

HR COMPLIANCE OVERVIEW



2025 Employee Leave Trends

In recent years, there have been significant changes in employee leave laws at the state level as states continue to pass and expand leave laws. As leave entitlements expand, numerous leave law trends have emerged.

In particular, states have implemented new paid sick leave (PSL) and paid family and medical leave (PFML) programs. Other states have updated their PSL and PFML laws to stay current with the provisions of the newer laws. Other significant trends include state PSL ballot measures, expanded reasons for leave, expanded definitions of “family member,” and the redesigning of state PFML laws to work with the federal Family and Medical Leave Act (FMLA). Another particularly interesting trend has been the emergence of voluntary paid family leave insurance programs.

At the federal level, employers should be aware that federal courts are increasingly ruling that the Uniformed Services Employment and Reemployment Rights Act (USERRA) requires employers to provide paid leave for military service if they compensate employees for comparable leaves.

This Compliance Overview highlights key leave law trends employers may continue to encounter in the future.

Highlights

Some of the most significant employee leave law trends include:

- New state PSL and PFML programs;
- Amendments to existing state PSL and PFML programs;
- State PSL ballot measures;
- Expanded reasons for leave;
- Expanded definitions of “family member”;
- Redesigning of state PFML laws to work with the FMLA;
- Voluntary paid family leave insurance programs; and
- Federal courts’ increasingly ruling that USERRA requires employers to provide paid leave for military service if they compensate employees for comparable leaves.

LINKS AND RESOURCES

The best way to learn about state leave laws is to view the text of the laws and regulations and any available guidance provided by the applicable state. For example, California maintains comprehensive [frequently asked questions](#) on its PSL law, and Missouri has a [webpage](#) dedicated to its PSL ballot measure. Employers should review such resources and consult with local counsel to ensure compliance with their legal obligations.

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New State PSL and PFML Programs

In a growing trend, states across the country are enacting their own PSL laws. Currently, 17 states and the District of Columbia have statewide laws in effect that require employers to provide PSL benefits to employees. An additional three states—Maine, Nevada and Illinois—have laws mandating paid employee leave for any reason. Further, Nebraska’s PSL ballot measure is set to take effect in October 2025.

Each of these state laws has its own rules for features such as employer and employee coverage, qualifying reasons for leave and amount of paid leave, among others. Localities across the country have also passed ordinances mandating PSL. Employers must generally comply with both the statewide PSL laws and local ordinances. If any discrepancies exist among federal, state and local laws, employers should remember that they must comply with the provisions that are most favorable to employees.

Additionally, states across the country are enacting laws addressing PFML for employees. This currently includes states such as California, Massachusetts, Minnesota and New York, among others, as well as the District of Columbia. In general, PFML programs provide employees with partial wage replacement during time off to care for an ill family member or for their own medical conditions.

The features of the programs differ as to the amount of leave compensated, the compensation rate and, importantly, whether they provide employees with a right to job-protected leave. The laws also vary on whether leave is funded by employers, employees or both, and whether insurance programs are voluntary or mandatory.

Amendments to Existing State PSL and PFML Programs

Employers should also be mindful of leave requirements in states that were among the earliest to enact such legislation. It is a trend among these states to update their PFML and PSL laws to stay current with the types of provisions the newer laws contain. Amendments are being passed and they provide enhanced requirements, such as covering more employees and providing more leave time.

For example, Connecticut’s PSL law took effect in 2012, mandating up to 40 hours of leave per year for certain workers. Amendments to the law passed in 2024 significantly expanded the PSL mandate, requiring leave for nearly all Connecticut workers by 2027. The amendments phase in the expanded coverage to successively smaller employers year by year, beginning as of Jan. 1, 2025.

As another example, in Rhode Island, Temporary Caregiver Insurance (TCI) provides up to seven weeks of wage replacement benefits for eligible workers who need time off to care for specified individuals, to bond with a new child, or for organ or bone marrow donation. Effective Jan. 1, 2026, the seven-week time period noted above will increase to eight weeks.

State PSL Ballot Measures

Voters in several states have decided on ballot measures that impact and change the workplace. Ballot measures have included topics such as minimum wage increases and PSL mandates. Employers should review any ballot measures applicable in their states, and impacted employers should update their employment policies, practices and procedures to

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remain compliant with any changes. Employers should seek the advice of a knowledgeable legal professional for specific situations and counsel on how to implement required changes.

LEGISLATIVE AND LEGAL PUSHBACK

Despite the enactment of PSL laws via ballot measures, there has been legislative and legal pushback against such measures, resulting in some enacted ballot measures being narrowed or repealed. Missouri provides a detailed example. In November 2024, Missouri voters approved a ballot measure requiring employers to provide earned PSL to their employees. However, a bill repealing the PSL measure passed the Missouri House of Representatives in March. The bill faced obstacles in the Senate and did not pass before the measure's effective date of May 1, 2025. Meanwhile, a legal challenge brought by business groups failed before the Missouri Supreme Court, which upheld the PSL law in an opinion on April 29, 2025. The law took effect May 1, as scheduled.

