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HUMAN RESOURCES & PAYROLL

Trend to Watch in 2017: Paid Leave is Picking Up Steam

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Though not required by law, an increasing number of U.S. employers are starting to take matters into their own hands when it comes to paid parental leave benefits. In

December, Fortune reported that [American Express](#) joined the ranks of U.S. companies like Google® and Bank of America that are sweetening their parental leave and benefits policies. Amex® will give employees 20 weeks of parental leave and offer benefits worth up to \$35,000 for adoption and surrogacy events, as well as \$35,000 for infertility treatment.

A big reason more companies are getting on board? To gain a competitive edge in recruiting top talent.

Benefits are a huge lure in attracting and retaining top talent, especially in light of the changing composition of the U.S. workforce. Today, we have a growing number of women in the workforce and dual-earner families, which means married couples increasingly share childcare responsibilities. Further, 10,000 Baby Boomers are retiring every day, which means companies have to consider new ways to attract Generation X and Millennial workers to fill those vacant roles.

While recent [ADP research](#) shows employees across the generational landscape strongly value work-life balance, Millennials place a higher priority on being able to build downtime into their work schedules than Gen Xers and Baby Boomers. Younger workers also greatly value paid parental leave, especially when you consider the “sandwich generation” that’s caring for both aging parents and young children.

To become an employer of choice, it’s now more important than ever for your clients to embrace not only paid family leave policies, but also paid sick leave policies that reflect the desires of the evolving workforce.

In absence of federal mandates, sick leave requirements have been growing in complexity as states and localities have taken action to introduce their own sick leave rules that vary significantly by jurisdiction. Some states, like California, Connecticut and Massachusetts, require employers to afford paid sick leave to their employees, while others, such as Kansas, Tennessee and Florida, prohibit localities from implementing paid sick leave laws. Where paid sick leave is not required under state law, some individual cities and counties, including Philadelphia and Pittsburgh, PA, New York City, and Minneapolis and St. Paul, MN have passed local paid sick leave laws. Among the many jurisdictions that mandate paid sick leave, there can be large variances in areas like entitlement accrual, who is covered, how employees can use leave, and notice requirements.

What should your clients keep in mind when tracking the current governmental environment?

Here are a few things to consider.

- 1) **Stay abreast of paid leave changes.** Monitoring the news alone for developments can be a huge chore. Utilize third-party vendors, and internal and external counsel, to help you keep up with changes and stay in compliance.
- 2) **Know businesses will be subject to whichever set of rules is more generous to employees.** The proliferation of state and local leave laws can place employers who operate businesses in multiple locations in the position of offering leave to employees in specific states or cities while not offering the same type of leave to employees outside of those locations. When companies look at federal, state and local laws, the rules most generous to the employee based on their location apply.
- 3) **Create written leave policies.** HR policies and procedures need to address leave entitlements and the interplay with related laws like unpaid Family and Medical Leave Act rules and paid short-term disability and workers' compensation. Also, companies should consider reviewing and updating employee handbooks and making sure they train employees and managers to ensure they're handling leaves correctly.
- 4) **Monitor for possible federal changes to paid maternity leave.** There has been talk recently about the United States moving to six weeks of guaranteed paid maternity leave by amending federal unemployment insurance laws. This could be a game changer and something companies should keep on their radar this year.

Deciding whether to voluntarily offer paid leave is more art than science. It really depends on each company's industry, business needs and objectives, and operational costs. For example, a manufacturing company that relies on assembly workers usually can't afford to give employees a one-year sabbatical, while a Silicon Valley technology firm that values short-term projects can encourage large amounts of time off once goals are met.

At the end of the day, companies need to consider which types of leave policies will convey the message that they value employees' work-life balance in order to keep current employees engaged and potential candidates intrigued.

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