



SICK DAYS

IBI LEAVE MANAGEMENT BENCHMARKING SERIES

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Executive summary

Sick days refers to time off due to intermittent episodes of illness, excluding policies that specifically address time-off for health care appointments and leave covered by workers compensation or short- or long-term disability leave benefits.

As part of its Leave Management Benchmarking series,¹ the Integrated Benefits Institute (IBI) surveyed more than 900 organizations about their formal leave policies and received about 219 in-depth responses specific to sick days. Employers were instructed that formal leave policies are those that go beyond any applicable federal, state and local laws or that the company has implemented where there are no legal requirements for leave. Formal policies are specific rules or instructions that define who can take leave, for what reasons and for how long.

- **Two-thirds of all employers reported having formal sick day policies.** About one quarter reported that employees could take time off using consolidated leaves such as PTO and leave banks, or vacation to take care of their sick family members. Formal sick day policies were less common among employers in manufacturing and in healthcare and social assistance and most common among employers in educational services. Generally, larger employers were more likely to offer sick days—although employers with 1,000–2,499 employees were the least likely to offer the benefit. Among states for which we received responses from at least 30 employers, employers with most of their workers in Florida, Illinois, Texas, or Pennsylvania were less likely to have formal sick day policies. Washington, Missouri, and California employers were more likely to have formal sick day policies.
- **Two in five employers with sick day policies offered the benefit to all employees.** All employers that *did not* offer sick days to all employees extended the benefit to full-time and U.S. employees. A majority of employers made sick days available to hourly employees, while less than half of the employers offered sick days to part-time employees. Only one in four employers that referenced the location of employees indicated that sick days were offered to employees outside the United States. Sick days were available to employees with and without collective bargaining arrangements at roughly equal rates.
- **Only two in five employers required a waiting period for new employees to become eligible for sick days.** Employers with a waiting period typically made sick days available during the first 3 months of hire.
- **Almost all employers managed and tracked sick days internally by HR or benefits departments.** Only 7% of employers outsourced managing or tracking sick days to a third-party administrator.
- **Two in five employers allowed up to nine sick days per year, with a similar share allowing up to 15 days.** Almost one in five employers allowed more than 15 sick days per year.
- **The majority of employers (90%) said their employees receive 100% of their regular wages during sick days.** Most of the remaining employers reported that the rate of pay depends on the employee. Only a handful of employers with sick day policies reported that employees were not paid. All employers that paid workers on sick leave reported that employee benefits such as health care continued for the duration of leave.
- **Other time-off policies.** One-quarter of employers required employees to authenticate their need for time off. Three in five employers reported that time off went beyond what is required by law. More than half of employers made time off available all at once (as opposed to accruing). A similar share allowed unused sick days to roll over. A majority of employers allowed employees to use sick days to take care of an ill family member or to go see a care provider. Virtually no employers required employees to take a full sick day for care provider appointments—although one in six required that employees take a minimum of a half day. Two-thirds allowed employees to take a minimum of an hour or less.

¹ <https://ibiweb.org/research-resources/detail/leave-management-benchmarking-project>

Background

Since the end of the Great Recession and the return of several economic indicators to prerecession levels,² many employers have been reviewing and updating their employee leave policies. While providing time off from work is intended to address several strategic goals—including attracting and retaining talent, helping employees meet challenging life events and signaling corporate social values³—employers often take their cues from their peers and competitors when considering the design of their leave benefits.

As part of its Leave Management Benchmarking series, the **Integrated Benefits Institute (IBI) surveyed 935 organizations** about their formal leave policies, including the following:

- Maternity leave
- Parental Leave for non-birth mothers
- Family leave
- Elder care leave
- Sick days
- Short-term disability (STD)
- Long-term disability (LTD)
- Bereavement leave
- Career development leave

The surveys also included a block of questions about paid-time-off (PTO) programs for employers that implemented this approach to leaves.

Recognizing that most employers have complex workforces comprising many different categories of workers, fulfilling a diversity of functions and sometimes spread across multiple locations and legal jurisdictions, the intent of the benchmarks is to provide some basic guidance on what is typical for specific types of leaves. This will give senior leaders, human resource (HR) and benefits professionals and their third-party partners a starting point for considering how to craft policies that best address their specific business goals for their own workforce needs.

This report focuses only on sick days. "Sick days" refers to time off due to intermittent episodes of illness. Respondents were instructed that sick days excludes policies that specifically address time-off for health care appointments and leave covered by workers compensation or short- or long-term disability leave benefits.

SURVEY APPROACH

The survey began by asking all employers about formal policies for all leaves listed above. Employers were instructed that formal leave policies are those that go beyond any applicable federal, state and local laws or that the company has implemented where there are no legal requirements for leave. Formal policies are specific rules or instructions that define who can take leave, for what reasons and for how long.

After employers reported whether or not they had each of the listed leaves, they were given the option of requesting benchmark reports for each type of leave. For a requested leave report, employers with no formal policies were asked to provide contact information confidentially and were then given the option of requesting any of the remaining reports. Employers with formal sick day policies were asked to provide additional information about eligibility for leave, before providing contact information to receive the reports.

We received in-depth responses for 218 employers' formal sick day policies. Those responses are reported in this document for the entire sample, for employers in industries and states for which we had at least 30

² See, for example, the Federal Reserve Bank of St. Louis for historical series on indicators such as unemployment, personal consumption, gross domestic product (GDP) and wages as a share of GDP. <https://fred.stlouisfed.org>

³ Gifford B, Zong B, Presutti J. *And Baby Makes Three (Months Off): Paid Family Leave at 15 High Technology Firms*. Integrated Benefits Institute, August 2016. <https://ibiweb.org/research-resources/detail/and-a-baby-makes-three-months-off-paid-parental-leave-at-15-high-tech-firms>

