



MISSOURI CHAMBER OF COMMERCE AND INDUSTRY

# Navigating the Repeal: Employer FAQ on Paid Sick Leave Changes

With the passage of House Bill 567 (HB 567) at the end of Missouri’s 2025 legislative session, the mandated **Earned Paid Sick Time (EPST)** provisions created by Proposition A (Prop A), which amended Chapter 290 R.S.Mo. in November 2024, will be repealed.

Prop A created significant additional costs and administrative burdens for Missouri businesses of all sizes. Many businesses had to overhaul workplace policies, reduce hours or staff – and some even worried about shutting their doors. For these reasons, the legislature approved HB 567 and sent it to Governor Mike Kehoe on May 30. The Governor signed HB 567 on July 10, and the repeal will become effective on August 28, 2025.

There is currently no administrative guidance or regulatory precedent to dictate how many of the issues below should be handled.

This FAQ shares what we believe are the best practices for businesses to consider as they navigate the changes following Prop A’s repeal.

## COMPLIANCE UNTIL AUGUST 28

### Do businesses really have to continue to comply with Prop A until August 28?

Yes, it is the law. Employers must comply with Prop A’s paid sick time requirements until HB 567 takes effect on August 28, 2025. This includes compliance with accrual, notice and usage requirements.

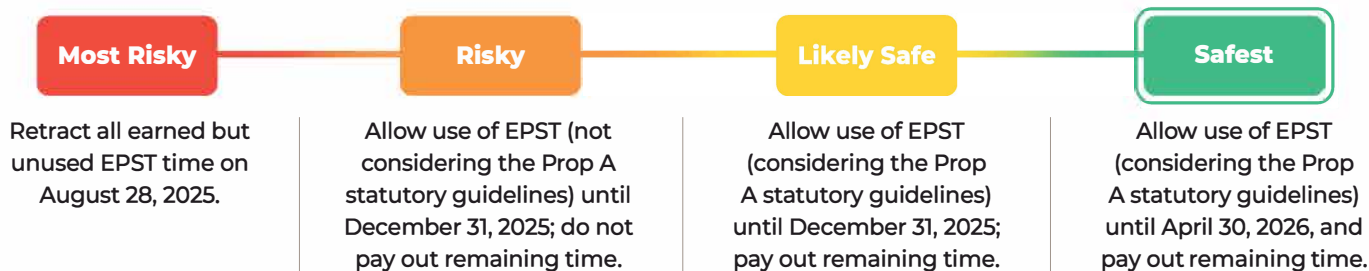
## EPST SLIDING SCALE OF RISK AND COMPLIANCE AFTER AUGUST 28

### What happens to EPST accrued between May 1 and August 28, 2025?

As mentioned above, there is no guidance on how unused EPST should be treated post-repeal. Because of this, we recommend businesses consider exploring their options on the EPST Sliding Scale of Risk.

*Please note, there are other variables that may be considered along with the sliding scale.*

### EPST Sliding Scale of Risk



## **Is payout of unused accrued sick time required?**

Again, there is no clear guidance regarding the Prop A repeal. However, under the current Prop A rules (and related Missouri Department of Labor FAQs), employees are entitled to carry over up to 80 hours of EPST after a 12-month period. As an alternative, employers could pay out up to 80 hours of accrued EPST at the end of each 12-month period before frontloading the statutory requirements at the beginning of the next 12 months.

That said, Prop A does not require employers to pay out unused EPST when an employee leaves the company, regardless of whether the time was accrued or frontloaded. This suggests that EPST is subject to forfeiture upon certain conditions.

Ultimately, because there is no guidance about payout under circumstances other than separation of employment – particularly for employers who frontloaded employees' time – paying out up to 80 hours would be the safest option, while not paying out any EPST would be the riskiest option.

## **Can we offer employees the option to cash out accrued time or use it under our policy?**

Yes, this is certainly an option. Consider the EPST Sliding Scale of Risk to determine how this aligns with your business's risk tolerance level.

## **What if an employee leaves before using their accrued sick time?**

Prop A does not require a payout upon termination; therefore, it would be unreasonable to believe that after August 28, EPST should be paid out at time of an employee's termination. However, check your own company policies and local ordinances for other requirements.

