
Policy Brief

May 2011

Paid Sick Leave

What is Paid Sick Leave?

Paid sick leave policies are policies that allow workers to take paid time off in the event that they are ill, have medical appointments, or if a dependent is ill as well. Paid sick leave protects peoples' jobs and gives workers financial stability in times of illness for themselves or their children. Many consider the lack of paid sick leave an obstacle for low income people. In fact, 76 percent of low-wage workers do not have a single day of paid sick leave.¹ According to a national survey 68 percent of workers without paid sick leave said that they go to work with the flu or some other contagious illness. This can be particularly dangerous for the public health when an ill low-wage worker in the food industry goes to work. "In one restaurant in Michigan, where workers did not have paid sick days, a worker infected over 500 customers with norovirus stomach flu responsible for half of all food borne illness) in 2006."² During the H1N1 Pandemic of 2009, approximately 8 million Americans did not take any time away from work while infected with the H1N1 flu virus.³ It is estimated that employees who attended work while infected, caused the infection of as many as 7 million co-workers.⁴ In the Indiana Administrative Code there is a food protection provision that states that, "At all times, including while being stored, prepared, displayed, served, or transported, food shall be protected from potential contamination, including dust, insects, rodents, unclean equipment and utensils, unnecessary handling, coughs, and sneezes."⁵

Paid Sick Leave is beginning to gain traction across the country. According to a national survey, 75 percent of workers polled believe that paid sick days are a "basic right of employment and should be guaranteed by the government."⁶ "Having paid sick days was seen as "very important" by 77 percent of those surveyed and 86 percent think that employers should be required by law to provide them."⁷ There is also growing support for paid family leave policies.

What are the Current Policies Regarding Paid Sick Leave?

As of December 2010, 44 million Americans were without access to paid sick leave.⁸ In Indiana, 46 percent of private sector employees had no access to paid sick leave.⁹ Currently there are no states that have paid sick leave policies. Milwaukee, San Francisco, and the District of Columbia have all passed ordinances guaranteeing a minimum amount of sick leave to workers. A legal challenge was filed in Milwaukee and the case as gone before both a trial court and the Wisconsin Court of Appeals, who upheld the "paid sick days" legislation in March of 2011. However, during the 2011 legislative session, the Wisconsin General Assembly passed legislation that forbids localities to institute sick leave mandates, such as the ordinance in Milwaukee. The legislation, signed by Wisconsin Governor Scott Walker, nullifies Milwaukee's sick Leave Ordinance. States such as, Maine, Massachusetts, Ohio and California have tried to

pass such a policy but the measures have failed. As of May 11, 2011 Connecticut was debating a sick leave policy, SB 913. It had been approved by the committee processed but not yet passed the full Senate. It is seen as the best prospect for the nation's first statewide paid sick leave law.

On the national stage, the Healthy Families Act has been reintroduced during several Congresses, each time with an increase in the number of sponsors. It is not currently expected to pass in this Congress, but a national coalition, the Healthy Families Act Coalition continues to work on this issue and the bill.

What are the Costs and Benefits to having a Paid Sick Leave Policy?

There are differing opinions about the various costs and benefits to having a paid sick leave policy. Studies performed in recent years can give actual figures of both the costs and the benefits of paid leave policies.

A study published by the Institute for Women's Policy Research does show that there will be added costs to adopting a paid sick leave policy. However, it also shows that the money saved because of these policies outweighs these costs in the long run. For example, "Milwaukee employers will pay \$23 million annually for wages, payroll taxes and payroll based employment benefits, and administrative expenses, but savings to employers will total \$38 million annually, largely from reduced costs of turnover."¹⁰ Described in another way, the cost per worker per week will be \$5.69 and savings will be \$9.80, for a net savings of \$4.10 per worker per week.¹¹

There are also costs associated with *not* having a sick day policy. These costs are associated with productivity loss and other liabilities that may result from workers coming in when they are ill. A recent Cornell study states that presenteeism (coming to work with an illness) costs \$180 billion annually in lost productivity and may cost employers more than absenteeism due to illness.

Finally there are many benefits to workers and their families. Aside from the obvious benefit of resting when you are ill without being punished financially or occupationally, there are also possible cost benefits. The Milwaukee study found that in Milwaukee, workers will save \$1 million annually in health-care expenditures just from lower flu contagion at work.¹² For children, the benefits associated with paid sick leave policy are also academic; "research shows that kids whose parents have time off, perform better on math and reading tests."¹³

What are some Paid Sick Leave best practices?