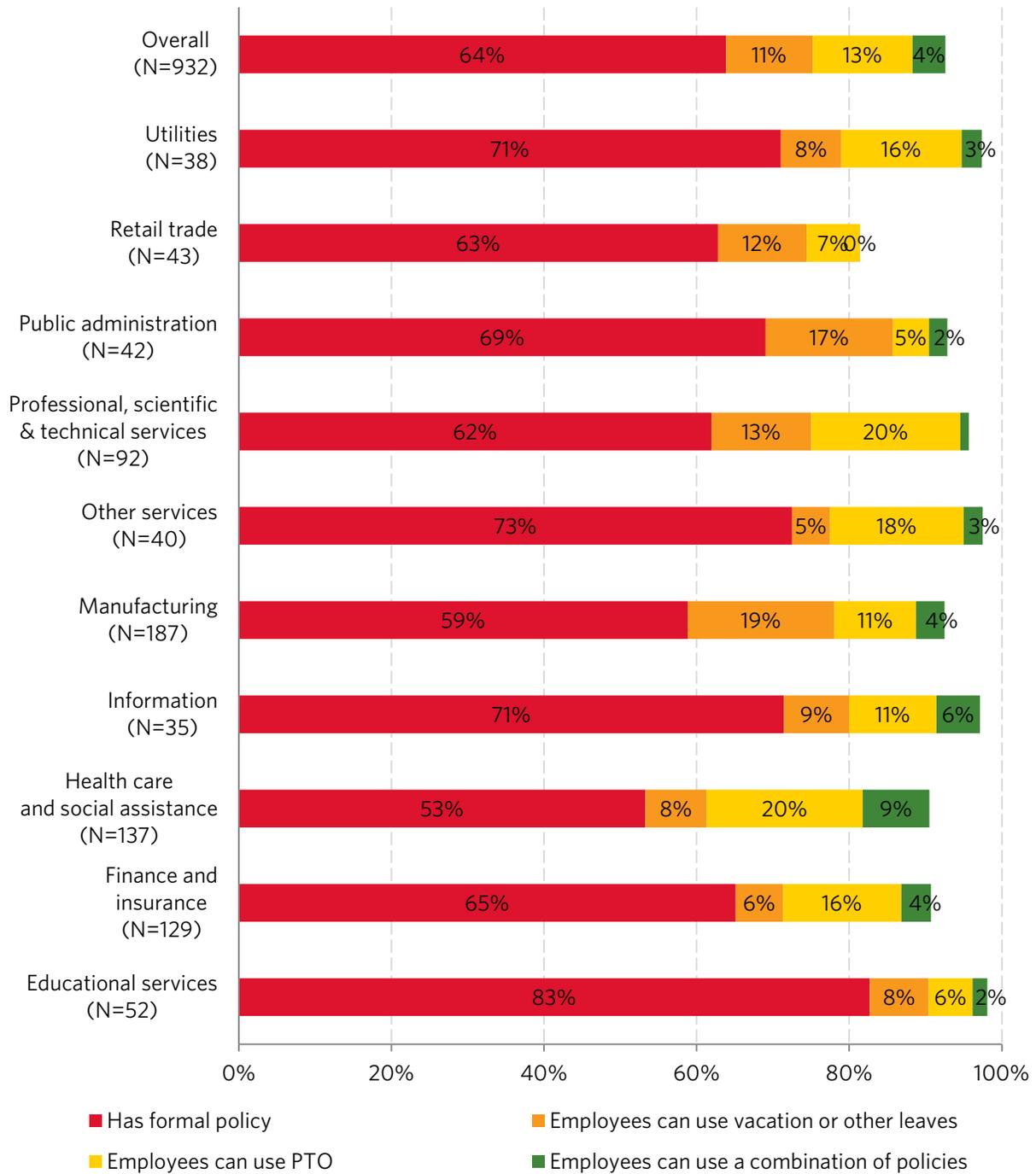
responses and across employers of different sizes. Results for other leave policies are provided in separate reports. See the appendix for more information about the survey and the participating organizations.

How many employers have formal sick day policies?

As illustrated in Figures 1 through 3, two-thirds of all employers reported having sick day policies that go beyond any applicable federal, state and local laws or that the company had implemented policies where there are no legal requirements for leave. About one quarter reported that employees could take time off using consolidated leaves such as PTO and leave banks, or vacation to take care of their sick family members.

Formal sick day policies were less common among employers in manufacturing and in healthcare and social assistance and most common among employers in educational services. Generally, larger employers were more likely to offer sick days—although employers with 1,000–2,499 employees were the least likely to offer the benefit. Among states for which we received responses from at least 30 employers, employers with most of their workers in Florida, Illinois, Texas, or Pennsylvania were less likely to have formal sick day policies. Washington, Missouri, and California employers were more likely to have formal sick day policies.

Figure 1: Sick day policies by selected industries (% of employers)



Note: Industries with fewer than 30 responding employers are not shown.

Figure 2: Sick day policies by number of employees (% of employers)

