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HOUSE BILL NO. 5
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the Governor
 on April 13, 2026)

(Patron Prior to Substitute—Delegate Convirs-Fowler)

A *BILL* to amend the Code of Virginia by adding in Chapter 3 of Title 40.1 an article numbered 2.1:1, consisting of sections numbered 40.1-33.6:1 through 40.1-33.6:7, relating to employment; paid sick leave; civil penalties; civil actions.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 3 of Title 40.1 an article numbered 2.1:1, consisting of sections numbered 40.1-33.6:1 through 40.1-33.6:7, as follows:

Article 2.1:1.

Paid Sick Leave.

§ 40.1-33.6:1. Definitions.

As used in this article, unless the context requires a different meaning:

"Domestic partner" means a person not younger than 18 years of age who (i) is dependent upon an employee for support as shown by either unilateral dependence or mutual interdependence that is evidenced by a nexus of factors, including (a) common ownership of real or personal property, (b) common householding, (c) children in common, (d) signs of intent to marry, (e) shared budgeting, and (f) the length of the personal relationship with the employee, or (ii) has registered as the domestic partner of the employee with any registry of domestic partnerships maintained by the employer of either party, or in any state, county, city, town, or village in the United States.

"Domestic violence" has the same meaning as provided in subdivision 7 of § 38.2-508.

"Employee" has the same meaning as provided in § 40.1-2, except that for the purposes of this article, "employee" does not include an employee as that term is defined in § 40.1-33.3 or a student intern. The Commissioner shall issue regulations defining "student intern" for the purposes of this article.

"Employer" has the same meaning as provided in § 40.1-2, except that for the purposes of this article, (i) beginning July 1, 2027, "employer" means an employer of at least 50 employees; (ii) beginning January 1, 2028, "employer" means an employer of at least 25 employees; and (iii) beginning January 1, 2029, "employer" means an employer of at least one employee. Notwithstanding the provisions of § 40.1-2.1, "employer" includes the Commonwealth and its agencies, institutions, and political subdivisions. However, to the extent that any conflict exists between this article and Chapter 11 (§ 51.1-1100 et seq.) of Title 51.1, the provisions of such chapter shall control.

"Family member" means a child, grandchild, grandparent, parent, sibling, spouse, or domestic partner of an employee, including those with step, foster, or adopted relationships, and includes any individual (i) who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for such individual and (ii) who depends on the employee for care. "Family member" does not include an individual who simply resides in the home with no expectation that the employee care for the individual.

"Paid sick leave" means leave that is compensated at the employer's regular rate as defined in subdivision B of § 40.1-29.3 and is provided by an employer to an employee for the purposes described in § 40.1-33.6:3; however, such hourly rate shall not be less than the minimum wage amount set forth in § 40.1-28.10 without reduction for any tip credit that the employer would otherwise be permitted to claim.

"Retaliatory action" means a denial of any benefit provided pursuant to this article; any threat, discharge, suspension, demotion, or reduction of hours; or the taking of any other adverse action against an employee as a result of the employee's exercise of any paid sick leave benefits. "Retaliatory action" includes interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under this article.

"Sexual assault" means any act prohibited by the provisions of § 18.2-61, 18.2-67.1, 18.2-67.3, or 18.2-67.4.

"Stalking" means conduct prohibited by the provisions of § 18.2-60.3.

"Year" means a regular and consecutive 12-month period as determined by the employer.

§ 40.1-33.6:2. Accrual of paid sick leave.

A. All employees shall accrue a minimum of one hour of paid sick leave for every 30 hours worked. Paid sick leave shall be carried over to the year following the year in which it was accrued. An employee shall not accrue or use more than 40 hours of paid sick leave in a year, unless the employer selects a higher limit.

B. Employees who are exempt from overtime requirements under 29 U.S.C. § 213(a)(1) of the federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.) will be assumed to work 40 hours in each workweek for purposes of paid sick leave accrual unless their normal workweek is less than 40 hours, in which case paid sick leave accrues on the basis of that normal workweek.

