

## UNIONS WIN IT: Paid Time Off

### BACKGROUND

Employees may need to be away from work for any number of reasons; illness, family responsibilities, rest, personal business, or other reasons. A critical component of a job is whether it allows workers to take time off without risk of losing pay or a job. Leave from work may come in various forms, depending on the employer. Traditionally, leave has been offered in separate buckets for vacation, illness, or personal days. Paid Time Off (PTO) is an alternative to traditional paid leave plans that consolidate multiple types of leave into a single plan that individuals can draw upon for any reason that they need to be absent from work. PTO for an individual employee is different than a group bank through which employees can access other employees' donated leave.

Calculations based on the data from the Bureau of Labor Statistics in March 2011 show that approximately [19 percent](#) of private industry employees in the U.S. had access to a PTO policy. PTO is [more prevalent](#) in the non-union workforce—20 percent of non-union private industry employees have a PTO policy, compared to 14 percent of the union workforce.

### FEDERAL AND STATE LAWS

Some states and cities have laws that allow employees to earn paid sick days. In these places, if an employer has PTO or similar policy, it can comply with the law by using PTO, so long as employees earn enough leave and can use it for the same reasons as set forth in the law. Check your [local laws](#) before negotiating.

No federal law requires private employers to offer paid leave of any kind, whether as part of traditional plan offering separate vacation, illness, or personal time, or in the form of PTO.

For more about state and federal laws and collective bargaining relating to the Family and Medical Leave Act, please see the Labor Project's fact sheet at <http://working-families.org/network/pdf/factsheets/familyleave.pdf>.

### COLLECTIVE BARGAINING

Negotiating PTO varies depending on the employer. Following are some aspects of PTO to consider when negotiating. Some of these considerations may be similar when negotiating for traditional vacation, sick, or personal days.

Here are areas to consider when unions negotiate for PTO:

#### *Number of days*

An employer may or may not offer the same number of days for PTO as the total days available from the separate buckets (vacation, sick, etc.). Consider whether less time is worth trading for other advantages; for example, not having to report the reason for a day off, potentially creating a more trusting employee-employer relationship and allowing employees greater freedom. PTO may offer greater flexibility and, as long as the policy is written broadly enough, may be used for any reason: an individual's or family illness, to attend a parent-teacher

conference or school field trip, to attend to a family emergency, or to just go fishing.

### **Terms and notice**

Establish reasonable notice requirements taking into account that emergencies sometimes happen, but other types of leave, like vacations, are predictable. PTO may vary in what type of notice is required to take leave, when notice must be given, whether there are certain blackout days for vacation time, what forms need to be completed, and other administrative requirements.

### **Waiting period**

Decide whether to bargain against a waiting period before PTO accrues or can be accessed. Little or no waiting period is ideal. In high turnover industries, waiting periods may be particularly detrimental, but also easier for employers to justify.

### **Accrual**

Consider bargaining for a system where employees can accrue PTO at a reasonable rate or have it allotted early enough in the year to have time available in the case of an emergency.

### **Use**

Consider whether PTO days can be used in part-day or hourly increments. Employees may need to take leave in smaller increments for doctor's appointments, so flexibility is desirable.

### **Roll-over**

Think about how much time, if any, is reasonable to roll over from year to year.

Some policies allow employees to roll over PTO into the next year, and some do not. Some may cap the amount that can be rolled over or the total amount of PTO.

### **Pay-out**

Review your local laws before negotiating, as in some jurisdictions PTO is considered akin to vacation time and is required to be paid out. Consider whether pay-out is important for your members and what other types of pensions and benefits that employees may have available to them upon termination of employment.

### **Demerits**

Evaluate whether there is a demerits or no-fault attendance policy in place and if so, how PTO will work with such a system. A demerits system is designed to reduce employee absence by establishing a "points" or other system to count employee absences against them, resulting in punishment or termination.

For a more detailed discussion of these issues, read [Paid Time Off: The Elements and Prevalence of Consolidated Leave Plans](#).

***See our other fact sheets on Family Leave, Flexibility, Low Wage Worker Benefits and Paid Sick Time for more options to support working families.***

***A wide range of actual contract language is available for free in the Labor Project's LEARN WorkFamily database.***  
[www.learnworkfamily.org](http://www.learnworkfamily.org)

*Get more information and download free resources:* [www.working-families.org](http://www.working-families.org)

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