



PROGRAM

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PERSPECTIVES

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ON PAID SICK LEAVE



Paid Sick Leave in the United States

Employee illness can have a significant impact on both organizations and employees. For example, the H1N1 flu forced many organizations to develop plans to manage their business and employees under a potential pandemic virus situation. U.S. employers are not required by law to provide paid leave benefits for their employees, but many companies offer paid sick leave as part of a benefit package to attract and retain workers. This issue of *Program Perspectives* takes a closer look at paid sick leave benefits, including both the percentage of employees with access to paid sick leave benefits and employer costs for sick leave. Short-term disability plans are also discussed.

Paid sick leave was available to 61 percent of private-industry workers and 89 percent of State and local government workers as of March 2009. (See table 1.) Pri-

vate employers with plans providing a fixed number of days of sick leave offered an average of 8 paid sick days to employees after 1 year of service. State and local government employees received 11 paid sick days after 1 year of service.

Estimates of benefits in this issue are from the Bureau of Labor Statistics *National Compensation Survey: Employee Benefits in the United States, March 2009* (on the Internet at www.bls.gov/ncs/ebs/benefits/2009/ebb10044.pdf). Estimates of employer compensation cost per hour worked are from *Employer Costs for Employee Compensation—March 2009* (on the Internet at http://www.bls.gov/news.release/archives/ecec_06102009.pdf).

Sick leave: who gets it?

Access to paid sick leave varies by different worker characteristics, such as occupational group and establishment size. Access for private-industry workers ranged from

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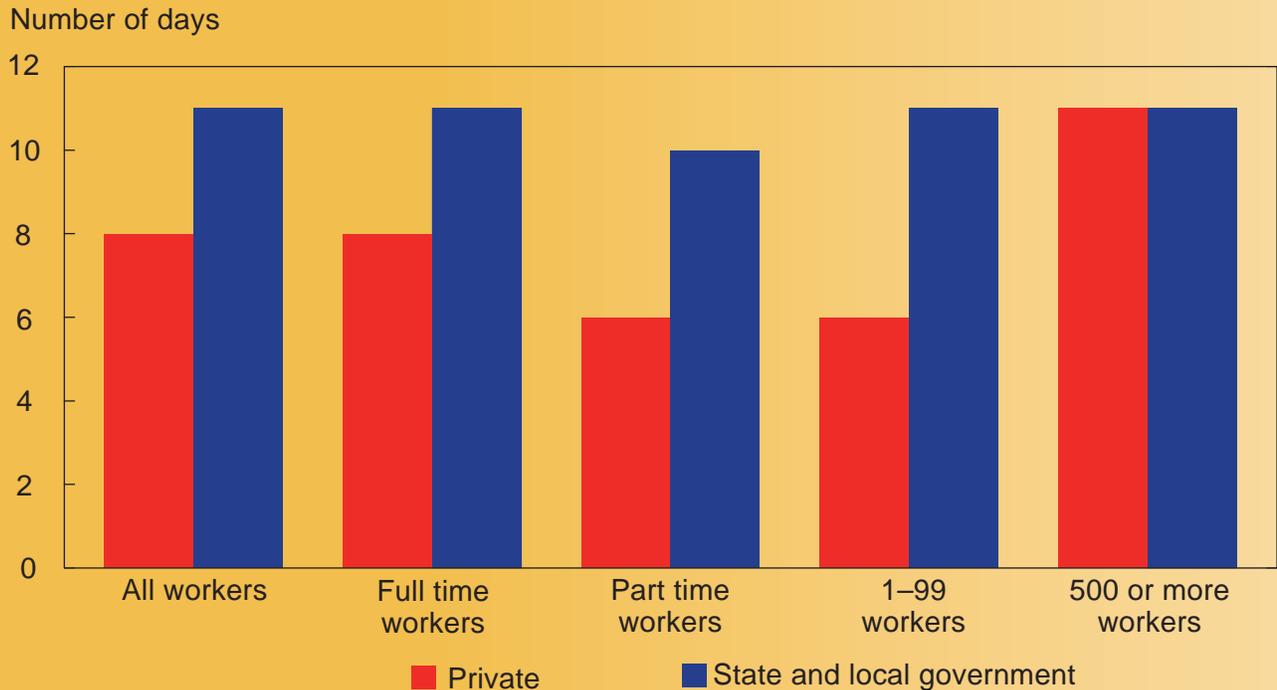
FEE-FOR-SERVICE PLANS

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CHART 1

Mean annual number of paid sick leave days after 1 year of service, March 2009



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84 percent for management, professional, and related occupations to 42 percent for service workers. Among private-industry workers employed in establishments with more than 500 employees, 80 percent had access to paid sick leave, compared with 52 percent in establishments with fewer than 100 employees.