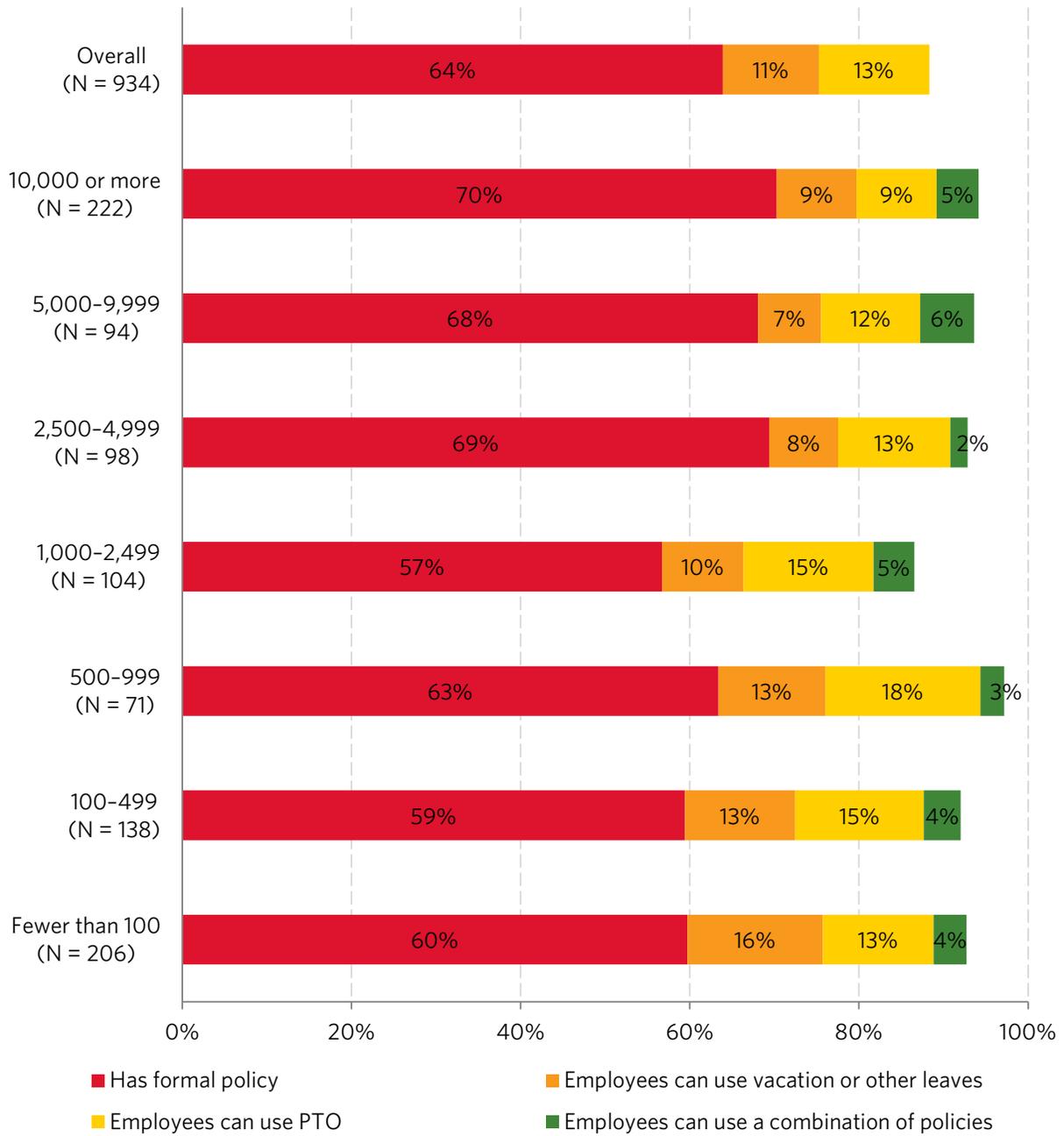


Figure 3: Sick day policies by selected states (% of employers)



Note: States with fewer than 30 responding employers are not shown.

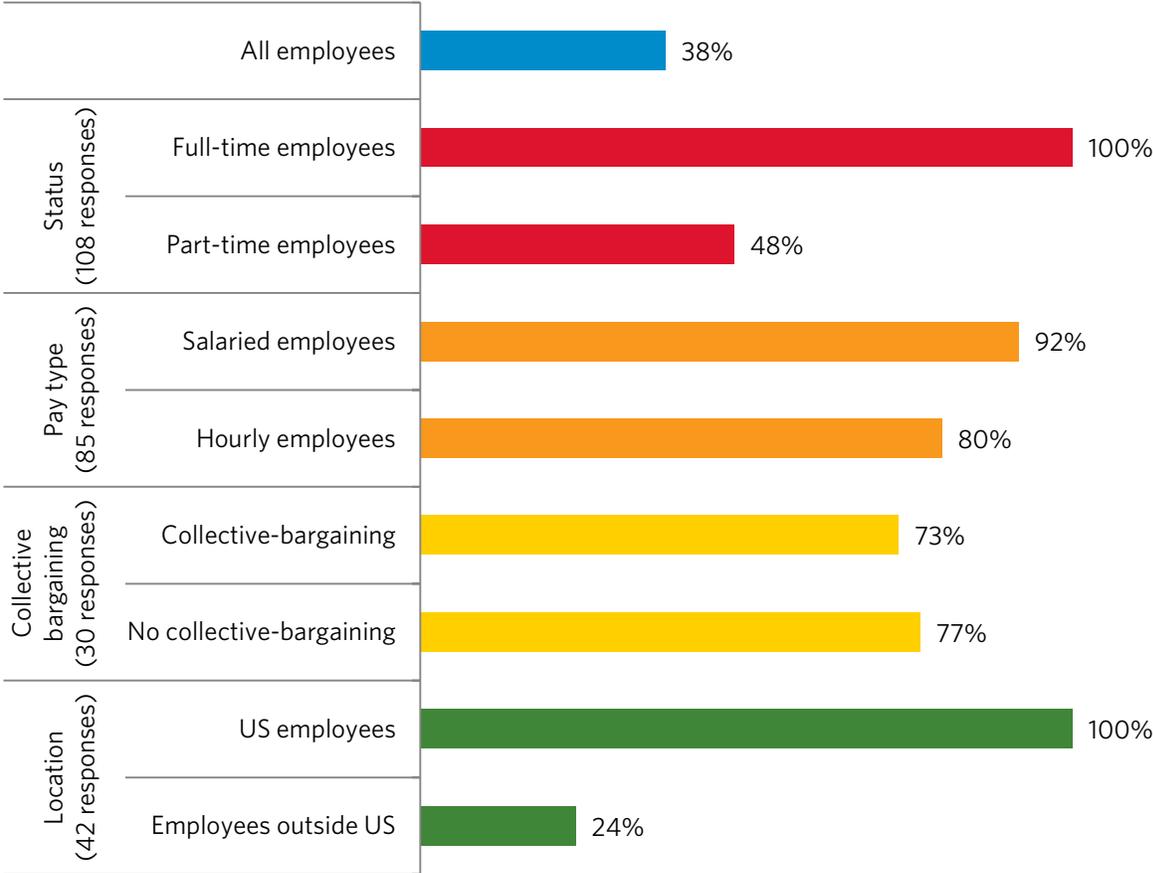
Who can take sick days?

Employers with formal sick day policies were asked to provide additional information about eligibility for leave. 218 employers opted to provide this information (out of 597 employers with any formal policies to describe). As of this writing, no single industry or state had responses from at least 30 employers. For this reason, and for the small sample size generally, the remainder of this report focuses on results for the entire sample of employers.

Figure 4 shows that two in five employers with sick day policies offered the benefit to all employees. Employers that did not offer sick days to all employees were provided the opportunity to identify categories of employees who were eligible for them. These categories included full- or part-time status, salaried or hourly pay status, employees covered/not covered by collective-bargaining agreements and employees inside or outside the United States. Because not all categories of employees are relevant to all employers, the proportions represent employers that responded about different ways to classify employees (e.g., by pay status or by full- or part-time status).