- San Francisco's Paid Sick Leave Ordinance¹⁴
 - An employee is anyone who performs work, including part-time and temporary work, in San Francisco for an employer;
 - For new hires, paid sick leave begins to accrue 90 calendar days after the employee's first day of work;
 - For every 30 hours worked and employee accrues one hour of paid sick time. Paid sick time accrues only in hour increments, not in fractions of an hour;
 - For business with less than 10 employees, sick time is capped at 40 hours, for all other employers, sick time is capped at 72 hours; and
 - Paid sick time can be used to care for a sick or injured family member.

- Milwaukee Paid Sick Leave¹⁵(Nullified as of May 2011)
 - For every 30 hours worked and employee accrues one hour of paid sick time. Paid sick time accrues only in hour increments, not in fractions of an hour;
 - For business with less than 10 employees, sick time is capped at 40 hours, for all other employers, sick time is capped at 72 hours; and
 - Paid sick time can be used to care for a sick or injured family member.

- DC Paid Sick Leave Policy¹⁶
 - Employers with 100 or more employees must provide 1 hour of paid leave for every 37 hours worked, not to exceed 7 days per calendar year;
 - Employers with at least 25, but not more than 99, employees must provide 1 hour of paid leave for every 43 hours worked, not to exceed 5 days per calendar year;
 - Employers with 24 or fewer employees must provide 1 hour of paid leave for every 87 hours worked, not to exceed 3 days per calendar year;
 - Allows hardship exemptions for employers;
 - Exempts new hires who have been at their jobs for less than a year, or who have worked less than 1,000 hours total for their current employer; and
 - Exempts certain types of workers, such as wait staff and bartenders.

Further Research for Indiana

- A cost/benefit analysis of a Paid Sick Leave policy in Indiana, similar to the one done by The Institute for Women’s Policy Research for the Milwaukee ordinance.

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¹ Grant, Jodi et al., “Expecting Better: A State-by-State Analysis of Parental Leave Programs,” page 8, The National Partnership for Women and Families. 2005

² Human impact report Summary of findings of California study. July 30, 2008.

³ Institute for Women’s Policy Research, “Sick at Work: Infected Employees in the Workplace During the H1N1 Pandemic.” IWPR #B264, February 2010.

⁴ Ibid.

⁵ Indiana Administrative Code, 410 IAC 7-15.5-29(a) Food protection, accessed on January 5, 2009.

⁶ Smith, Tom, “Paid Sick Days: A basic Labor Standard for the 21st Century,” a National Survey conducted by the National Opinion Research Center at the University of Chicago and funded by the Public Welfare Foundation.

⁷ Smith, Tom, “Paid Sick Days: A basic Labor Standard for the 21st Century,” a National Survey conducted by the National Opinion Research Center at the University of Chicago and funded by the Public Welfare Foundation.

⁸ Institute for Women’s Policy Research, “Access to Paid Sick Days in the States, 2010.” IWPR # B294, March 2011.

⁹ Ibid.

¹⁰ Lovell, Vicky. “Valuing Good Health in Milwaukee: The Costs and Benefits of Paid Sick Days,” page 1 Institute for Women’s Policy Research. September 2008.

¹¹ Lovell, Vicky. “Valuing Good Health in Milwaukee: The Costs and Benefits of Paid Sick Days,” page 1 Institute for Women’s Policy Research. September 2008.

¹² Lovell, Vicky. “Valuing Good Health in Milwaukee: The Costs and Benefits of Paid Sick Days,” page 1 Institute for Women’s Policy Research. September 2008.

¹³ Nine to Five: the National Association of Working Women, “Paid Sick Days Milwaukee Fact Sheet,” page 5. 2008.

¹⁴ Levitt, Donna, “San Francisco Paid Sick Leave Ordinance-Fact Sheet,” City and County of San Francisco, Office of Labor Standards Enforcement.

¹⁵ Pabst, Georgia, “Paid Sick Leave Referendum Wins Big,” Milwaukee-Wisconsin Journal Sentinel. November 4, 2008.

¹⁶ deMause, Neil. “D.C. mandates sick leave, exempts waiters and new hires.” Fortune Small Business, http://money.cnn.com/2008/03/14/smbusiness/sick_leave.fsb/index.htm?section=magazines_fsb, accessed on 1/12/2009.