60 C. Employees covered by 29 C.F.R. § 825.801 shall be assumed to work 40 hours in each workweek for
61 purposes of paid sick leave accrual.

62 D. Paid sick leave as provided in this section shall begin to accrue at the commencement of employment.
63 An employer may elect to provide all paid sick leave that an employee is expected to accrue in a year at the
64 beginning of the year. An employer that elects to provide 40 hours of sick leave at the beginning of a year
65 shall be considered to have satisfied the provisions of subsection A.

66 E. Any employer with a paid leave policy, such as a paid time off policy, that provides an employee an
67 amount of paid leave sufficient to meet the requirements of this section and that may be used for the same
68 purposes and under the same conditions as paid sick leave under this article shall not be required to provide
69 additional paid sick leave to any employee that is eligible for paid leave under the policy.

70 F. Any employer that has entered into a bona fide collective bargaining agreement that requires the
71 employer to provide an amount of paid leave sufficient to meet the requirements of this section and that may
72 be used for the same purposes and under the same conditions as paid sick leave under this article shall not be
73 required to provide additional paid sick leave to any employee covered by such collective bargaining
74 agreement.

75 G. Nothing in this section shall be construed as requiring financial or other reimbursement to an
76 employee from an employer upon the employee's termination, resignation, retirement, or other separation
77 from employment for accrued paid sick leave that has not been used.

78 H. If an employee is transferred to a separate division, entity, or location but remains employed by the
79 same employer, the employee is entitled to all paid sick leave accrued at the prior division, entity, or location
80 and is entitled to use all paid sick leave as provided in this section. If an employee is separated from
81 employment with an employer and the employee is rehired within 12 months of separation by the same
82 employer, previously accrued paid sick leave that had not been used shall be reinstated unless the employer
83 pays the employee for such accrued leave upon separation at the rate required by this article. Further, the
84 employee shall be entitled to use accrued paid sick leave and accrue additional paid sick leave at the
85 recommencement of employment. If an employee is separated from employment for more than 12 months, the
86 employer shall not be required to reinstate previously accrued paid sick leave for such employee, and such
87 employee shall be considered to have newly commenced employment for purposes of this subsection.

88 I. If a different employer succeeds or takes the place of an existing employer, each employee of the
89 original employer who remains employed by the successor employer is entitled to all paid sick leave accrued
90 while employed by the original employer and to use any such paid sick leave previously accrued.

91 J. An employer may loan paid sick leave to an employee in advance of accrual of paid sick leave by such
92 employee. If an employer chooses to loan paid sick leave to an employee in advance of its accrual and
93 expects such leave to be repaid if such employee separates from employment before accruing such used
94 leave, the employer shall first require the employee to sign a written acknowledgement to confirm that the
95 employee understands the terms of using loaned paid sick leave.

96 K. Nothing in this article shall be construed to (i) discourage or prohibit an employer from the adoption
97 or retention of a more generous paid sick leave policy than outlined herein; (ii) preempt, limit, or otherwise
98 affect the applicability of any other law, regulation, requirement, policy, or standard that provides for
99 greater accrual or use by employees of paid sick leave or that extends other protections to employees; or (iii)
100 diminish the rights of public employees regarding paid sick leave or the use of paid sick leave as provided
101 under any applicable law.

102 L. Employees who are employed and compensated on a fee-for-service basis shall accrue paid sick leave
103 in accordance with regulations adopted by the Commissioner. The Commissioner shall promulgate such
104 regulations, which shall provide for the accrual of paid sick leave for such employees that is consistent with
105 the provisions of this section.

106 M. Any employer with employees covered by or receiving benefits pursuant to the Longshore and Harbor
107 Workers' Compensation Act, 33 U.S.C. § 901 et seq., that is party to an existing, bona fide collective
108 bargaining agreement in effect on April 1, 2026, shall be exempt from the provisions of this article with
109 respect to all employees in the bargaining unit subject to such collective bargaining agreement until the
110 earlier of (i) the expiration of such collective bargaining agreement or (ii) December 31, 2030.