Work on the repeal bill continued in the Senate. On May 14, 2025, the Missouri General Assembly voted to repeal the state's earned PSL law. On July 10, 2025, Missouri Gov. Mike Kehoe signed the repeal of the earned PSL law, effective Aug. 28, 2025. Missouri employers are no longer required to provide PSL as of that date.

Expanded Reasons for Leave

States are increasingly expanding the circumstances under which eligible employees may take leave. Expanded reasons for leave include bereavement, miscarriage, prenatal health care, school activities, blood donation, public health/emergencies and leave for parents with a child in a neonatal intensive care unit.

Victim leave laws are also being expanded. For example, Washington enacted Senate Bill (SB) 5101, requiring employers to provide leave from work, safety accommodations and job protections for employees who are the victim of a hate crime or whose family member is a victim, effective Jan. 1, 2026. SB 5101 expands the job protections, accommodations and leave that Washington law affords victims of domestic violence, sexual assault and stalking to cover victims of hate crimes and their family members.

States are also augmenting leave protections related to different types of service, such as emergency responder and military family leave. For example, effective Oct. 1, 2025, Montana employers may not terminate nonprobationary employees who serve as volunteer emergency services providers or have joined a volunteer emergency unit or organization ("emergency responders") for lateness or absence due to an emergency response. As another example, in New Hampshire, effective Jan. 1, 2026, employers with at least 50 employees at the same New Hampshire location must provide unpaid leave to spouses of military service members when the spouse is involuntarily mobilized for up to one year and one day in support of war, national emergencies or contingency operations.

Expanded Definitions of "Family Member"

States are expanding the definition of a "family member" to include individuals who are not in the employee's immediate family. For example, in California, employees may use PSL to care for their family members. Under the California PSL statute, "family member" includes (among other individuals) a grandparent, a grandchild, a sibling and a designated person. "Designated person" is defined broadly to include a person identified by the employee at the time the employee requests paid sick days. An employer may limit an employee to one designated person per 12-month period for paid sick days.

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Given California's influence, employers in other states should be aware that their states may choose to expand the list of individuals for whose care eligible employees may use leave. Such individuals may soon include any person designated by an employee, such as a friend or neighbor.

Redesigning State PFML Laws to Work with the FMLA

States are amending their PFML laws to work more smoothly with the federal FMLA. Washington provides a recent example. Washington passed amendments to its PFML program, which take effect Jan. 1, 2026. Notable changes reinforce the requirement that PFML run concurrently with leave under the FMLA. The current law already provides that PFML be used concurrently with FMLA leave. However, there is no mechanism for reducing PFML or employment protection when employees take FMLA leave before using PFML in the same year (a practice known as "stacking" leave).

The amendments allow Washington employers to count an employee's FMLA leave against their job-protected PFML entitlement when the FMLA leave qualifies for PFML, even if the employee does not apply for or receive PFML. The amendments thus restrict an employee's ability to preserve PFML for later use. These new provisions will apply only if the employer gives the employee written notice containing specific required information, including that the employee's unpaid leave is being designated as FMLA leave and counted against the employee's job-protected PFML maximum, among other things. The notice must be provided within five business days of the employee requesting or using FMLA leave—whichever is earlier—and every month for the rest of the employee's FMLA year.

As another example, in Maryland, employers with 15-49 employees must provide up to six workweeks of unpaid parental leave to eligible employees for the birth of the employee's child or the placement of a child with the employee for adoption or foster care. Effective Oct. 1, 2025, the requirement does not apply to employers who are covered by the FMLA for the current calendar year.

Voluntary Paid Family Leave Insurance Programs

A growing trend has seen states amending their insurance codes to allow carriers to sell insurance policies for voluntary paid family leave benefits. Under these laws, employers may purchase policies to provide a paid family leave wage-replacement benefit to their employees. In some cases, employees can buy their own policy directly from the insurer. The state insurance laws allowing the policies set parameters that paid family leave plans must meet to be eligible for insurance coverage. Unlike many mandatory state PFML programs, the insurance laws do not require employers to provide job protection for employees on leave.

At a time when states are increasingly imposing paid employee leave mandates on employers, this approach offers a voluntary alternative for providing paid leave to employees caring for family members. Many state insurance laws for voluntary paid family leave programs follow the same general format. Most of the laws allow employers to choose a carrier to provide paid family leave coverage; however, in two states—Vermont and New Hampshire—the state selects the carrier and plays a larger role in the design of the insurance program. In addition, while most of the plans are limited to compensation for family leave, some offer the option of providing the benefit during the employee's own medical leave as well.

