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ADP RESOURCE®

## Deep Dive



### What's New with Mandated Paid Sick Leave?

During the 2015 State of the Union address, President Obama announced a proposal to expand mandated paid sick leave. Paid sick leave is already required by law in several large cities, such as San Francisco and Washington, D.C., and in the state of Connecticut.

Throughout the country, municipalities and private industry are debating the pros and cons. No matter which side of the aisle you're on politically, there are a few things to consider as you review (or implement) your sick leave policy.

#### What will it cost?

A sticking point for many is the cost of paying workers for time they aren't working. Those opposed to mandated paid sick leave believe that it will increase labor costs that will cascade down to lower wages and fewer jobs.

Proponents say that sick employees feel compelled to come to work because they can't afford to stay home with no pay. Then, by coming to work, they pass their illnesses on to co-workers, and productivity takes a hit.

#### Will workers abuse it?

Another concern of employers is sick leave abuse – workers calling in sick when they aren't. Small and midsized businesses have particular reason to be concerned, since they have fewer employees to pick up the work of an absent colleague.

Preventing it starts with strategies for dealing with it.

1. **Have an established sick leave policy.** As an ADP Resource® client, you have access to a sick leave toolkit that provides guidance on the sick leave laws in your state, as well as sample policies. (You can access the **ADP Resource Employer Toolkit: Sick Leave Laws – January 2015** from the **Leave and Return to Work** section on FormSource.) Even if sick leave isn't mandated at your locations, it's a good idea to include a written sick leave policy in your employee handbook. Your Human Resource Business Partner (HRBP) can help you navigate your

state's sick leave laws and the creation of an employee handbook.

2. **Keep track of who calls in sick and when.** Does the same employee frequently take sick leave on Mondays or Fridays? Good records will help you identify patterns so you'll have documentation for addressing the problem.
3. **Be ready to counsel possible abusers.** Having a record of the employee's absence can help you during this conversation. Don't make accusations, but question any unusual absence patterns.
4. **Look for creative solutions.** For example, if an employee's absence is unavoidable, such as needing to take a sick parent for a frequent or regular medical treatment (such as chemotherapy or dialysis), consider a flexible schedule for that employee.
5. **Consider combining time off instead.** Employees are less likely to misuse sick leave when it's combined with vacation into one paid time off bank. State laws should be considered when making this decision.
6. **Take the hard step.** If the abuse is chronic and doesn't change despite your efforts, you may have to discipline the employee or even terminate his or her employment. Consult with your HRBP prior to imposing any discipline or terminating employment.



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## What about wellness?

Paid sick leave supporters believe that the working sick cost American businesses billions in lost productivity each year. Employees who come to work when sick put their colleagues at risk, not to mention customers and anyone else they come in contact with. Workers who stay home and take care of themselves recover faster and avoid complications that could lead to a longer absence or expensive medical treatments.

Public health is also a concern. According to the American Public Health Association, during the 2009 H1N1 pandemic, approximately seven million additional people were infected and 1,500 died when infected employees continued to work.

With so much attention focused on disease prevention, condition management and wellness, a sick leave policy can be one more tool helping your employees live healthier lives.

## Will it help with retention and engagement?

Providing paid sick leave says a lot about an employer's commitment to its workforce. Those who offer paid sick leave generally have lower turnover.\* And access to paid sick leave has been linked to a safer, healthier workplace with higher morale and productivity.

Since most larger employers have paid sick leave, offering this benefit helps you compete for top talent. Many organizations expand the leave to cover time off to be with a sick family member and doctors' visits.

## What about the laws?

State and local sick leave laws continue to grow and show no signs of stopping for the foreseeable future. The sick leave toolkit mentioned earlier can help you comply with the sick leave laws that apply to your business.

Jackson Lewis, our strategic law firm partner, has made available a webcast covering sick leave law compliance strategies. Clients with operations in multiple states may find the [webcast](#) particularly useful.

## What's next?

Paid sick leave is a topic that will generate a lot more discussion by business leaders and lawmakers in the foreseeable future. What works for you will depend on your industry, your employment value proposition and the laws where your business operates. Reach out to your HRBP for guidance in developing this critical policy for your company.