111 **§ 40.1-33.6.3. Use of paid sick leave.**

112 A. Paid sick leave shall be provided to an employee by an employer for:

113 1. An employee's mental or physical illness, injury, or health condition; an employee's need for medical
114 diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's
115 need for preventive medical care;

116 2. Care of a family member with a mental or physical illness, injury, or health condition; care of a family
117 member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health
118 condition; or care of a family member who needs preventive medical care; or

119 3. Absence due to domestic violence, sexual assault, or stalking, provided that the leave is to allow the
120 employee to seek or obtain medical care, mental health care, counseling, legal services, relocation or
121 securing of an existing home, or other victim services for the employee or the employee's family member.

122 *B. Paid sick leave shall be provided upon the request of an employee. Such request shall be made in*
 123 *writing. Requests made in writing by electronic means shall satisfy the requirements of this subsection. An*
 124 *oral request for paid sick leave shall satisfy the requirements of this subsection if such request is*
 125 *memorialized in writing and acknowledged by both the employee and an employer representative within a*
 126 *reasonable period of time. When possible, the request shall include the expected duration of the absence.*

127 *C. When the use of paid sick leave is foreseeable, the employee shall provide notice of the need for such*
 128 *leave to the employer at least one week in advance of the use of the paid sick leave or as soon as practicable.*
 129 *An employee shall make a reasonable effort to schedule the use of paid sick leave in a manner that does not*
 130 *unduly disrupt the operations of the employer.*

131 *D. An employer that requires notice of the need to use paid sick leave shall provide a written policy that*
 132 *contains procedures for its employees to provide notice. An employer that has not provided to an employee a*
 133 *copy of its written policy for providing such notice shall not deny paid sick leave to the employee based on*
 134 *noncompliance with such a policy.*

135 *E. An employer shall not require, as a condition of an employee's taking paid sick leave, that an employee*
 136 *search for or find a replacement worker to cover the hours during which the employee is using paid sick*
 137 *leave. An employer shall not require an employee to work an alternate shift to make up for the use of sick*
 138 *leave.*

139 *F. An employer may require paid sick leave to be used in increments, provided that the minimum*
 140 *increment shall be no greater than four hours.*

141 *G. An employer shall not require disclosure of details of health information about an employee or an*
 142 *employee's family member or details of domestic violence, sexual assault, or stalking as a condition of*
 143 *providing paid sick leave under this article. Unless otherwise required by law, an employer who possesses*
 144 *health, domestic violence, sexual assault, or stalking information about an employee or an employee's family*
 145 *member shall treat such information as confidential and shall not disclose such information except to the*
 146 *employee or with the consent of the employee.*

147 *H. For paid sick leave of three or more consecutive work days, an employer may require reasonable*
 148 *documentation that the paid sick leave has been used for a purpose for which such leave is required to be*
 149 *provided as set forth in subsection A. For the use of paid sick leave related to subdivision A 1 or 2,*
 150 *documentation signed by a health care professional indicating that paid sick leave is necessary shall be*
 151 *considered reasonable documentation for purposes of this subsection. For the use of paid sick leave related*
 152 *to subdivision A 3, (i) a police report indicating domestic violence, sexual assault, or stalking; (ii) a court*
 153 *document indicating the employee is involved in legal action related to domestic violence, sexual assault, or*
 154 *stalking; (iii) documentation from a victim services advocate, the employee's attorney, a member of the*
 155 *clergy, or a health care professional that the employee is or was receiving services related to domestic*
 156 *violence, sexual assault, or stalking; or (iv) the employee's written statement that the use of paid sick leave is*
 157 *for one of the purposes described in subdivision A 3 shall be considered reasonable documentation for*
 158 *purposes of this subsection.*

159 **§ 40.1-33.6:4. Certain health care workers; scope of article.**

160 *A. No provision of this article shall apply to an employee as that term is defined in § 40.1-33.3 or the*
 161 *employer of any such employee in relation to such employment.*

