

Insights

MISSOURI PROPOSITION A: THE RACE TO MAY 1ST

Mar 13, 2025

SUMMARY

The Missouri Supreme Court is expected to rule on a legal challenge to Proposition A before employees begin accruing paid leave under the law on May 1, 2025. Meanwhile, the Missouri House of Representatives passed legislation modifying Proposition A's provisions, including a repeal of the paid leave provisions.

Last year, Missouri voters approved Proposition A, amending Chapter 290 of the Revised Statutes of Missouri to provide changes to the state's minimum wage laws and to require that private employers provide paid leave. These provisions, however, currently face legal and legislative challenges that may affect employers' compliance.

Following Proposition A's approval, a minimum wage of \$13.75 per hour took effect on January 1, 2025. Additionally, a minimum wage of \$15.00 per hour will take effect on January 1, 2026. Thereafter, all future annual adjustments to the minimum wage will be based on the Consumer Price Index.

Further, and beginning May 1, 2025, Proposition A also requires private employers to provide at least one hour of paid leave for every 30 hours worked. Private employers with fewer than 15 workers must allow workers to use at least 40 hours per year, with larger private employers mandated to allow at least 56 hours.

Proposition A currently faces a legal challenge. *McCarty v. Secretary of State*, No. SC100876 (Mo. banc), is pending before the Missouri Supreme Court, which heard oral argument on March 12, 2025. A decision is expected before employees are entitled to begin accruing paid leave under the law on May 1st. Private employers eagerly await clarity as the April 15, 2025 deadline to provide notice to employees of their new rights under the law approaches.

While private employers await a decision in *McCarty*, the Missouri legislature is considering modifications to Proposition A's provisions. House Bill 567, if enacted into law, would modify the minimum wage increase provisions by no longer indexing increases to inflation after 2026 (the

minimum wage would still increase to \$15 per hour in 2026, but it would not be adjusted for inflation thereafter). HB 567, if enacted into law, would also repeal the paid leave provisions.

The Missouri House of Representatives passed HB 567 on March 13, 2025, but failed to adopt an emergency clause, which would allow the law to go into effect immediately with the Governor's signature. The bill now heads to the Senate for approval. If approved by the Senate, HB 567 would then head to the Governor for his approval. However, unless the Senate approves an emergency clause, the law (including the provisions repealing the paid leave obligations) will not go into effect until August 28, 2025, and thus after compliance obligations have begun.

To navigate issues relating to Proposition A, please contact BCLP's Employment & Labor Practice Group in addition to reviewing our November 2024 insight on Proposition A's requirements. Please note that BCLP does not provide advice as to the application of these laws to a private employer unless we have been expressly engaged to provide such advice.

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