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POLICY BRIEF

Mental Health Leave Policies

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Mental Health Leave Policies

Untreated mental illness carries substantial economic and workplace costs, costing the U.S. economy $282 billion annually, or 1.7% of aggregate consumption. According to the National Alliance on Mental Illness' (NAMI) 2025 Workplace Mental Health Poll, one in five U.S. adults experiences mental illness each year, one in four employees has considered quitting a job because of mental health concerns, and 7% report leaving a job because of mental health-related challenges.

The impact extends beyond individual workers to employers and the broader economy. Poor mental health contributes to absenteeism, illness, workplace accidents, and turnover, resulting in significant loss of productivity. ComPsych data shows that from 2017 to 2023, mental health-related leaves of absence increased 300%. Employees with anxiety and/or depression average 4.6 more sick days annually, experience higher rates of other chronic health conditions, and often utilize more short-term disability than individuals without those conditions, all of which can increase costs for both employees and employers.

These challenges underscore the importance of policies that give workers the time and flexibility to address mental health needs without jeopardizing their financial security. Policymakers seeking to support a mental health-friendly workforce may consider:[1] [2]

- Expanding paid sick leave laws to cover diagnosis, care, treatment, and preventive care for mental health and substance use disorders, including care for a family member.
- Including mental health conditions and substance use disorders in the definition of a serious health condition under state Paid Family Medical Leave (PFML) programs.
- Providing mental health leave for specific occupations or sectors, such as first responders, state employees, or educators.
- Expanding the definition of injury under workers' compensation to include mental health-related injuries resulting from workplace events.[2]
- Establishing or promoting workplace programs and ensuring employees and employers understand the resources, protections, and responsibilities available to them.

[1] This paper does not address policy options that regulate health insurance or health plans, such as addressing mental health parity or telehealth coverage of mental health treatment programs. The Employee Retirement Income Security Act, or ERISA generally preempts state regulation of self-funded employer health plans, which cover roughly two-thirds of private-sector workers with employer-sponsored coverage and an even greater share of workers at large employers. As a result, state insurance mandates, such as requirements to cover therapy, telehealth, or mental health wellness visits, generally apply only to fully insured plans. In contrast, leave laws, workers' compensation, and employment protections regulate the employment relationship and are not limited in the same way by how an employer funds its health benefits.

[2] Workers' compensation is a state-administered insurance system that provides medical benefits and partial wage replacement for injuries and illnesses arising out of employment. It operates separately from leave law. Whether a mental health condition qualifies depends on how a state defines a compensable injury.

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Understanding Leave Types in the Context of Mental Health



Local, state, and federal leave policies serve different purposes within a comprehensive leave system.

SHORT-TERM, ROUTINE → LONGER-TERM, QUALIFYING NEEDS

Paid sick leave

Short-term | Paid | Job-protected

Paid sick leave provides employees with short-term, job-protected paid time off for routine illnesses, preventive care, medical appointments, and, in many states, mental health needs. Paid sick leave may be required by state or local law or provided voluntarily through an employer.

Paid Family and Medical Leave (PFML)

Longer-term | Partial wage replacement | State law

Paid Family and Medical Leave (PFML) programs are state laws that provide eligible workers with partial wage replacement for longer-term qualifying needs, such as an employee's own serious health condition, caring for a family member with a serious health condition, or bonding with a new child. Program eligibility, qualifying reasons, duration, benefits, and job-protection requirements vary by state.

Family and Medical Leave Act (FMLA)

Federal | Unpaid | Job-protected

The federal Family and Medical Leave Act (FMLA) provides eligible employees of covered employers with unpaid, job-protected leave for qualifying family and medical reasons, including an employee's own serious health condition or caring for a spouse, child, or parent with a serious health condition. A serious health condition may include certain mental health conditions.

Paid Sick Leave

Several states have enacted paid sick leave laws that explicitly recognize mental health as a qualifying reason for leave. These laws allow employees to use accrued, employer-paid time for the diagnosis, care, treatment, or preventive care of a mental health condition and, in many cases, to care for a family member. Unlike longer-term leave programs that may require a qualifying serious health condition and medical certification, paid sick leave can cover routine and preventive mental health needs, such as a single therapy appointment, without requiring an employee to meet that threshold. This may be particularly relevant for workers who need time away to address their mental health but are reluctant to seek a formal diagnosis or disclose a condition because of concerns about stigma or privacy.



Examples in Action:

Connecticut expanded its paid sick leave law through Public Act 24-8 (2024). The law permits employees to use paid sick leave for their own or a family member's illness, injury, or health condition; medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; and preventive medical care. It also permits time off for "mental health wellness days," defined as a day on which an employee attends to their emotional and psychological well-being in lieu of a regularly scheduled shift.