162 *B. No employee who (i) is licensed, registered, or certified by a health regulatory board within the*
 163 *Department of Health Professions; (ii) is employed by a facility licensed by the Department of Health or the*
 164 *University of Virginia Medical Center or Virginia Commonwealth University Health System Authority; and*
 165 *(iii) works, on average, no more than 30 hours per week shall be eligible to accrue paid sick leave under the*
 166 *provisions of this article.*

167 *C. Notwithstanding the provisions of this article, an employer shall not be required to provide paid sick*
 168 *leave under the provisions of this article to any employee who is employed on a pro re nata, or as-needed,*
 169 *basis, regardless of the number of hours worked in the month and who is (i) licensed, registered, or certified*
 170 *by a health regulatory board within the Department of Health Professions; (ii) employed by a facility*
 171 *licensed by the Department of Health; (iii) employed by the University of Virginia Medical Center or*
 172 *Virginia Commonwealth University Health System Authority; or (iv) employed by any agency licensed by the*
 173 *Department of Behavioral Health and Developmental Services.*

174 *D. No provision of this article shall apply to an employer or employee as such terms are defined in 45*
 175 *U.S.C. § 351 or a crewmember as defined in 14 C.F.R. § 1.1.*

176 **§ 40.1-33.6:5. Notice and recordkeeping; regulations.**

177 *The Commissioner shall promulgate regulations for employee notice and employer recordkeeping,*
 178 *including the following requirements for employers to:*

179 *1. Notify employees of their rights under this article, both in writing and through required posting,*
 180 *including their right to file a complaint or bring a civil action for violations of this article;*

181 *2. Establish and maintain recordkeeping systems regarding the use and accrual of paid sick leave,*
 182 *including the requirement to retain records for three years; and*

183 *3. Ensure the confidentiality of any protected health information or information regarding domestic*

184 violence, sexual assault, or stalking that the employer possesses about an employee or an employee's family
185 member.

186 **§ 40.1-33.6.6. Retaliatory action prohibited.**

187 A. No employer shall discharge, discipline, threaten, discriminate against, or penalize an employee, or
188 take other retaliatory action regarding an employee's compensation, terms, conditions, location, or privileges
189 of employment, because the employee (i) has requested or exercised the benefits provided for in this article;
190 (ii) has alleged a violation of this article; (iii) has participated in an investigation, hearing, or proceeding or
191 cooperated with or assisted the Commissioner in an investigation of any alleged violation of this article; or
192 (iv) has informed any individual of such individual's potential benefits under this article.

193 B. No person shall interfere with, restrain, deny the exercise of, or deny the attempt to exercise any benefit
194 provided pursuant to this article. An employer's absence control policy shall not count paid sick leave taken
195 under this article as an absence that may lead to or result in discipline, discharge, demotion, suspension, or
196 any other adverse action. The protections of this section shall apply to any person who mistakenly but in
197 good faith alleges a violation of the provisions of this article.

198 **§ 40.1-33.6.7. Enforcement; civil penalties; civil actions.**

199 A. The Commissioner shall promulgate regulations for implementation and enforcement of this article.

200 B. In enforcing the provisions of this article, the Commissioner shall receive complaints regarding
201 noncompliance with this article and investigate such complaints in a timely manner.

202 C. Any person alleging a violation of this article shall have the right to file a complaint with the
203 Commissioner within one year after the date the person knew or should have known of the alleged violation.
204 The Commissioner may initiate an investigation upon the receipt of a complaint from an employee or an
205 interested third party or at the Commissioner's discretion. The Commissioner shall keep confidential the
206 name and other identifying information of the complainant or employee witness unless the complainant or
207 employee witness consents to such disclosure. In the course of an investigation, the Commissioner or the
208 Commissioner's designee may issue subpoenas.

