

## CORNERSTONE POLICY SPOTLIGHT SERIES

# Paid Sick Leave

Paid Sick Leave is one of the nine cornerstone policies that companies can implement today to help untapped talent enter, thrive, and stay in the workforce. To access the rest of the policies, read the [full System Upgrade report](#) today.

## WHAT'S PAID SICK LEAVE?

Policies designed to provide paid time off to workers for treatment, diagnosis or preventative care for themselves, a family member or a designated person. There are no federal legal requirements for paid sick leave,<sup>1</sup> and **only 17 states** in the U.S. enforce mandatory paid sick leave.<sup>2</sup> In a landscape where states and municipalities enact paid sick leave laws unevenly, **workers increasingly look to their companies** to offer robust sick leave benefits.

**The good news?** A vast majority of companies already offer paid sick leave benefits.<sup>3</sup> But effective policies aren't just about what's on offer—they're about how these policies are designed and implemented.

## DID YOU KNOW?

### 01 Reduced presenteeism

Paid sick leave **reduces presenteeism**, i.e. continuing to work while sick. This means employees are less likely to go to work when they're not feeling well and not in a position to be productive.<sup>4</sup>

### 02 Healthier and safer workforces

Paid sick leave reduces the spread of illness, keeping your workforce healthier and safer. Even before COVID-19, states with paid sick leave registered a **40% decrease in influenza rates**.<sup>5</sup>

### 03 Preventative care benefits

Paid sick leave allows your workforce to **seek preventative care early and more easily**, meaning better health outcomes and less time spent away from work.<sup>6</sup>

### 04 Cost effectiveness

Paid sick leave is pretty inexpensive—it **only increases labor costs by an average of 2.7 cents per hour worked**.<sup>7</sup> In return, workers are less likely to leave their jobs, saving hundreds of thousands in hiring and training.<sup>8</sup>



**10 PERCENTAGE POINTS**

More likely to be considered impactful for Black, Latina, and Native American women compared to other technical employees.<sup>9</sup>

**46%**

Of BLNA women in the technical workforce feel paid sick leave policies are designed keeping them in mind.<sup>10</sup>

**69%**

Of all other employees feel paid sick leave policies are designed keeping them in mind.<sup>11</sup>

1. US Department of Labor.

2. Paid Sick Leave Policies by State, [Workforce.com](#).

3. SHRM, [Employee Benefits Survey](#) (2023).

4. [Lost Productive Work Time Costs from Health Conditions in the United States: Results from the American Productivity Audit](#) (2003).

5. [The Pros and Cons of Sick Pay Schemes: Contagious Presenteeism and Noncontagious Absenteeism Behavior](#) (2018).

6. [Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits](#) (2011).

7. [Mandated Sick Pay: Coverage, Utilization, and Welfare Effects](#) (2022).

8. [Work-Family Benefits: Which Ones Maximize Profits?](#) (2001).

9. [System Upgrade: Rebooting Corporate Policies for Impact](#) (2023).

10. [System Upgrade: Rebooting Corporate Policies for Impact](#) (2023).

11. [System Upgrade: Rebooting Corporate Policies for Impact](#) (2023).

## POLICY IN PRACTICE



**Meet Mia, a senior engineer on your team, who is balancing being a new mom with increasing job responsibilities.**

She doesn't just need time off from work when she's sick, but also when her kids are under the weather so she can take them to doctor's appointments. She may have been at companies before without paid sick leave and felt like her options were non-starters—either staying home and getting her pay docked, or trying to find someone to care for her kids, potentially reducing her savings and spreading disease.

It isn't enough for Mia to just know her company offers paid sick leave, she needs to know she can take leave to care for her family without risking her job. That means ensuring she won't have to jump through multiple hoops to get leave approved, that her team leads are on board and encourage and model taking sick leave, and that her colleagues have enough support they need to move the work forward when she's taking time off.

## POLICY PAIRINGS

If you're looking to supercharge your Paid Sick Leave strategy, consider also implementing the recommended cornerstones to increase flexibility:

- Expanded mental health benefits
- Flexible work
- Flexible working hours

### 6 DESIGN QUESTIONS

It's not just about offering paid sick leave policies—it's about intentional design. Organizations can ensure their policies and practices are accessible and effective—and thereby efficient—by asking six key design questions:

1	<b>How can we use quantitative and qualitative data to identify how pain points differ for each group?</b>	Conduct listening sessions, focus groups, and surveys that collect disaggregated data by race, gender, level, and caregiving set-up to identify unique pain points.
2	<b>How can we offer employees multiple relevant options?</b>	Offer both "sick hours" to attend medical appointments during the workday and sick days to care for a dependent who is ill.
3	<b>Have we ensured that all options are accessible and easy to use?</b>	Create a "buddy coverage" system so employees can take a sick day without feeling that they're letting their team down, ensure team leads are not setting expectations to join meetings remotely while sick.
4	<b>How are we communicating frequently and clearly about this practice?</b>	Send routine reminders on sick leave policies outside of open enrollment (e.g. Back to School season or holiday season), clarify purview of paid sick leave across channels.
5	<b>How are we promoting a culture that encourages adoption?</b>	Eliminate stigma by encouraging senior leaders and people managers to role model by being transparent about their use of these benefits.
6	<b>How are we continuously measuring impact and iterating as needed?</b>	Analyze uptake across different segments of the workforce to identify trends (such as by team, geography, and employee demographics).

## Questions?

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