Pay Matters: Spring 2025

Stay up to date with the latest payroll and compliance updates in our Spring 2025 edition of Pay Matters.

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Welcome to our Spring 2025 edition of Pay Matters – our roundup of all the payroll and compliance news that you must know.

Read on to stay informed and in compliance with relevant alerts and insights that matter most for your payroll.

New Ohio Pay Stub Requirements Are Almost Here

Effective April 9, 2025, Ohio employers will be required to report two new data elements on employees' pay stubs each pay period:

- Total hours worked (not including paid time off hours); and
- Number of overtime hours worked (hours over 40).

This is in addition to the currently required information, as follows:

- Employee's name and address;
- Employer's name;
- Total gross wages earned during pay period;
- Total net wages paid for the pay period;
- Earning and deduction amounts and purposes;
- Check date and pay period covered; and
- For hourly employees, the hourly rates.

Now is the time to review your pay stubs carefully to ensure you include all required information. If you are a Viventium client, please reach out to your Client Support Team before April 9 if any changes are needed to bring your stubs into compliance.

Changes to Michigan Minimum Wage and Paid Sick Leave

On Friday, February 21, Michigan Governor Whitmer signed new minimum wage and paid sick leave- requirements into law.

Effective immediately, minimum wage has been increased to $12.48 per hour (previously $10.56). On January 1, 2026, the minimum wage will increase again to $13.73, and on January 1, 2027, to $15.00. Inflation adjustments will apply for subsequent years.

In addition, effective February 21, employees accrue 1 hour of paid sick time for every 30 hours worked and can use up to 72 hours of paid sick time per year. Employers can alternatively choose to front-load the 72 hours. New hires begin to accrue at the start of employment, but employers may require new hires to wait 120 calendar days before using accrued sick time.

Employers of 10 or fewer employees are also covered by the law, but they can wait until October 1, 2025, to begin accruing for their employees and need only allow 40 hours of paid sick time per year.

Employers must allow employees to carry over up to 72 hours (40 hours for small employers) of paid sick leave if unused at year-end, but if an employer front-loads the leave, no carryovers are required.

The leave must be paid at the greater of either an employee's "normal hourly rate" ("base wage") or the state minimum wage. An employer does not have to include overtime pay, holiday pay, bonuses, commissions, supplemental pay, piece-rate pay, tips, or gratuities in the calculation of an employee's normal hourly wage or base wage.

Employers must notify employees of their rights by March 23.

Be sure to review your minimum wage setup and paid sick leave policy to ensure compliance with Michigan's new requirements. If you are a Viventium client, please contact your Client Support Team to make any necessary updates.

Illinois Will Eliminate Subminimum Wage for Disabled Workers

Governor JB Pritzker signed the Dignity in Pay Act (HB793) into law on January 21, 2025, requiring phase out and elimination of subminimum wage authorizations by December 31, 2029. In doing so, Illinois joins 18 other states to disallow employers to pay individuals with disabilities below the federal minimum wage. Subminimum wage is permitted under the FLSA in specific situations where the disability affects productivity.

To support employers, the Act also creates a transition grant program to help integrate individuals with disabilities into competitive employment.

More details on the phase-out timeline are expected to be released soon.

Missouri New Paid Sick Leave Coming Soon

Effective May 1, 2025, most Missouri employees will accrue 1 hour of paid sick leave for every 30 hours worked. Missouri released FAQs clarifying, among other provisions, that employers of less than 15 employees can cap annual usage at 40 hours and larger employers at 56 hours. Employers can define their benefit year, as long as it is 12 consecutive months. All employers must allow employees to carry over 80 hours of sick leave, if accrued, or alternately, payout the unused leave and frontload the next year's leave. The leave must be paid at the employee's regular rate or the weighted average of all hourly rates paid in the last pay cycle. The employer can choose the method.

Documentation of paid sick leave accrued and used must be retained for three years.

In addition, by April 15, 2025, employers must notify employees on a single 8.5 X 11 page in no less than 14-point font that:

(1) Employees accrue paid sick time at the rate of 1 hour earned for every 30 hours worked;

(2) Employers are prohibited from taking retaliatory action against employees who request or use paid sick leave;

(3) Employees have a right to bring a civil action if paid sick leave is denied; and

(4) The contact information for the state Department of Labor.

On March 14, a bill passed the House of Representatives repealing the paid sick leave mandate. The bill now goes to the state Senate for consideration. However, as of now, the current Missouri paid sick leave requirements will go into effect May 1.

Now is the time to review your paid leave policies for compliance. If you are a Viventium client, be sure to reach out to your Client Support Team to establish or modify your paid sick leave benefit setup. And be sure to follow Viventium for the latest updates on the repeal attempt.

Massachusetts Workforce Data Report

Employers who had 100 or more Massachusetts employees at any time during the prior calendar year must now submit a copy of their most recently filed federal EEO-1 report to the state through a web portal. No modifications are required to the federal report, and it is due to Massachusetts annually by February 1.

If the federal EEOC decides to re-implement Component 2 in the future, it would also become part of the required filing in Massachusetts.

For more details, see the FAQ published by MA.

Minimum Wage Updates

Locality	Minimum Wage	Effective Date
City of Santa Fe, NM	$15.00	3/1/25
Santa Fe County, NM	$15.00	3/1/25
Montgomery County, MD	$17.65 (51 or more employees) $16.00 (11-50 employees) $15.50 (10 or fewer employees)	7/1/25
City of Los Angeles, CA	$17.87	7/1/25
San Francisco, CA	$19.78	7/1/25

And for more information on the latest Form I-9 Employment Eligibility Verification requirements, be sure to check out our recent compliance webinar The New Focus on Immigration: Are Your I-9s Ready for Inspection? on demand.

This information is for educational purposes only, and not to provide specific legal advice. This may not reflect the most recent developments in the law and may not be applicable to a particular situation or jurisdiction.