Alabama's Paid Family Leave Income Replacement Benefits Act provides a detailed example. Under the Alabama law, the type of policy is an employer-sponsored group insurance policy or a voluntarily purchased employee policy (written as a separate policy for paid family leave benefits or a rider to a disability insurance policy). Benefits may be provided for any leave taken by an employee from work to do any of the following:

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- Care for a family member with a serious health condition;
- Bond with the employee's child during the first 12 months after the child's birth or placement with the employee for adoption or foster care; or
- Address a qualifying military exigency as interpreted under the federal FMLA.

Under the Alabama law, the length of leave is at least two weeks for each covered reason, and the monetary benefit is as detailed in the insurance policy. Additionally, policies must specify:

- Requirements of each covered family leave reason;
- Amount of benefits for covered family leave reasons;
- Terms of any unpaid waiting period;
- Definition and calculation of income and offsets on which benefits are based; and
- Any limitations, exclusions or reductions on benefits.

Employers should check if their states allow for insurance policies for voluntary paid family leave benefits. Employers may wish to consult with their insurance carriers and state insurance departments for additional information.

Federal Trends

Activity on employee leave is much quieter at the federal level than at the state level. While 2024 saw work in Congress toward a national paid leave program, time will tell whether the Trump administration will work toward a national paid leave effort.

However, employers should be aware that federal courts are increasingly ruling that USERRA requires employers to provide paid leave for military service if they compensate employees for comparable leaves. As background, USERRA provides job protections for employees absent from work for military service. USERRA states that while on leave for military service, employees are entitled to other rights and benefits not determined by seniority that the employer generally provides to employees having similar seniority, status and pay who are on furlough or leave of absence. The statute defines "rights and benefits" to include wages or salary for work performed.

Regulations issued by the U.S. Department of Labor to implement USERRA raise the issue of comparability of leaves, stating that if the benefits protected by the statute vary according to the type of leave, the employee must be given the most favorable treatment accorded to any comparable form of leave. As noted, federal courts are ruling that USERRA requires employers to provide paid leave for military service if they compensate employees for comparable leaves.

For example, in *Clarkson v. Alaska Airlines*, the 9th Circuit focused on the comparability of military with nonmilitary leaves under USERRA. Clarkson, a pilot with Alaska Airlines and a military reservist, filed a class action lawsuit against the airline on behalf of himself and all other pilots who had been denied payment for short-term military leaves of 30 days or less. Clarkson argued that because the airline provided paid jury duty, bereavement and sick leave, USERRA required it to provide paid leave for short-term absences for military service as well. The lower court granted summary judgment for the airline after comparing the duration of all military leaves with the duration of the nonmilitary leaves provided by the employer. Because military leaves can last for years, the court found that no reasonable jury could conclude they were comparable to the other leaves.

The 9th Circuit reversed, holding that, under USERRA, the employer's nonmilitary leaves must be compared to only short-term military leaves, not all military leaves. The appeals court also found that the lower court erred in comparing the frequency of military with nonmilitary leaves and in its comparisons of the purpose of the military versus nonmilitary

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leaves and employees' ability to control the leaves. The 9th Circuit remanded the case for adjudication on the issue of whether short-term military leaves are comparable to other paid leaves provided by the employer. Employers must comply with the *Clarkson* decision if they are in the 9th Circuit, covering Alaska, Arizona, California, Guam, Hawaii, Idaho, Montana, Nevada, Northern Mariana Islands, Oregon and Washington.

There could be more court decisions in this vein in the future, so employers should be alert to past and future court activity on this topic in their jurisdictions.

Conclusion

Expansion is the prevailing theme. As states continue to expand existing leave laws and implement new ones, employers must be sure to stay on top of their legal obligations. For example, employers should be aware of new laws going into effect and changes to existing laws that may affect their businesses. In addition to monitoring known state law developments, employers should watch for the passage of new employee leave legislation and amendments to existing laws. There is no reason to think the growth in employee leave mandates will abate in the future, especially in states that currently do not have employee leave laws on the books. With voters having approved state ballot measures impacting the workplace, it stands to reason that other states could follow suit.

Employers should also watch for other trends, such as the growth of state insurance laws allowing carriers to sell PFML policies to employers. On the federal level, employers should monitor any trends that develop, such as federal courts' ruling that USERRA requires employers to provide paid leave for military service if they compensate employees for comparable leaves. As noted above, there could be more court decisions in this vein.

Employers will need to watch legislative and regulatory developments closely. This is likely to be particularly challenging for multistate employers, which will have to take note of features that may be common to these laws, yet may conflict across states. Leave law characteristics to keep in mind in this regard may include exempt versus covered employers and employees, discounted leave requirements for small or newly established employers, the availability of grants to help offset the cost of leave, the funding split between employers and employees, and whether the law at issue requires reinstatement of an employee to their former position upon returning from leave. It is always best for employers to work with local counsel to ensure they comply with all laws that may apply to their businesses.