The Nebraska Healthy Families and Workplaces Act (2024) was approved by voters as Initiative Measure 436 and codified under Nebraska Revised Statutes § 48-3801 through § 48-3811, including § 48-3804. The statute includes mental illness among the reasons an employer must provide paid sick time. It also covers an employee's need for medical diagnosis, care, or treatment of a mental illness and an employee's need for preventive care. In addition, it covers care of a family member with a mental illness, or care of a family member who needs medical diagnosis, care, or treatment of a mental illness.

New York's paid sick leave law permits employees to use accrued leave for their own or a family member's mental or physical illness, injury, or health condition, as well as for the diagnosis, care, or treatment of a mental or physical illness, injury, or health condition. The law also permits leave for preventive care. State guidance implementing Labor Law Section 196-b expressly includes mental health within the qualifying reasons for leave.

Virginia enacted SB 199/HB 5 (2026), establishing a statewide paid sick leave law. The law provides that paid sick leave may be used for an employee's or family member's physical or mental illness, injury, or health condition, including obtaining medical diagnosis, care, treatment, or preventive care. The law explicitly includes mental illness as a qualifying reason for leave. In addition, paid sick leave may be used to obtain services related to domestic violence, sexual assault, or stalking, including counseling, victim services, legal assistance, relocation, and participation in related legal proceedings.

Paid Family and Medical Leave

In many cases, mental health has been incorporated into states' PFML programs through statutory definitions of a serious health condition. Unlike paid sick leave laws, which generally provide short-term leave for routine health needs, PFML programs provide wage replacement benefits during longer absences. PFML is generally funded through employee and/or employer contributions. For an employee's own medical leave, programs typically require a qualifying serious health condition and may require medical certification, although eligibility standards vary by state.



Examples in Action:

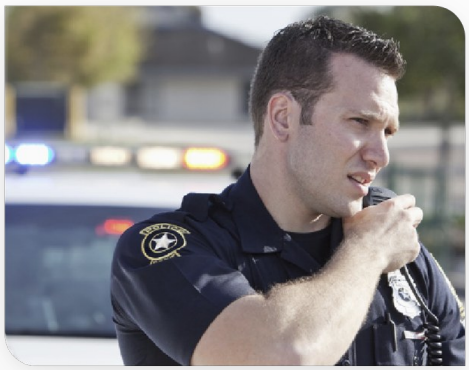
Colorado's Paid Family and Medical Leave Insurance Act (2020) provides eligible employees with PFML benefits. The law permits leave for an employee's own serious health condition and to care for a family member with a serious health condition. The statute defines a serious health condition as an illness, injury, impairment, or physical or mental condition that involves inpatient care, hospice care, residential medical care, or continuing treatment by a health care provider. By expressly including physical and mental conditions within the definition of a serious health condition, the law encompasses qualifying mental health conditions under the state's PFML program.

Massachusetts enacted its PFML program through the Paid Family and Medical Leave Act (2018). The law provides paid medical leave for an employee's own serious health condition and paid family leave to care for a family member with a serious health condition. The statute defines a serious health condition as an illness, injury, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider. As a result, qualifying mental health conditions may be covered under both medical leave and family caregiving leave provisions of the state's PFML program.

Minnesota's statewide Paid Leave Program (2023) provides paid medical leave for an employee's own serious health condition and paid family leave to care for a family member with a serious health condition. Minnesota law defines a serious health condition as a physical or mental illness, injury, impairment, condition, or substance use disorder that involves inpatient care or continuing treatment or supervision by a health care provider. Many state PFML programs reach mental health conditions through a general reference to a physical or mental condition. Minnesota's statute names substance use disorders explicitly. As a result, qualifying substance use disorders may be eligible for coverage under the state's Paid Leave program in the same manner as other physical and mental health conditions.

Occupation-Specific Mental Health Leave

Certain occupations expose workers to higher levels of trauma, stress, burnout, or other job-related mental health risks. Some states have established targeted leave policies for these workforces, recognizing the particular risks associated with their job duties and supporting employee recovery and retention. A targeted approach can also allow states to evaluate implementation, utilization, costs, and outcomes before considering whether similar leave protections should apply more broadly.



Examples in Action:

Arizona Revised Statutes § 38-673 require employers to continue pay and benefits for peace officers, firefighters, and 911 dispatchers who are receiving treatment for a work-related mental health condition. If a licensed mental health professional determines that the employee is not fit for duty during treatment, the employer must continue pay and benefits for up to 30 calendar days per incident. The protection applies once the employee is unable to perform light duty and has exhausted other leave. Employers also may not require the employee to use accrued vacation, personal, or sick leave to attend a treatment visit.