Figure 4 shows that all employers that *did not* offer sick days to all employees extended the benefit to full-time and U.S. employees. A majority of employers made sick days available to hourly employees, while less than half of the employers offered sick days to part-time employees. Only one in four employers that referenced the location of employees indicated that sick days were offered to employees outside the United States. Sick days were available to employees with and without collective bargaining arrangements at roughly equal rates.

Figure 4: Categories of employees identified in formal sick day policies (% of employers)

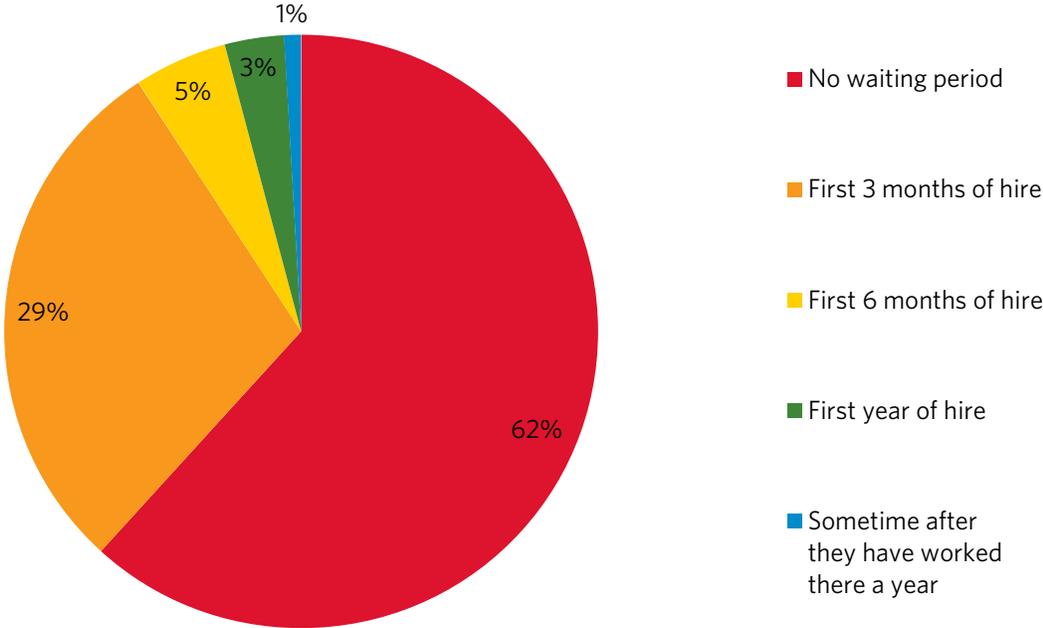


Note: Includes only employers that provided information about their formal sick day policies.

How long must new hires wait until they become eligible to take sick days?

Figure 5 shows the waiting periods before new employees become eligible for sick days. Only two in five employers required a waiting period for new employees to become eligible for sick days. Employers with a waiting period typically made sick days available during the first 3 months of hire.

Figure 5: Waiting periods for sick day eligibility (% of employers)

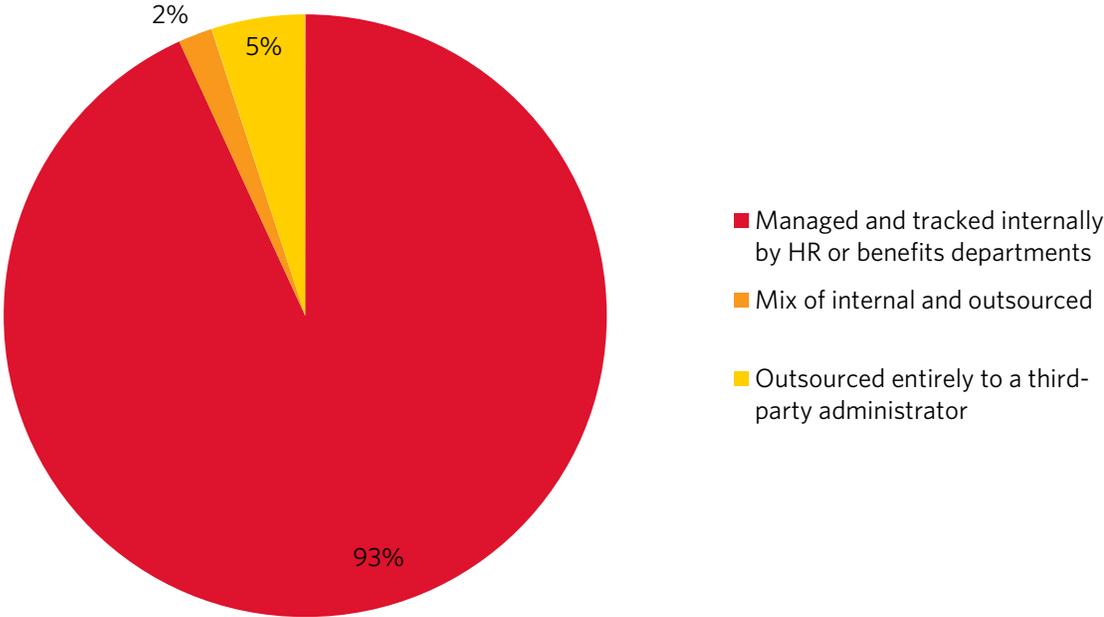


Note: Includes only employers that provided information about their formal sick day policies.

How are sick days managed and tracked?

Figure 6 shows how employers manage and track sick days. Almost all employers managed and tracked sick days internally by HR or benefits departments. Only 7% of employers outsourced managing or tracking sick days to a third-party administrator.

