Paid Time Off Benefits
Introduction

Although employers are not legally obligated to provide paid vacation, it has become common business practice to do so. To remain competitive, most employers continue to offer and be creative with one of the most valued and expensive benefits for their employees.

This survey inquired about paid vacation time, sick time, personal days and paid time off. A total of 2,833 respondents completed this survey.

Similar to last year’s survey results, 97 percent of employers that participated in this survey offer some sort of paid time off (PTO) benefit; however, the composition of those benefits has changed slightly. Among other changes, 59 percent of employers now offer PTO benefits in a traditional time off program, compared to 60.2 percent of employers in 2012. Conversely, the percentage of employers that offer a PTO program that tracks vacation, sick time and personal days as one statistic rose from 36.6 in 2012 to 38 in 2013.

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Demographics

This survey was completed by employers in all 50 states and the District of Columbia. As in 2012, the overwhelming majority of survey respondents were from organizations employing fewer than 500 employees, and nearly 60 percent employ fewer than 100.

How many employees does your organization employ?

<table>
<thead>
<tr>
<th>Employee Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100</td>
<td>59%</td>
</tr>
<tr>
<td>100 – 499</td>
<td>30%</td>
</tr>
<tr>
<td>500 – 999</td>
<td>6%</td>
</tr>
<tr>
<td>1000 – 2499</td>
<td>3%</td>
</tr>
<tr>
<td>2500 – 4999</td>
<td>1%</td>
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<tr>
<td>5000+</td>
<td>1%</td>
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</tbody>
</table>

What is your organization’s annual revenue?

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Less than $5,000,000</td>
<td>36%</td>
</tr>
<tr>
<td>$5,000,000 - $14,999,999</td>
<td>27%</td>
</tr>
<tr>
<td>$15,000,000 - $29,999,999</td>
<td>11%</td>
</tr>
<tr>
<td>$30,000,000 - $49,999,999</td>
<td>9%</td>
</tr>
<tr>
<td>$50,000,000 - $99,999,999</td>
<td>7%</td>
</tr>
<tr>
<td>$100,000,000+</td>
<td>9%</td>
</tr>
</tbody>
</table>
In which industry/sector does your organization operate?

- Other Services not listed: 20%
- Transport, Comm, Electric, Gas, Sanitary: 3%
- Social Services: 1%
- Retail & Wholesale Trade: 8%
- Public Administration: 2%
- Non-profit: 11%
- Manufacturing: 16%
- Legal: 3%
- Hotels/Hospitality: 2%
- Healthcare: 11%
- Finance, Insurance, And Real Estate: 9%
- Education: 4%
- Construction: 10%
- Agriculture, Forestry, And Fishing: 2%
Vacation Time Results

While PTO banks—in which a combination of vacation, personal days and incidental sick time are lumped together—have become increasingly popular with employers, it is still more common for employers to offer paid vacation programs, with sick time offered separately.

The number of employers that package vacation and sick time separately (59 percent) is nearly identical to 2012’s results (60.2 percent). Sixty-four percent of those employers do not offer paid vacation time to part-time employees. This number is down 2.5 percentage points from 2012. Fifty percent of employers require new hires to be employed for at least 31 days before receiving benefits, a figure that is up two percentage points. More than one-third of employers allow workers to use vacation before it is accrued, and more than half allow unused vacation time to be rolled over into next year.

Does your organization offer paid time off benefits to full-time employees?

- Yes, in a traditional time off program (tracking vacation, sick, and personal days separately) 59%
- Yes, in a paid time off program (PTO) (tracking vacation, sick, and personal days together as one group) 38%
- No 3%

How does your company currently scale vacation time? Please select all that apply.

- Length of Service 90%
- Job Level 13%
- Merit 1%
- Exempt vs. non-exempt 8%
- Full-time vs. part-time 28%
- No, everyone gets the same amount 6%

For new hires, is there a waiting period before they can take any vacation time off?