Illinois enacted SB 3914 (2022), which enhanced sick leave provisions for teachers and eligible employees. Full-time educators are now entitled to a minimum of 10 days of sick leave at full pay each school year, with the option to accumulate unused leave up to 180 days. The law explicitly includes mental or behavioral health complications as qualifying reasons for sick leave. After an absence of three days, a certificate from a licensed mental health professional may be required to validate the leave.

New Jersey enacted the First Responders Post-Traumatic Stress Disorder (PTSD) Protection Act (2026) providing employment protections for paid first responders diagnosed with work-related PTSD. The law prohibits employers from terminating or otherwise discriminating against a first responder because the employee is diagnosed with or receiving treatment for service-related PTSD. The law applies to paid law enforcement officers, firefighters, emergency medical responders, and other covered first responders, and it requires reinstatement once a mental health professional certifies that the employee is fit to return to work.

Texas HB 1486 (2023) requires law enforcement agencies and certain public employers to adopt policies providing paid mental health leave for peace officers and eligible telecommunicators who experience a traumatic event in the course of employment. Employees are entitled to leave without a deduction in salary or compensation, and employers must establish eligibility criteria, the number of leave days available, and confidentiality protections.

Workers' Compensation

Workers' compensation systems were historically designed around physical workplace injuries, and many states either excluded mental health conditions that were not accompanied by a physical injury or subjected these claims to heightened evidentiary standards. In recent years, states have increasingly expanded workers' compensation coverage to recognize PTSD and other psychological injuries resulting from workplace events, even in the absence of a physical injury. Some states have also established presumptions for certain occupations, particularly first responders, that modify the burden of establishing that a qualifying mental health condition is work-related.

Examples in Action:



Colorado's workers' compensation law, at Revised Statutes § 8-41-301(2), expressly recognizes mental impairment claims in the absence of a physical injury. A compensable mental impairment is a disability arising from an accidental injury that involves no physical injury. The claim must be supported by evidence from a licensed physician or psychologist and must result from a psychologically traumatic event that is generally outside a worker's usual experience. The statute requires medical evidence to support the claim and sets a higher threshold for compensability than applies to many physical injury claims.



Louisiana's workers' compensation law permits claims for mental injuries caused by mental stress without an accompanying physical injury. Under the statute, a mental injury or illness resulting from work-related stress is compensable only when it arises from a sudden, unexpected, and extraordinary stress related to the employment and is demonstrated by clear and convincing evidence. The law further requires that the mental injury be diagnosed by a licensed psychiatrist or psychologist. Claims of this type, in which a mental injury results from mental stress without an accompanying physical injury, are commonly called mental-mental claims.



New York expanded workers' compensation coverage for work-related mental injuries through S.6635/A.5745 (2024), later clarified by S.755/A.1677. The law allows employees to seek workers' compensation benefits for certain mental injuries arising from "extraordinary work-related stress" and provides that claims may not be denied solely because the stress was not greater than that experienced by similarly situated workers. The statute specifically references PTSD, acute stress disorder, and major depressive disorder. Employees must demonstrate that the condition arose from extraordinary work-related stress attributable to a distinct event or events occurring during the performance of their job duties. The law extends these workers' compensation protections to employees across occupations rather than limiting them to certain public safety employees.



Pennsylvania enacted Act 121 of 2024, which expanded access to workers' compensation benefits for first responders with PTSD injuries. The law allows qualifying PTSD claims arising from a single traumatic event or cumulative exposure to traumatic events and removes some of the barriers that previously existed under the state's "abnormal working condition" standard.



West Virginia's HB 2797 (2025) modified the state's workers' compensation PTSD provisions for first responders. The law expands the types of health professionals who may diagnose PTSD for purposes of workers' compensation claims filed by eligible first responders.

Workplace Wellness Programs

The policy options above address what happens once an employee needs time away from work. States are also using policy levers to support employees and employers earlier, before a mental health condition reaches the point of requiring leave. State approaches fall into three broad categories. Some states use the tax code or grant funding to offset employer costs for wellness programming. Others tie participation to health insurance premium adjustments. A third group provides employers with information on employer roles and responsibilities as well as free technical assistance, training, toolkits, centralized resources, and model program materials to support their workers. Some states also provide resources on mental health accommodations to help employers prevent workforce exit due to mental health conditions. Because these approaches rely on voluntary incentives and resources rather than mandates, they may be attractive options for states that are not considering new employer requirements.