Figure 6: Method of managing and tracking sick days (% of employers)

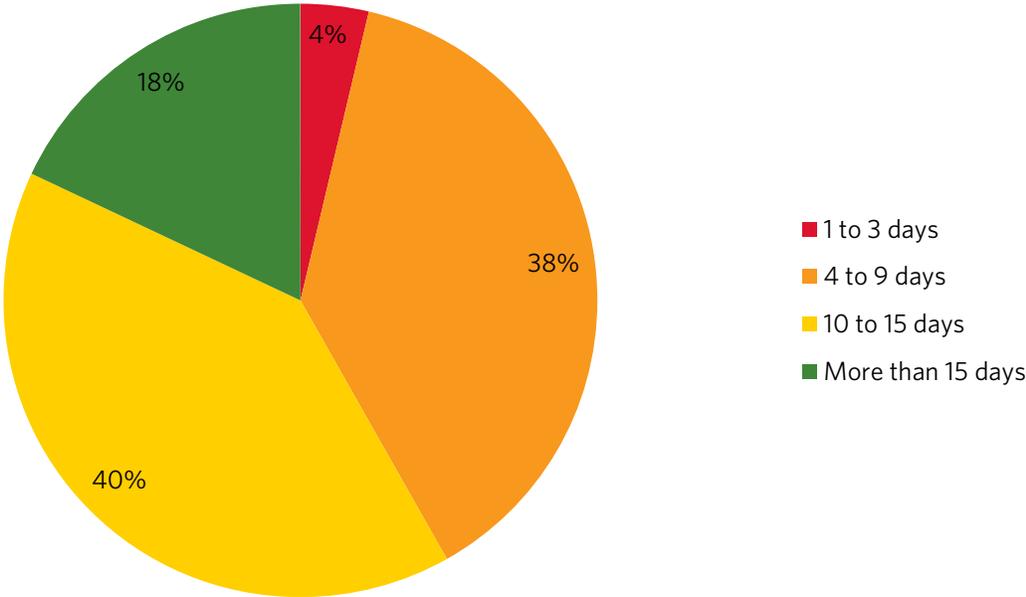


Note: Includes only employers that provided information about their formal sick day policies.

How many sick days are employees allowed per year?

Figure 7 shows the number of sick days that employees are allowed to have per year. Two in five employers allowed up to nine sick days per year, with a similar share allowing up to 15 days. Almost one in five employers allowed more than 15 sick days per year.

Figure 7: Allowed time off for sick days (% of employers)

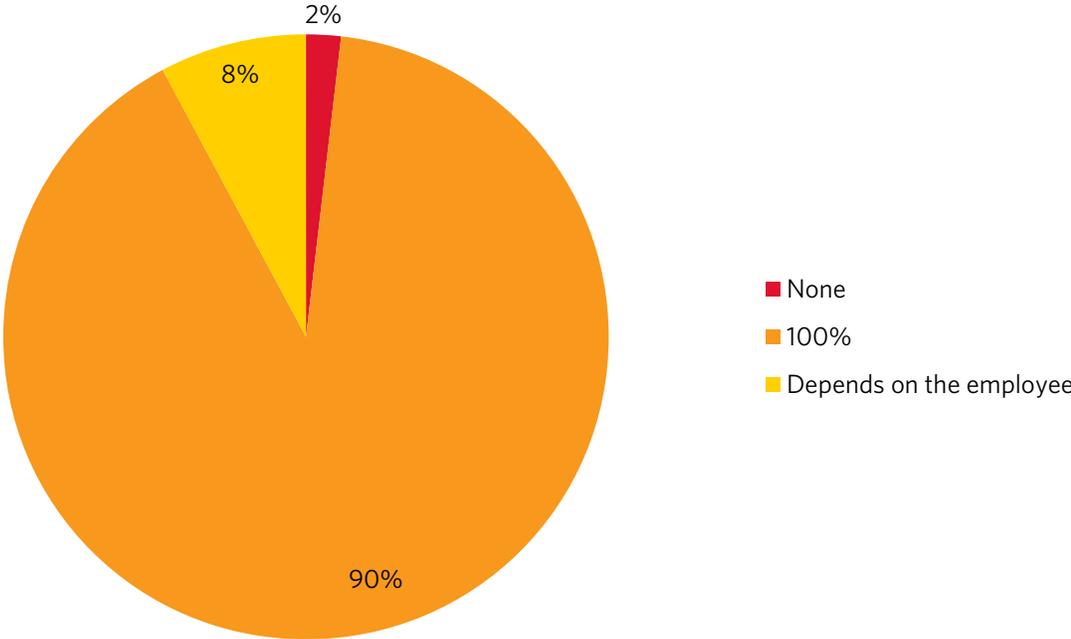


Note: Includes only employers that provided information about their formal sick day policies.

How much of an employee’s usual pay do they receive during sick days?

Figure 8 shows the percentage of wages paid to employees during sick days. The majority of employers (90%) said their employees receive 100% of their regular wages during sick days. Most of the remaining employers reported that the rate of pay depends on the employee. Only a handful of employers with sick day policies reported that employees were not paid.

Figure 8: Pay received during sick days (% of employers)



Note: Includes only employers that provided information about their formal sick day policies.

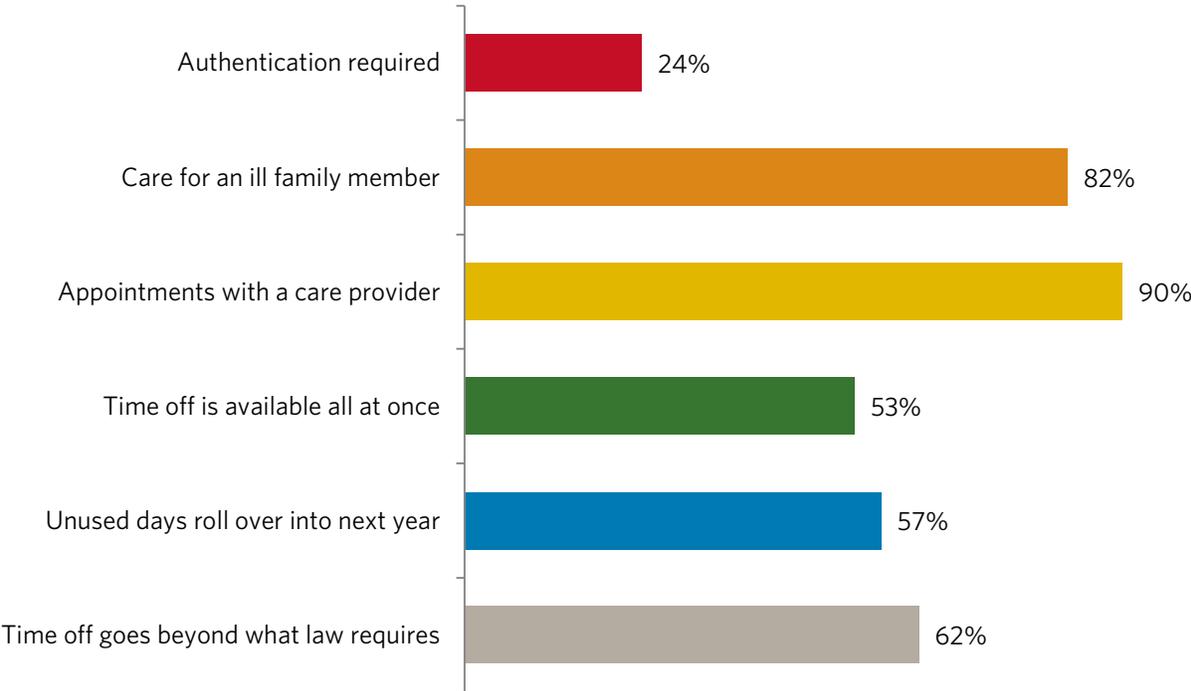
All employers that paid workers on sick leave reported that employee benefits such as health care continued for the duration of leave (results not shown).