209 D. Upon receiving a complaint alleging a violation of this article, the Commissioner may attempt to
210 resolve such complaint through mediation between the complainant and the person or employer alleged to
211 have violated this article. No civil monetary penalty shall be assessed and no action shall be brought if a
212 person or employer alleged to have violated this article corrects the alleged violation within a reasonable
213 time to be established by regulation. The Commissioner shall keep the complainant notified regarding the
214 status of his complaint and any resultant investigation. If the Commissioner determines that a violation has
215 occurred, he may issue to the offending person or employer a notice of violation and the relief required of the
216 offending person or employer. The Commissioner shall prescribe the form and wording of such notices of
217 violation, including any method of appealing a decision of the Commissioner.

218 E. The Commissioner shall notify any employer that he alleges has violated any provision of this article
219 by certified mail or other appropriate means, as determined by the Commissioner. Such notice shall contain
220 a description of the alleged violation. Within 15 days of receipt of notice of the alleged violation, the
221 employer may request an informal conference with the Commissioner regarding such alleged violation.

222 F. Any such employer that knowingly violates this article shall be subject to a civil penalty not to exceed
223 \$150 for the first violation and, for subsequent violations that occur within two years of any previous
224 violation, not to exceed \$300 for the second violation and not to exceed \$500 for each successive violation. In
225 determining the amount of any civil penalty to be imposed, the Commissioner shall consider the size of the
226 business of the employer charged and the gravity of the violation. The decision of the Commissioner shall be
227 final.

228 G. To enforce the provisions of this article, the Commissioner may (i) commence administrative
229 proceedings or (ii) refer the matter to the Attorney General who may bring a civil action. An employer that
230 violates this article shall be liable for such legal or equitable relief as may be appropriate, including the
231 remedies available under subsection H. Upon entry of a final judgment against the employer, the court shall
232 assess reasonable attorney fees.

233 H. In lieu of filing a complaint with the Commissioner, an employee who alleges a violation of this article
234 may bring a civil action in a court of competent jurisdiction against an employer violating this article for
235 actual damages as well as any injunctive or equitable relief necessary to restrain continued violations of this
236 article. The statute of limitations for a civil action brought pursuant to this section shall be for a period of
237 one year after the date the alleged violation occurred or the date the aggrieved employee knew or should
238 have known of the violation. Upon entry of a final judgment against the employer, the court shall assess
239 reasonable attorney fees.

240 I. Civil penalties owed under this article shall be paid to the Commissioner for deposit into the general
241 fund. The Commissioner shall prescribe procedures for the payment of proposed assessments of civil
242 penalties that are not contested by employers. Such procedures shall include provisions for an employer to
243 consent to abatement of the alleged violation and to pay a proposed civil penalty or a negotiated sum in lieu
244 of such civil penalty without admission of any civil liability arising from such alleged violation.

245 **2. That the provisions of the first enactment of this act shall become effective on July 1, 2027.**

246 3. That by July 1, 2027, the Commissioner of Labor and Industry (the Commissioner) shall adopt
247 regulations pursuant to § 40.1-33.6:7 of the Code of Virginia, as created by this act, for the
248 implementation and enforcement of Article 2.1:1 (§ 40.1-33.6:1 et seq.) of Chapter 3 of Title 40.1 of the
249 Code of Virginia, as created by this act. In promulgating such regulations, the Commissioner shall
250 prepare a small business regulatory flexibility analysis pursuant to § 2.2-4007.1 of the Code of Virginia
251 that considers utilizing alternative regulatory methods, consistent with health, safety, environmental,
252 and economic welfare, that will accomplish the objectives of the provisions of this act while minimizing
253 the adverse impact on small businesses. Regulations promulgated pursuant to this act shall be
254 promulgated as required by the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia),
255 except that the provisions of § 2.2-4007.06 of the Code of Virginia shall not apply.
256 4. That the Department of Human Resource Management and the Department of Accounts shall assess
257 the impact of the provisions of this act on state human resources policies and determine how such
258 changes should be implemented. The assessment shall include any required changes to the system and
259 the resulting fiscal impact of necessary changes on either the state's human resources or accounting
260 systems. The Department of Human Resource Management shall report to the Governor and the
261 Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by
262 September 1, 2026, on any impact on state human resources policies and associated changes to the
263 system along with any fiscal impact.