



california eliminates employers' ability to require employees to take vacation before receiving paid family leave benefits

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On September 29, 2024, Governor Gavin Newsom signed into law AB 2123 to change California's state sponsored paid family leave (PFL) program. As part of the PFL program, eligible employees receive wage replacement benefits while taking time off for several reasons such as taking care of a seriously ill family member or bonding with a minor child within one year of birth or adoption (as many employers are already aware, the PFL program does not entitle employees to additional rights to take leave, but rather to receive benefits from the state when they are eligible to do so).

Previously, California employers could require an employee to take up to two weeks of accrued, unused vacation before and in order to receive these wage replacement benefits under the PFL program during any 12-month period in which the employee is eligible for these benefits. Effective January 1, 2025, however, employers can no longer require employees to use such accrued time off. Given the effective date of the change in 2025, employers have plenty of time to review their leave policies and to adjust them to reflect the above change, if needed.

MSK's Labor & Employment team remains ready and available to advise California employers on these changes to California's paid family leave program, along with any related policies and practices.

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practice areas

employment litigation & counseling

labor & employment