What other time off policies are applied to sick days?

Employers with formal sick day policies were also asked about rules that applied to time off during leave. Time-off policies include the requirements that employees authenticate the reason for leave; whether the amount of allowed time off exceeds what is required by applicable leave laws; whether allowed time off accrues over time or is available all at once; whether unused time in one year rolls over for use in the next year; whether time off can be used for taking care of an ill family member; and whether an employee can take time off for an appointment with a care provider.

Figure 9 shows the percentage of employers that apply different types of time-off policies. One-quarter of employers required employees to authenticate their need for time off. Three in five employers reported that time off went beyond what is required by law. More than half of employers made time off available all at once (as opposed to accruing). A similar share allowed unused sick days to roll over.

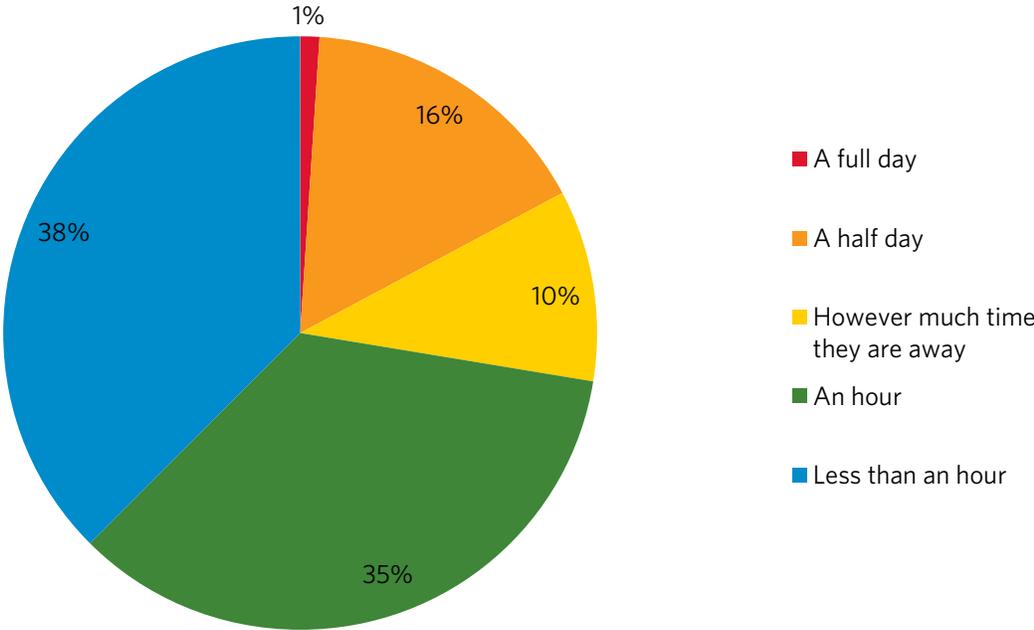
Figure 9: Other time-off policies (% of employers)



Note: Includes only employers that provided information about their formal sick day policies.

Figure 9 also shows that a majority of employers allowed employees to use time off to take care of an ill family member or to go see a care provider. Figure 10 shows that among the employers that allowed employees to use time off to go see a care provider, virtually none required employees to take a full sick day while one in six required at least a half day. Two-thirds allowed employees to take a minimum of an hour or less. One in ten had no fixed increment for an appointment with a care provider, but instead allowed leave for however much time the employee was away from work.

Figure 10: Smallest amount of sick day time that an employee can use for an appointment with a care provider (% of employers that allow employees to use time off to go see a care provider)



Note: Includes only employers that provided information about their formal sick day policies.

Appendix

SURVEY ADMINISTRATION

The Leave Management Benchmarking program collects data on nine separate types of leaves. Employers complete a survey for each type of leave for which they would like to receive a benchmarking report. Each leave is considered as a separate survey effort. Employers may complete surveys for as many leaves as they wish, and survey responses across leave types are not connected to one another.

PARTNER ORGANIZATIONS

Employers are recruited for the survey from IBI member organizations, as well as from the membership lists and client bases of partner organizations. As of the publication date of the current report, partner organizations that have invited members and clients to take surveys include the following:

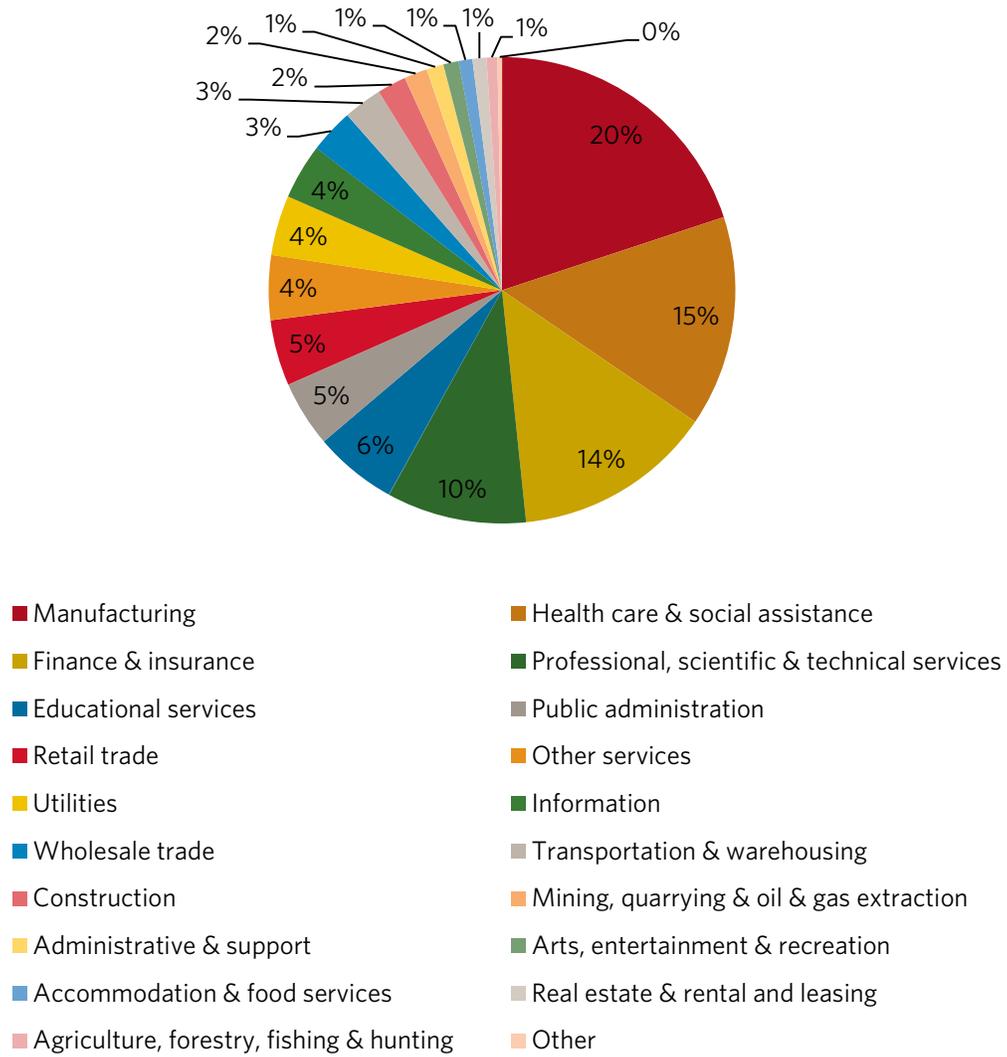
- The Alliance
- Aon Hewitt
- Broadspire
- ClaimVantage
- Employers Health
- Employers Health Coalition
- Employers Healthcare Coalition
- Florida Health Care Coalition
- Greater Philadelphia Business Coalition on Health
- HC21
- Houston Business Coalition on Health
- Liberty Mutual Insurance
- Memphis Business Group on Health
- Midwest Business Group on Health
- Mississippi Business Group on Health
- Nevada Business Group on Health
- Northeastern Oklahoma Business Coalition on Health
- Pacific Business Group on Health
- Pittsburgh Business Group on Health
- The Reed Group
- Rhode Island Business Group on Health
- Sedgwick Claims Management Services, Inc.
- St. Louis Area Business Health Coalition
- Standard Insurance
- Sun Life Financial
- Unum Group
- Washington Health Alliance
- Willis Towers Watson
- WorkPartners
- Wyoming Business Coalition on Health

The survey was opened for responses on July 5, 2017, and remains open continuously. A report on a specific leave type is released when surveys from 30 organizations provide information about their policies; it is subsequently updated for each additional 30 recorded policy descriptions. Because the interest is primarily in benchmarking employers' policies, all due diligence is made to exclude responses from persons known to represent consultants, absence management suppliers or third-party administrators. The primary method of identifying these organizations is through cross-referencing the domain in the work email address provided by the user for delivering results. Respondents who provide an email address that indicates a personal email service (such as Gmail) are asked to provide a corporate work email to verify their employer status. Responses with unverified email addresses are excluded from analysis.

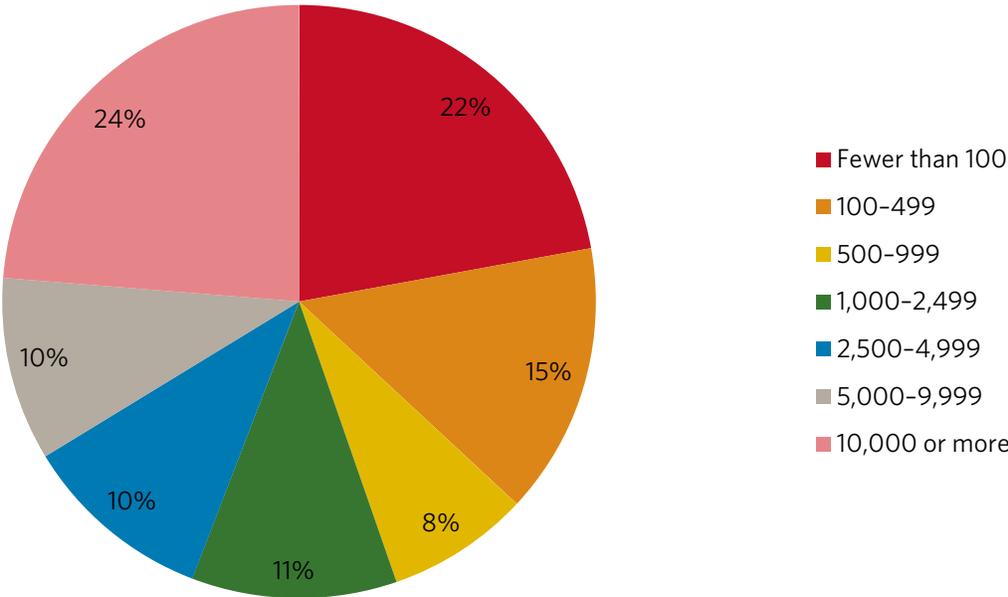
Reports are updated with industry- and state-level benchmarks when 30 additional responses are recorded.

