

BENEFITS

Insights



Adjusting Paid Leave Programs During the COVID-19 Pandemic

The COVID-19 pandemic has undoubtedly changed many aspects of the modern workplace—and some of those changes may continue in perpetuity after the pandemic is over. One aspect that falls into this category is paid leave programs.

Many employers across the country are changing paid leave programs to comply with applicable federal, state or local guidelines during the pandemic and support employees through these challenging times. In fact, according to data from Mercer, 49% of surveyed employers have adjusted their sick leave programs due to COVID-19-related absences and about 12% have expanded employees' time off to show their appreciation.

While it may not be feasible for every employer to change their paid leave programs, employers should evaluate their paid leave programs and consider whether they can be adjusted. This article provides an overview of considerations for employers to keep in mind when evaluating their current programs.

Review Policies and Programs to Ensure Compliance

Employers must carefully review their paid leave policies and programs to ensure they comply with federal, state and local mandates and guidelines. State and local mandates vary, and employers should seek local legal counsel for guidance on complying with applicable laws or regulations.

On a federal level, employers need to ensure their paid leave programs take the Families First Coronavirus Response Act (FFCRA) into account when evaluating existing policies and programs for compliance. The FFCRA—signed into law by President Donald Trump on March 18, 2020—requires certain employers to provide employees with expanded family and medical leave for specified reasons related to COVID-19 through Dec. 31, 2020.

The paid sick leave and expanded family and medical leave provisions of the FFCRA apply to certain public employers and private employers with fewer than 500 employees. Certain provisions may not apply to certain employers with fewer than 50 employees. Small businesses with fewer than 50 employees may also qualify for an exemption from the requirement to provide leave due to school closings or child care unavailability if the leave requirements would jeopardize the viability of the business as a going concern.

For additional information on the FFCRA or other COVID-19-related compliance concerns, contact VCG Consultants.

Review Processes for Requesting Leave

Due to the pandemic, employees across the country have been requesting and applying for leave more than ever before. The influx in requests has pointed out bottlenecks in the leave request and application process at organizations nationwide.

Employers should review how employees can request leave and whether that process can be simplified on both the employee and administrative side. In addition, employers should check with legal counsel to ensure they comply with any applicable laws related to requesting leave.

Consider an Unlimited PTO Policy

Traditional paid time off (PTO) policies offer employees a viable option for taking the time they need during the pandemic. However, if employees don't get sick and aren't using their accrued PTO due to the pandemic, and employers allow PTO to carry over to the next year, employees may start the new year with a large PTO balance.

In addition, if an employer pays out unused PTO at the end of the year or when an employee leaves the organization, having employees with large PTO balances may pose a financial risk to employers.

Making the switch to an unlimited PTO policy may help alleviate some of the risks posed by traditional PTO policies. A basic, unlimited PTO policy is similar to a normal PTO policy, except employees are not given an allotted number of days off. Employees can take as many vacation, sick and mental health days as they need, as long as they are meeting their performance goals.

Studies show that, for the most part, employees with unlimited PTO frequently end up taking about the same amount of time off as employees who have an allotted amount of PTO. In some cases, employees who have unlimited PTO benefits actually have to be encouraged to take more time off. When unlimited PTO is offered, some employees may be afraid to take “too much,” detracting from the goal of giving employees the guilt-free time off needed to take care of personal or family matters, relax on vacation or recover at home when sick.

An unlimited PTO policy is not right for every company, but it may make sense during and following the COVID-19 pandemic. For more information on unlimited PTO policies, contact VCG Consultants.

Leverage Workplace Flexibility

Some employers may be seeing an influx in leave or PTO requests due to working parents or caregivers needing to take time off to tend to their responsibilities. Creating, expanding and promoting a workplace flexibility policy may help reduce leave requests and support employees during the pandemic.

Workplace flexibility varies by organization, but often entails allowing employees to work from home or adjust their schedules. Work-from-home arrangements have become increasingly common throughout the pandemic and may be a feasible solution for employers looking to supplement leave policies. While some employers may allow all employees to work from home for the foreseeable future, others may require that employees submit a request to telecommute.

Before implementing or expanding a work-from-home policy, employers should keep the following factors in mind when granting work-from-home requests:

- The employee’s ability to remain productive and meet expectations while working remotely
- Whether the employee is currently experiencing or has experienced performance issues
- Whether business needs have changed in a way that physical presence in the workplace is or is not required
- How similar requests have been handled in the past

Common reasons for denying remote work requests include if the position requires the employee to work in the office or if the employee has had previous disciplinary incidents.

For More Information

The COVID-19 pandemic has caused employers across the country to adjust their paid leave programs. For more information about the topics discussed within this piece, contact VCG Consultants.

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