



CLIENT
ALERT

EMPLOYMENT LAW

KUTAKROCK
ATTORNEYS AT LAW | KUTAKROCK.COM

July 8, 2025

Services

Employment Law

[OSHA Compliance & Defense](#)

[Employment Litigation and Arbitration](#)

[FLSA Litigation and Wage and Hour Defense](#)

[Immigration](#)

[Unfair Competition and Trade Secrets](#)

[Labor Law](#)

[Employment Advice, Counseling, and Risk Management](#)

Paid Sick Leave Law Updates: Missouri and Nebraska

As we previously reported in our Client Alerts on [November 8, 2024](#) and [April 11, 2025](#), voters in Missouri and Nebraska recently approved paid sick leave laws in those states via ballot initiatives. Already, however, Missouri is expected to repeal Missouri's new paid sick leave law, and recently adopted legislation in Nebraska has amended and clarified Nebraska's paid sick leave law.

Expected Repeal of Paid Sick Leave in Missouri

In November 2024, Missouri voters approved Proposition A, which requires employers to provide paid sick leave. On May 14, 2025, just two weeks before Proposition A's effective date, the Missouri General Assembly passed House Bill 567 ("HB 567") to repeal Proposition A and eliminate Missouri employers' obligation to provide earned paid sick time to their employees.

As of the date of this Client Alert, HB 567 remains on Missouri Governor Mike Kehoe's desk waiting his signature. Should Governor Kehoe sign HB 567, as he is expected to do, the repeal of Missouri's paid sick leave law will take effect on August 28, 2025.

Importantly, assuming HB 267 is signed into law, the repeal would not take effect until August 28, 2025, as the bill contains no provision for immediate or retroactive application. Therefore, there will be a short period in which employers are expected to comply with paid sick leave requirements in Missouri. To ensure compliance, employers should, at least temporarily, plan to provide paid sick leave to their Missouri employees according to the requirements set forth in the soon-to-be defunct Proposition A until August 28, 2025. Failure to do so could potentially expose Missouri employers to criminal penalties and legal claims from employees. After August 28, however, employers who had adopted or modified leave policies to comply with the paid sick leave requirements in Proposition A will be free to change or reverse course.

Nebraska's Legislative Paid Sick Leave Amendment

In November 2024, Nebraska voters approved the Healthy Families and Workplace Act ("HFWA"), requiring eligible employees to earn paid sick leave. The Nebraska Legislature passed Legislative Bill 415 ("LB 415") on May 28, 2025, which Nebraska Governor Jim Pillen signed into law on June 4, 2025. LB 415 amends the HFWA by changing several provisions and eligibility requirements. The HFWA, as amended by LB 415, is still scheduled to go into effect on October 1, 2025.

The HFWA's definition of "employee" now excludes certain individuals. Specifically, "employee" no longer includes individual owner-operators, independent contractors, seasonal or temporary agricultural employees, and any person under the age of 16. As a result, the HFWA does not require that these workers receive paid sick leave benefits in Nebraska.

In addition, the definition of “covered employers” now includes only employers with 11 or more employees. This amendment is impactful for small employers, as employers with 10 or fewer employees will not be required to provide paid sick leave to their Nebraska employees.

LB 415 also clarifies when employees must begin accruing paid sick leave. Previously, the HFWA was silent on this issue; however, it now has been amended to provide that accrual begins after 80 hours of consecutive employment with a covered employer.

Relating to accrual, LB 415 did not clarify whether employees continue to accrue paid sick leave while they are using paid sick leave (i.e., not working), or whether accrual is limited to working time. However, according to recent guidance from the Nebraska Department of Labor, employees accrue the same benefits during time taken for paid sick time as they typically earn during hours worked. [See Nebraska Dep’t of Labor, Nebraska Healthy Families and Workplace Act Frequently Asked Questions \(FAQs\)](#) (Revised June 9, 2025).

Another important revision clarifies the interaction of paid sick leave and employers’ existing paid time off (“PTO”) policies. Under LB 415, employers with an existing PTO policy that makes “an amount of paid leave that equals or exceeds” Nebraska’s new paid sick leave requirements are not required to provide additional paid sick leave. Likewise, employers that maintain such PTO policies are not required to provide accrual or carryover benefits beyond their existing PTO policies.

LB 415 further clarifies that employers are not required to pay accrued but unused paid sick leave upon termination of employment. Note, however, that accrued but unused paid sick leave is different than PTO or vacation. While accrued but unused paid sick leave does not have to be paid at termination, under Nebraska law, accrued but unused PTO or vacation are considered wages that must be paid upon termination of employment.

Finally, note that covered employers must provide written notice of the HFWA to employees by September 15, 2025, or commencement of employment, whichever is later. Employers also must display a poster containing the information required in the notice. If an employer does not maintain a physical workplace or an employee works remotely, this notice must be provided electronically. The Nebraska Department of Labor is expected to provide model notices and posters on its website before September 15, 2025.

This Client Alert does not address every aspect of the paid sick leave updates in Missouri and Nebraska. As such, if you have employees in Missouri and would like to discuss adopting a temporary paid sick leave policy in the event the Missouri paid sick leave law is repealed, or if you have employees in Nebraska and would like to update your paid sick leave or PTO policy to ensure compliance with Nebraska’s newly amended law before it goes into effect on October 1, 2025, please contact your Kutak Rock attorney or any of the attorneys in the firm’s [National Employment Law Group](#), and we would be happy to discuss any of these issues with you.

