

Summary* of The Fair Wages and Healthy Families Act (Prop. 206)

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Arizona Minimum Wage

- 1/1/2017—Increases to \$10.00
- 1/1/2018—Increases to \$10.50
- 1/1/2019—Increases to \$11.00
- 1/1/2020—Increases to \$12.00
- Tipped employee rate will remain \$3.00 less than regular minimum wage.

Arizona Mandatory Paid Sick Time

- Effective Date: 7/1/2017
- Basic Requirements:
 - Employers with 15+ employees—employees accrue up to 40 hours of sick pay annually.
 - Employers with 1 to 14 employees—employees accrue up to 24 hours of sick pay annually.
 - Rate of accrual—1 hour of sick pay for every 30 hours worked beginning with first day worked; exempt employees are assumed to work 40 hours a week.
 - Employers can require employees to wait 90 days after hire to use sick pay.
 - Time off may be taken in the smaller of hour increments or increments that the payroll system uses to account for time off.
- Employers: The minimum wage provision applies to all employers, except state and federal government, and “small employers”—those with annual revenue less than \$500,000 and not engaged in interstate commerce (very few employers meet this test). The paid sick time provision applies to all employers, regardless of size, except state and federal government.
- Employees: The law covers all employees; except babysitters and those working for a parent or sibling. There is no minimum hours worked requirement.
- Time Off Allowed for the Following Reasons:
 - Employee or family member of employee has mental or physical illness, injury, health condition; or needs preventative care or a medical diagnosis;
 - Closure of employee’s place of business or child’s school due to a public health emergency; or,
 - Absence due to domestic violence, sexual violence, abuse or stalking of employee or employee’s family member.
- Family Member Definition:
 - Child, parent, spouse, domestic partner, grandparent, grandchild, sibling, and any person related by blood or affinity whose close association with employee is the equivalent of a family relationship.
 - The family member definitions also include adopted, foster, and step-relations; a person who acted as a parent, although not related; and family members of employee’s spouse or domestic partner.
- Unused Sick Leave:
 - Carries over year to year, but employers can limit the amount that employees use each year to the 24 or 40 hour annual maximum, even when the earned balance is greater.
 - No requirement to pay unused sick pay if the employee’s employment ends, but if the employee is rehired within 9 months, unused sick pay must be reinstated.

* This is a summary only. Refer to the Industrial Commission of Arizona or consult with an attorney for more specific information. Employers can provide employees with more generous wage and paid sick time programs, as long as the pay or sick time programs meet the minimum requirements of the law.