Examples in Action:



Connecticut law Conn. Gen. Stat. § 31-49n requires the Paid Leave Authority to conduct a "public education campaign" to inform individuals and employers about the PFML program. The campaign must cover eligibility/requirements for benefits, how to apply, and qualifying circumstances, and information must be available in English, Spanish, and other languages. Connecticut's family and medical leave law Conn. Gen. Stat. § 31-51kk.(14) defines "serious health condition" to include a physical or mental condition involving inpatient care or continuing treatment.



Minnesota statute § 268B.18 require the commissioner of Minnesota's Paid Leave program to use at least 0.5% of projected benefit payments for public outreach, education, and technical assistance for eligible employees, employers, and self-employed individuals. The Paid Leave law's definition of a serious health condition includes physical or mental illness, injury, condition, or substance use disorder, making such conditions potentially qualifying grounds for medical leave when statutory requirements are met.



The North Dakota Department of Health organizes resources and provides training to help businesses develop comprehensive worksite wellness programs. In addition, the department has an overarching wellness committee that provides technical assistance support for department worksite wellness programs. NDCC 54-52.1-14 established the Employer Based Wellness Program, which allows participating employers to receive a 1% health insurance premium discount for promoting wellness initiatives for employees at their worksites.



Wisconsin SB 73, enacted as 2013 Wisconsin Act 137, created a workplace wellness grant program for small employers. Qualifying programs may include stress management alongside other health and fitness services. Awards are capped at 30% of what an employer paid during the year to provide the program, subject to an annual statewide limit.

Workplace Wellness Programs

Examples in Action:



Washington's Department of Labor and Industries runs a Mental Health in the Workplace resource page with guidance for employers, supervisors, and workers on recognizing mental health challenges, reducing workplace stressors, and building supportive environments. The department has expanded the page to cover stress, burnout, and psychological safety as part of overall worker health.



Washington statute § 50A.05.020 requires the Employment Security Department to "develop and implement an outreach program" so potentially eligible employees know about paid family and medical leave. Outreach information must explain, in an easy to understand format, eligibility requirements, the application process, weekly benefit amounts, maximum benefits payable, notice and certification requirements, reinstatement and nondiscrimination rights, confidentiality, voluntary plans, and the relationship between employment protection, leave from employment, and wage replacement benefits under this title and other laws. The statute also expressly requires the department to conduct regular outreach to employers regarding their responsibilities under the law. Because Washington § 50A.05.010 includes mental conditions under the definition of serious health condition, mental-health-related leave falls within the program that outreach addresses.

Trends to Watch

The areas below reflect emerging state activity rather than established policy.

Caregiving leave and mental health supports for the sandwich generation. States are expanding who qualifies as family for leave purposes, raising questions about whether employees who exhaust available leave while caring for a parent or child have sufficient leave remaining when they experience their own mental health condition.

Leave and employment protections for disaster-related mental health conditions. Mental health leave requests rise in the months following major weather events, often peaking well after the acute recovery period.

City and county mental health leave policies. Local governments have moved faster than states in providing dedicated mental health leave to municipal employees.

Conclusion

State policymakers are already shaping how employees access leave for mental health conditions, often through small amendments to statutes that are decades old. Expanding paid sick leave and PFML definitions, providing dedicated leave for high-exposure occupations, recognizing mental injuries under workers' compensation, and protecting employees who seek treatment, each change when and how an employee can address a condition while remaining connected to work.

Further, what surrounds the entitlement matters as much as the entitlement itself. Clear agency guidance, funded outreach, and employer technical assistance determine whether an expanded definition reaches the people it covers. Voluntary wellness incentives may also reach employees earlier still, before an absence becomes necessary.

About DMEC

This document was developed by DMEC, the only national nonprofit association dedicated to advancing effective leave and accommodation management. DMEC serves more than 20,000 professionals representing 1,400+ employers nationwide, from private companies to government agencies, who manage millions of leave and accommodation cases annually.

This brief is part of the DMEC Policy Blueprint, the first national, nonpartisan policy initiative grounded in the real-world experience of employers navigating workplace leave and accommodation management. The Blueprint is not a legislative agenda, but a collaborative resource designed to equip legislators, regulators, and administrators with field-tested strategies to modernize systems, reduce complexity, and strengthen workforce participation.

DMEC is a mission-driven organization that values partnership. We invite you to work with us to shape the future of leave and accommodation management. To get started, create a free policymaker account at **dmec.org/dmec-state-policy** or contact us at **partners@dmec.org**.[3]

[3] This brief does not indicate DMEC's endorsement of any specific policies and practices established by states. This document is intended to proactively educate state policymakers on issues relevant to workplace leave and accommodation management which may impact their employers and constituents.

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