## **What about sick leave balances accrued prior to May 1, 2025?**

Those balances are generally governed by your company's existing policy, not Prop A.

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## **POLICY CHANGES AND NOTICES**

### **Can we change our leave policies after August 28?**

Yes. After HB 567 takes effect, you may change your policies. However, employers should consider the EPST Sliding Scale of Risk and any self-imposed requirements.

### **Can we take down Prop A notices after August 28?**

Yes, after the repeal is effective, you may remove Prop A notices. However, you should notify employees in writing about the change and how accrued EPST will be handled.

### **Will the Missouri Chamber provide sample language for notifying employees of the repeal?**

Please see [page 4](#) for the Missouri Chamber's suggested communications outline. However, as with any issue affecting your business, please consult with your legal counsel before sending employee notifications or using Prop A-related sample language.

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## RECORDKEEPING AND LEGAL RISK

### Can employees sue for violations of Prop A after August 28?

Again, there is no precedent. Prop A required employers to maintain compliance records for at least three years, so employers should retain documentation showing that compliance until August 28, 2028, in the event of a legal challenge.

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## MINIMUM WAGE

### Does HB 567 affect the minimum wage changes included in Prop A?

The minimum wage increase to \$15/hour, effective January 1, 2026, will remain in effect. However, HB 567 repealed provisions that tied further increases (or decreases) in the minimum wage to the Consumer Price Index.

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## FUTURE DEVELOPMENTS

### What about future ballot initiatives?

Proponents are seeking to place a similar paid sick time requirement in the Missouri Constitution in 2026. This would make future legislative changes much more difficult.

### Where can I find the wording of the proposed 2026 constitutional amendment?

Visit the Missouri Secretary of State's Initiative & Referendum Petitions page for 2026-47.

### Should we continue with our Prop A compliance in case the proposed constitutional amendment becomes law?

This is a business decision. The 2026 proposed constitutional amendment would bring back Prop A's EPST requirements – and add even more. Therefore, some businesses may decide to keep their Prop A policies in place to prevent policy “whiplash” between now and the potential implementation of a constitutional amendment.

In the meantime, the Missouri Chamber is doing everything it can to inform voters about the impact this constitutional amendment could have on Missouri businesses and our economy. To learn more and get involved in our efforts, [click here](#).

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For more information or specific questions, please contact the Missouri Chamber or your legal counsel.

*This document is for general informational purposes only and does not constitute legal advice.  
Employers should consult legal counsel for guidance specific to their situation.*

# **Employee Communication Outline:**

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## **Changes to Paid Sick Leave Policy Following Missouri Prop A Repeal**

**Effective Date:** [Insert Date]

**Purpose of Communication:**

To inform all employees about upcoming changes to our paid sick leave policy due to recent changes in Missouri law (the repeal of Proposition A by House Bill 567).

**Summary of Change:**

Proposition A, which mandated Earned Paid Sick Time (EPST), has been repealed and will no longer be in effect as of August 28, 2025. Our policies will be updated accordingly.

Until August 28, 2025, our company is required to comply with all provisions of Proposition A. This includes accrual, usage, and notice requirements for EPST. Employees will continue to accrue and may use EPST as outlined in our current policy until August 28, 2025.

[Insert summary of your current EPST/PTO policy, including accrual rate, usage, and notice requirements.]

As of August 28, 2025, [Company Name] will update its paid sick leave policy as follows: [Insert your updated or continuing policy details, including accrual, usage, carryover, and payout provisions.]

[Company Name] will comply with all applicable federal, state, and local laws, regulations, and official guidance regarding paid leave and employment practices. If any applicable law, regulation, or guidance differs from our stated policy, we will follow the law, regulation, or guidance that provides the greatest protection to employees or is otherwise required.

For questions about these changes, please contact [insert HR contact or department].

**Disclaimer:**

*This communication is for general informational purposes only and does not constitute legal advice. The Missouri Chamber encourages all employers and managers to consult with their own legal counsel for guidance specific to their individual circumstances.*