

## Paid Sick Leave Laws What Policymakers Need to Know

Paid sick leave (PSL) laws improve health and increase financial security for low-wage workers. Existing laws have not been found to negatively affect businesses.

Several jurisdictions in the United States have PSL laws on the books already, and more cities, counties, and states are passing such laws each year. Laws vary in scope. In San Francisco and Washington, DC, all employers must offer PSL to their employees; in Connecticut, only those who employ 50 or more employees. All of the earliest laws include part-time employees, and most include temporary workers. Employees are awarded paid sick leave in proportion to the amount of hours worked, usually one hour of paid sick leave earned for every thirty or forty hours worked. Most jurisdictions allow employers to cap the amount of time that can be accrued each year at forty hours.

### **Why Have Mandatory Paid Sick Leave?**

According to the Bureau of Labor Statistics, approximately 35% of civilian employees do not receive any paid sick leave. Studies show that workers with PSL are more likely to access preventive care such as influenza vaccinations and cancer screenings, even after controlling for insurance status, income, and other factors<sup>1,2</sup>. One study estimates that access to PSL by all workers nationwide would avert 63,800 workday absences due to the flu and would save a total of \$14.4 million dollars in wage income and health care costs<sup>2</sup>.

Providing restaurant workers paid sick leave may also reduce foodborne illness. About 20% of foodborne illness outbreaks and 70% of reported norovirus outbreaks from contaminated food are caused by transmission of pathogens from food workers to food<sup>3,4</sup>. In a study of restaurant workers by the CDC, 60% of food workers worked while ill<sup>3</sup>.

PSL laws also increase financial security. Employees without PSL tend to be those who work part-time or those making lower wages<sup>5</sup>. PSL laws protect workers who are particularly vulnerable when faced with a temporary loss of income due to illness. When the law requires PSL, employers do not discriminate against employees who have taken this leave, protecting job security.

### **Paid Sick Leave Laws do Not Hurt Business**

Opponents of PSL laws say that employees would abuse PSL, that requiring PSL would increase labor costs and decrease profitability, or would result in employers leaving jurisdictions with these laws. Results from the earliest cities and states to pass PSL laws show that this is not true. The majority of businesses do not experience negative effects.

The vast majority of employers in Connecticut (86%) did not indicate any known cases of abuse of PSL<sup>6</sup>. In both Connecticut and San Francisco, workers tend to use less leave than required under the mandatory PSL laws<sup>6,7</sup>. In Seattle, only 8% of employers reprimanded employees for abuse of leave<sup>8</sup>. This suggests that workers view PSL as a safety net rather than a benefit to exploit.

In surveys, employers do not report any negative effect of the mandatory PSL laws on business operations. The vast majority of Seattle employers surveyed believed that the PSL ordinance did not raise prices, decrease employee pay, or reduce the number of employees based in Seattle (91-97%), and only 17% said that their profitability was negatively affected by the PSL law<sup>9</sup>. In Connecticut, only a small minority of employers indicated that they reduced wages, employee hours, or increased prices<sup>7</sup>. The majority reported no change or an increase of less than 2% in their overall costs<sup>7</sup>. In San Francisco, 68% of employees said that their employers did not reduce work hours, increase work demands, or reduce compensation to implement PSL<sup>8</sup>.

The majority of firms in San Francisco and Seattle indicated that they supported the PSL law<sup>9,10</sup>. In addition, employers report improved employee morale<sup>7,9</sup>. A survey by the Office of the District of Columbia Auditor suggests that the PSL law did not discourage employers from establishing businesses there<sup>10</sup>.

Research shows that paid sick leave laws protect employees, improve public health, and do not hurt businesses.

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<sup>1</sup> Peipins LA, Soman A, Berkowitz Z, White MC. The lack of paid sick leave as a barrier to cancer screening and medical care-seeking: results from the National Health Interview Survey. *BMC Public Health* 2012;12:520

<sup>2</sup> Wilson FA, Wang Y, Stimpson JP. Universal paid leave increases influenza vaccinations among employees in the U.S. *Vaccine* 2014;32(21):2441-5.

<sup>3</sup> Carpenter LR, Green AL, Norton DM, Frick R, Tobin-D'Angelo M, Reimann DW, et al. Food Worker Experiences with and Beliefs about Working While Ill. *Journal of Food Protection* 2013;76(12):2146-2154

<sup>4</sup> Centers for Disease Control and Prevention. Preventing Norovirus Outbreaks: Food service has a key role. In. Atlanta, GA; 2014.

<sup>5</sup> Statistics BoL. Employee Benefits in the United States - March 2014. In: Labor USDo, editor. Washington, DC; 2014

<sup>6</sup> Appelbaum E, Milkman R, Elliott L, Kroeger T. Good for Business? Connecticut's Paid Sick Leave Law: Center for Economic and Policy Research, the Murphy Institute, the City University of New York; 2014.

<sup>7</sup> Drago R, Lovell V. San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees. Washington, DC: Institute for Women's Policy Research; 2011

<sup>8</sup> Romich J, Bignell W, Brazg T, Johnson C, Mar C, Morton J, et al. Implementation and Early Outcomes of the City of Seattle Paid Sick and Safe Time Ordinance: Final Report. Seattle, WA: University of Washington; 2014.

<sup>9</sup> Colla CH, Dow WH, Dube A, Lovell V. Early effects of the San Francisco paid sick leave policy. *Am J Public Health* 2014;104(12):2453-60

<sup>10</sup> Office of the District of Columbia Auditor. Audit of the Accrued Sick and Safe Leave Act of 2008. In. Washington, DC; 2013