DEMOGRAPHICS OF RESPONDING EMPLOYERS

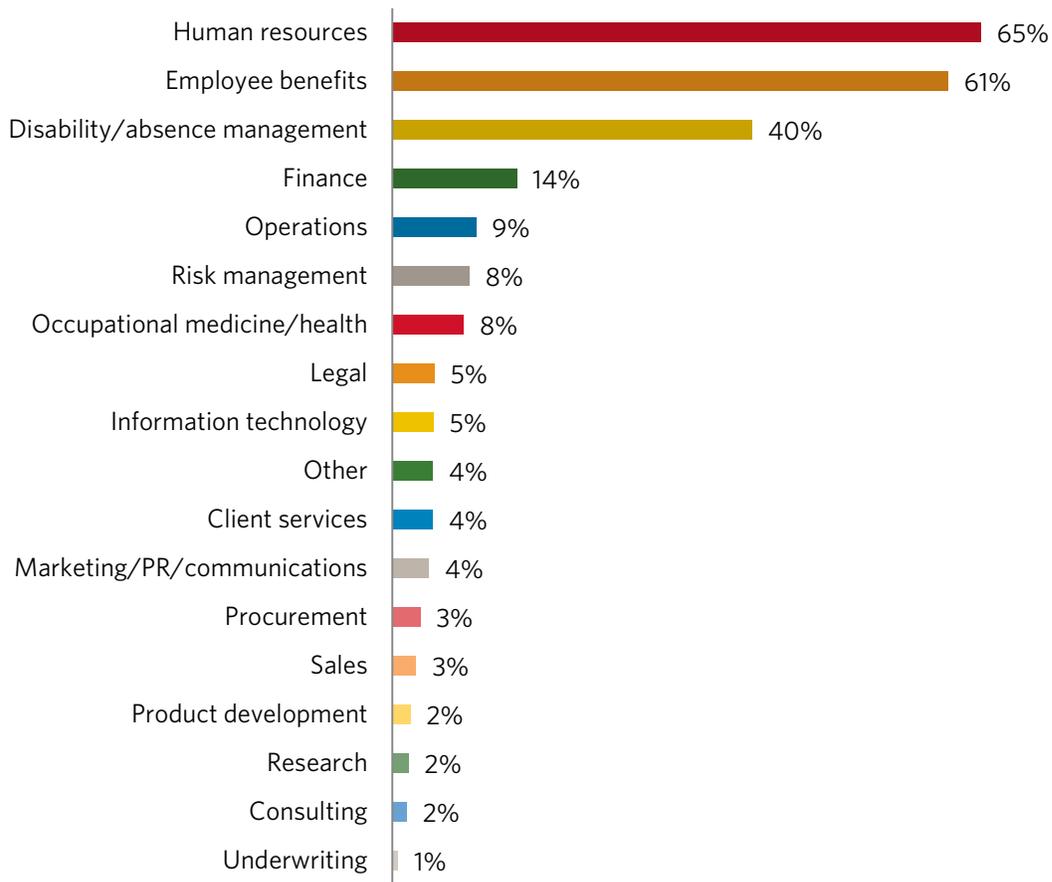
Appendix Figure 1: Industry



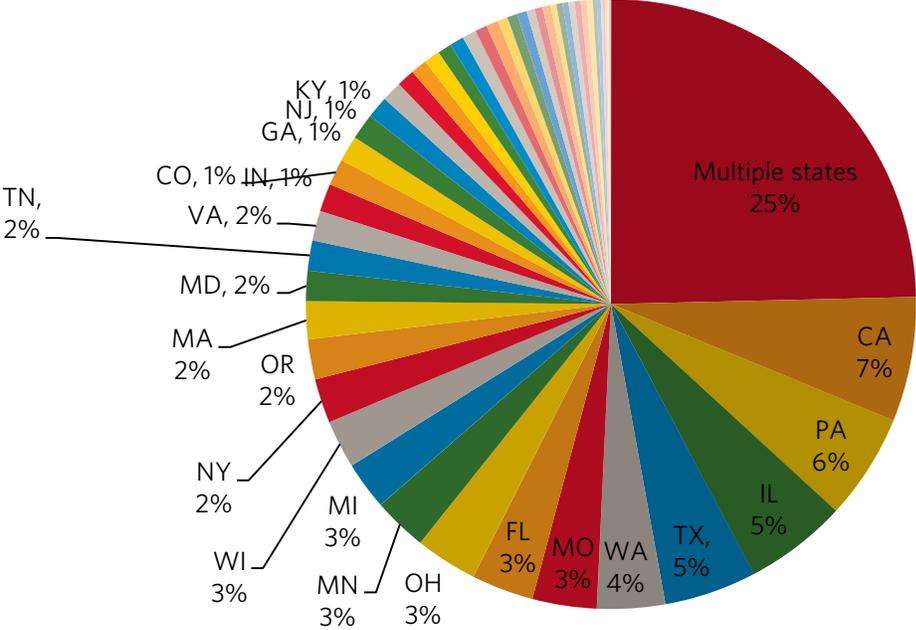
Appendix Figure 2: Company size (# of employees)



Appendix Figure 3: Respondents' organizational functions



Appendix Figure 4: State in which most employees work



Note: States that represented less than 1% of responses are not labeled.

Acknowledgments

Special thanks are due to the National Alliance of Healthcare Purchaser Coalitions for helping coordinate the distribution of the survey through several employer coalitions.

IBI's Leave Management Benchmarking series originated from the Leave Management Issue Group, part of IBI's Research Committee. IBI gratefully acknowledges representatives from the following organizations for providing expert guidance during the development of the Leave Policy Benchmarking Survey.

Leave Management Issue Group members:

- Angie Brown, ClaimVantage
- Ed Crouch, MD, Liberty Mutual Insurance
- Marc Cunningham, Broadspire
- Susan Fabry, Sun Life Financial
- Michelle Jackson, Unum Group
- Annie Jantz, Lincoln Financial Group
- Gene Lanzoni, The Guardian Life Insurance Company of America
- David Setzkorn, Standard Insurance

Terri Rhodes, President of the Disability Management Employer Coalition, also provided valuable guidance on the development of the survey.

IBI RESEARCH COMMITTEE MEMBERS

- AbbVie
- ACIUS Group, LP
- Anthem
- Aon Hewitt
- Bristol-Myers Squibb
- Broadspire
- CareWorks Absence Management
- ClaimVantage
- The Guardian Life Insurance Company of America
- The Hartford
- Health Care Service Corporation
- Liberty Mutual Insurance
- Lincoln Financial Group
- Lockton Companies
- Mercer-Trion
- Merck & Co.
- Morneau Shepell
- Novo Nordisk
- Pfizer
- Prudential Financial
- The Reed Group
- Reliance Standard/Matrix Absence Management
- Sanofi
- Sedgwick Claims Management Services,
- Standard Insurance
- Sun Life Financial
- Teladoc
- UnitedHealthcare
- Unum Group
- WorkPartners
- Willis Towers Watson
- Woodruff-Sawyer & Co.
- Zurich Insurance Group