leave
- 12 or paid time off, as defined in section 91A.2, shall permit
- 13 employees to use the accrued paid sick leave or paid time off
- 14 for the following nonexclusive purposes:
- 15 a. For prenatal care and maternity leave.
- 16 b. To care for a family member with mental or physical
- 17 illness, injury, or health condition who needs medical
- 18 diagnosis, care, or treatment for the mental or physical
- 19 illness, injury, or health condition, or who needs preventative
- 20 medical care.
- 21 2. This chapter shall not be construed to discourage or
- 22 prohibit an employer from adopting or maintaining a paid sick
- 23 leave or paid time off policy that permits employees to use
- 24 accrued paid sick leave or paid time off for purposes other
- 25 than enumerated in subsection 1.
- 26 3. This chapter shall not be construed as diminishing
- 27 the obligation of an employer to comply with any contract,
- 28 collective bargaining agreement, employment benefit plan, or
- 29 other agreement that permits employees to use accrued paid sick
- 30 leave or paid time off for purposes other than enumerated in
- 31 subsection 1.
- 32 4. This chapter shall not be construed as diminishing the
- 33 rights of public employees regarding paid sick leave or paid
- 34 time off or use of paid sick leave or paid time off as provided
- 35 by law.

- 1 Sec. 7. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This
- 2 Act takes effect upon enactment. The sections of this
- 3 Act amending chapter 91A apply only to the suspension or
- 4 termination of an employee's employment that takes place on or
- 5 after the effective date of this Act.
- 6 EXPLANATION
- 7 This bill provides employee leave by providing for time off
- 8 and sick leave.
- 9 The bill relates to payments for accrued vacation time and
- 10 for accrued paid time off for all employees who are terminated
- 11 or suspended.
- 12 Current law requires an employer to pay accrued vacation pay
- 13 to a terminated or suspended employee only if the employer has
- 14 a policy, procedure, or contract that requires the employer to
- 15 do so.
- 16 The bill defines "paid time off" as a benefit allowing an
- 17 employee to take time off from work with pay without regard to
- 18 the reason the employee chooses to take the time off. "Paid
- 19 time off" is also added to the definition of "wages".
- 20 The bill provides that if an employee is suspended or
- 21 terminated upon request the employer must pay all wages, now
- 22 including paid time off, earned by the next regular payday.
- 23 The bill provides an exception for when an employee who earned
- 24 paid time off while employed but not vacation, the employer
- 25 may reduce the pay for the accrued paid time off by one-third.
- 26 Finally, there is an exception for when an employee earned both
- 27 vacation and paid time off while employed, the employer is not
- 28 required to make payment for the paid time off.
- 29 An employer shall not adopt a policy or practice to deny
- 30 payment for accrued vacation or accrued paid time off upon the
- 31 suspension or termination of an employee unless the employee's
- 32 employment ended due to misconduct. Misconduct is not defined
- 33 in statute but is defined in the department of workforce
- 34 development's administrative rules.
- 35 The bill provides a formula to calculate the payment for an

- 1 employee's accrued paid time off or vacation if the employee is
- 2 suspended or terminated. Except as otherwise provided by the
- 3 formula, the amount of pay owed to an employee is the amount of
- 4 pay equal to the accrued vacation or paid time off as if the
- 5 employee began taking the vacation or paid time off the day the
- 6 suspension or termination took place. This formula substitutes
- 7 the pro rata policy for how accrued vacation is currently paid
- 8 out if an employee's policy or practice required it.
- 9 The bill includes new Code chapter 91F, which provides that
- 10 employers who provide paid sick leave and paid time off to
- 11 employees shall allow sick leave or paid time off to be used
- 12 for prenatal care and maternity leave and to care for family
- 13 members. "Family member" is defined in the new Code chapter.
- 14 The new Code chapter does not prohibit an employer from
- 15 providing a more generous paid sick leave or paid time off
- 16 policy; it does not diminish an employer's previous contractual
- 17 obligations for more generous paid sick leave or paid time off;
- 18 and it does not diminish public employees' rights to paid sick
- 19 leave or paid time off as provided by law.
- 20 The bill takes effect upon enactment. The sections of the
- 21 bill that would affect chapter 91A are made applicable only to
- 22 the suspension or termination of an employee's employment that
- 23 occurs on or after that date.