Access to paid sick leave for full-time workers (73 percent) was higher than that for part-time workers (26 percent). There were also differences in access by wage percentile: eighty-one percent of employees earning wages in the highest 25 percent (\$24.22 or more per hour) of the wage distribu-

tion had access to paid sick leave, compared with only 33 percent for employees in the lowest 25 percent (\$10.50 or less per hour). (Wage percentiles are based on estimates published in *National Compensation Survey: Occupational Earnings in the United States, 2008*, Bulletin 2720 (Bureau of Labor Statistics, August 2009). Complete results of this survey are at www.bls.gov/ncs/ncswage2008.htm.)

State and local government workers showed less variation in access to sick leave by establishment and worker characteristics. The only major variation was that 98 percent of full-time State and local government workers had access to paid sick

leave, as opposed to 42 percent of part-time workers. Most (97 percent) State and local government employees covered by a collective-bargaining agreement had access to paid sick leave benefits, compared with 83 percent of nonunion employees.

How many days do employees receive?

Private-industry employees received an average of 8 days of paid sick leave after 1 year of service. Those in establishments with 500 or more workers received an average of 11 days of paid sick leave, whereas those in establishments with fewer than 100 workers received 6 days. Full-time employ-

TABLE 1

Percent of workers with access to paid sick leave, March 2009

Worker or establishment characteristic	Percent of workers with access	
	Private industry	State and local government
All workers	61	89
Occupational group:		
Management, professional, and related	84	90
Service	42	85
Sales and office	66	90
Natural resources, construction, and maintenance	49	94
Production, transportation, and material moving	52	88
Full- and part-time status:		
Full time	73	98
Part time	26	42
Bargaining status:		
Union	69	97
Nonunion	61	83
Wage percentile:		
Lowest 25 percent	33	75
Highest 25 percent	81	96
Establishment size:		
1 to 99 workers	52	79
100 to 499 workers	67	87
500 or more workers	80	92

ees with 1 year of service or more received an average of 8 sick leave days per year, compared with 6 days for part-time employees. (See chart 1.) Length of service had a minimal impact on paid sick leave benefits.

State and local government employees received an average of 11 days of paid sick leave after 1 year of service. Full-time employees with 1 year of service or more received an average of 11 sick leave days per year, as opposed to 10 days for part-time

employees. Length of service had essentially no impact on paid sick leave provisions for State and local government employees.

How much does it cost?

In March 2009, the average cost for sick leave per employee hour worked for private-sector employers was 23 cents. The cost for sick leave per employee hour worked in State and local government was 81 cents. (See table 2.) Higher paid sick leave

costs for State and local government workers are due to a combination of better access, more days received, and higher wage-related costs based on factors such as differences in occupational structures.

Private-industry occupations that pay higher compensation costs incur higher sick leave costs. For example, the average employer cost for sick leave benefits in management, professional, and related occupations in private industry was 53 cents per employee hour worked. In contrast, the cost of sick

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GLOSSARY

Access to a benefit plan. Employees are considered to have access to a benefit plan if it is available for their use. For example, any employee who is permitted to participate in a medical care plan offered by the employer is placed in a category with those having access to medical care, regardless of whether the employee chooses to participate in the plan.

Paid sick leave. Sick leave provides all or part of an employee's earnings if the employee is unable to work because of a non-work-related illness or injury. Sick leave typically is provided on a per-year basis, usually expressed in days, and is never insured.

Short-term disability: Also known as sickness and accident insurance, short-term disability plans provide full, partial, or a combination of full and partial pay to employees who are unable to work because of a non-work-related accident or illness. Short-term disability benefits usually are paid for a fixed number of weeks. The benefit payment is either a percentage of an employee's earnings or a fixed dollar amount.

Total Compensation: Total compensation is the cost of wages and salaries plus the employers' cost of employee benefits. In table 2, "Percent of total compensation" is the cost of the sick leave benefit divided by the total compensation cost, expressed as a percentage.

TABLE 2

Employer costs per hour worked and percent of total compensation for paid sick leave, selected occupational groups, March 2009

Occupational group	Private industry		State and local government	
	Cost	Percent of total compensation	Cost	Percent of total compensation
All workers:	\$0.23	0.8	\$0.81	2.1
Management, professional, and related	.53	1.1	1.07	2.2
Sales and office	.18	.8	.47	1.8
Service	.08	.6	.51	1.8

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leave benefits in service occupations in private industry was just 8 cents per employee hour worked.

Short-term disability plans

In some organizations, in addition to sick leave, workers have coverage for short-term injury and illness through short-term disability plans. Short-term disability plans provide benefits on a per-disability basis, typically based on a fixed percentage of earnings, for

a fixed duration of time. Usually, there is no employee contribution required. Some employers assume the risks and expenses of short-term disabilities, while some have commercial insurance plans. California, Hawaii, New Jersey, New York, and Rhode Island require that employers provide temporary disability insurance benefits to workers who are unable to work because of a non-work-related accident or illness. A future issue of *Program Perspectives* will highlight short-term disability data. ●

The next issue will feature "frozen" Defined-Benefit Plans

For additional assistance on benefits, contact one of our information offices:

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