



FACTS ABOUT PAID PERSONAL LEAVE

DEFINITION: Paid personal leave is a category of paid time off an organization voluntarily provides employees as a benefit. Personal leave is defined differently according to the preferences of each organization. It may cover medical leave for workers with a serious health condition, sick/self-care time, personal time off/vacation, and professional development or time for continuing education programs. Many employers make distinctions between personal time off and sick leave, but more and more employers are combining all paid time off (PTO) for employees to use as they choose. In this case, PTO can be used when an employee (or their family member) is sick, for vacation, or professional development/education.

Personal days such as birthdays, mental health days, or other days to be used at the employee's discretion

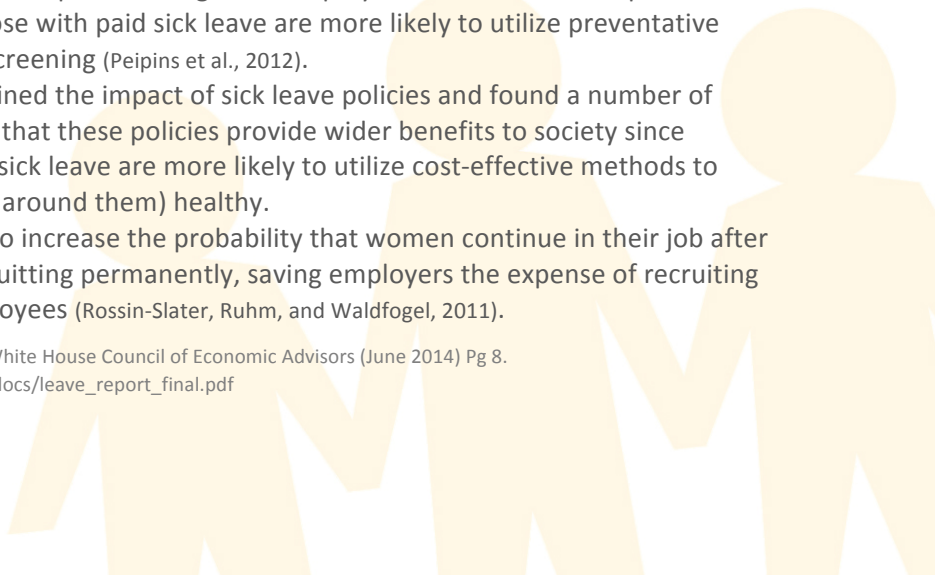
Vacation days or time off to attend continuing education courses or special training

Medical leave for the employee or to care for sick family members

What are the benefits of offering paid personal leave?

Paid leave policies have been recommended by researchers as an effective and economically sound practice, especially for those balancing work and family. The distinction between paid and unpaid leave is important, particularly for low wage workers, since although unpaid leave may provide some flexibility, it is not a realistic option for workers who are the sole breadwinner or already struggling financially.

1. Policies supporting parents often work together to benefit children. For instance, as part of the Affordable Care Act, employers must now provide a reasonable break time, as well as a private place for nursing mothers to express breast milk (Dept of Labor). This both helps nursing mothers go back to work and makes it easier for mothers to continue nursing.
2. The current evidence on children's outcomes emphasizes the importance of the early childhood and prenatal environment, so there are likely large long-term benefits of policies that improve infant health (Almond and Currie, 2012).
3. Children who do not have adequate parental care are more likely to show up sick to school and infect others. This also takes place among adult employees who do not have paid leave. Studies also suggest that those with paid sick leave are more likely to utilize preventative health care such as cancer screening (Peipins et al., 2012).
4. Researchers have also examined the impact of sick leave policies and found a number of health benefits. This implies that these policies provide wider benefits to society since workers with access to paid sick leave are more likely to utilize cost-effective methods to keep themselves (and those around them) healthy.
5. Paid leave has been shown to increase the probability that women continue in their job after having a child, rather than quitting permanently, saving employers the expense of recruiting and training additional employees (Rossin-Slater, Ruhm, and Waldfogel, 2011).





BUSINESS TESTIMONY FOR PERSONAL LEAVE PROGRAMS

The owner of a chain of fourteen cafes in Oregon and Nevada recently “did the math” and decided to offer three months of paid parental leave to all employees. Owner Franz Speilvogel spoke to Bloomberg News about this decision:

Laughing Planet’s new paid-leave policy will apply to mothers, fathers, and adoptive parents. It will pay employees their full salary, or if they’re part-time employees, it’ll pay them the average of what they earned in the past six months. “It wasn’t a business decision to do this, it was a human decision,” said Speilvogel. “But as a business owner, I also think it’ll pay off down the road.” . . . Speilvogel said it costs about \$5,000 in time and wages to train a new employee. “I did the math,” he said, and he realized that even if 10 people were out on parental leave at any one time (which would be about 3 percent of his workforce), he could easily have other employees temporarily cover their duties while he continued to pay them for 12 weeks. He’d still be spending less than the \$50,000 it would cost to hire 10 replacements. Then there’s the added benefit of employee satisfaction. Speilvogel believes that parental leave leads to healthier parents and babies and thinks people will be less likely to quit Laughing Planet when they have access to leave.

SOURCE: Bloomberg Business. January 23, 2015. “This Oregon Restaurant Just Gave Its Workers Paid Parental Leave,” retrieved from <http://www.bloomberg.com/news/articles/2015-01-23/the-laughing-planet-caf-paid-maternity-leave> (last visited June 28, 2015).

How can employers help?

Set up clear policies and review them with employees. Here are some basic steps:

- Decide upon levels or options of leave
- Decide which workers (FT/PT) will have access to which options
- Describe the process for scheduling/requesting to use paid leave
- Clearly state how Paid Leave is accrued (mention probationary periods, when accrual begins, if it is accrued hourly or monthly, etc)
- Describe employee rights for carrying over unused leave and whether or not they will receive a cash-out of all or part of their accrued but unused leave upon termination of their employment.

Sample Personal Leave Policies

SME Toolkit: <http://www.smetoolkit.org/smetoolkit/en/content/en/684/Sample-Employee-Leave-Time-Off-Policy>

CITATIONS & RESOURCES

Almond, D., and Currie, J. (2011) Killing Me Softly: The Fetal Origins Hypothesis. *The Journal of Economic Perspectives* 24, No 3:153-172.

Economics of Paid and Unpaid Leave – White House Council of Economic Advisors (June 2014)
https://www.whitehouse.gov/sites/default/files/docs/leave_report_final.pdf (retrieved 10/25/16)

Peipins, L., et al. (2012) The Lack of Paid Sick Leave as a Barrier to Cancer Screening and Medical Care-Seeking: Results from the National Health Interview Survey.

Rossin-Slater, M., Ruhm, C., Waldfoegel, J. (2011) The Effects of California’s Paid Family Leave Program on Mothers’ Leave-Taking and Subsequent Labor Market Outcomes. *Journal of Policy Analysis and Management* 32, No 2: 224-245.

US Department of Labor – Bureau of Labor Statistics *National Compensation Survey*

When Work Works: <http://www.whenworkworks.org/>