- No, they can take time immediately 18%
- Yes, they must wait 1-30 days 6%
- Yes, they must wait 31-90 days 25%
- Yes, they must wait 91-180 days 16%
- Yes, they must wait 181-365 days 25%
- Other, please specify 10%

Is your vacation accrual calculated on a:

- Rolling Basis (each employee accrues vacation based on his/her individual date of hire) 54%
- Static Basis (vacation accrual is established for all employees on a certain date, e.g. January 1st) 31%
- Hours worked per pay period 11%
- Other, please specify 5%

Does your company allow vacation to be taken prior to it being accrued?

- No 65%
- Yes 35%
**What are the maximum vacation days allowed for each period of year of service completed to non-management (non-exempt) employees?**

<table>
<thead>
<tr>
<th></th>
<th>0 - 5 days (40 hrs or less)</th>
<th>6 - 10 days (48-80 hrs)</th>
<th>11 - 15 days (88-120 hrs)</th>
<th>16 - 20 days (128-160 hrs)</th>
<th>21 - 25 days (168-200 hrs)</th>
<th>26 - 30 days (208-240 hrs)</th>
<th>31+ days (241+ hrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Up to 1 year</strong></td>
<td>58%</td>
<td>29%</td>
<td>11%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>1 year</strong></td>
<td>32%</td>
<td>50%</td>
<td>14%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>2 years</strong></td>
<td>15%</td>
<td>62%</td>
<td>18%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>3 years</strong></td>
<td>7%</td>
<td>62%</td>
<td>24%</td>
<td>4%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>5 years</strong></td>
<td>3%</td>
<td>35%</td>
<td>47%</td>
<td>11%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>10 years</strong></td>
<td>2%</td>
<td>10%</td>
<td>47%</td>
<td>32%</td>
<td>6%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>15 years</strong></td>
<td>2%</td>
<td>7%</td>
<td>34%</td>
<td>42%</td>
<td>11%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>20 years</strong></td>
<td>2%</td>
<td>6%</td>
<td>27%</td>
<td>42%</td>
<td>16%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>25 years</strong></td>
<td>2%</td>
<td>6%</td>
<td>26%</td>
<td>39%</td>
<td>19%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>30 years</strong></td>
<td>2%</td>
<td>6%</td>
<td>25%</td>
<td>39%</td>
<td>18%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Over 30 years</strong></td>
<td>2%</td>
<td>6%</td>
<td>25%</td>
<td>38%</td>
<td>19%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

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**How many hours need to be worked weekly to be eligible for regular vacation benefits?**

- Greater than 37: 43%
- 30 - 37: 38%
- 25 - 29: 3%
- 20 - 24: 10%
- Less than 20: 6%

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**On average, how many additional days/hours off for vacation leave do you provide to management (exempt) employees?**

- 0 days - exempts and non-exempt get the same amount of time off: 69%
- 1-5 days (8 - 40 hours): 17%
- 6-10 days (48 - 80 hours): 7%
- 11+ days (88+ hours): 7%

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**Do you offer vacation time to your part-time employees?**

- **No**: 64%
- **Yes**: 36%

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**Do you allow your employees to carry over vacation to the next year?**

- **Yes**: 57%
- **No**: 43%
How many vacation days are allowed to be carried over?

- Accumulation is unlimited: 17%
- More than 10 (88+ hours): 31%
- 6-10 days (48-80 hours): 15%
- 1-5 days (up to 40 hours): 37%

What is the maximum number of days/hours of vacation leave, including vacation time carried over from previous years, that employees are allowed to accumulate in their vacation leave bank?

- 5 days (40 hours): 22%
- 6-10 days (48-80 hours): 9%
- 11-20 days (88-160 hours): 20%
- 21-30 days (168-240 hours): 21%
- 31+ days (248+ hours): 10%
- Accumulation is unlimited: 18%

Upon termination, do employees get paid for all of the earned, unused time remaining in their paid leave bank?

- Yes, paid 100%: 54%
- Yes, only if proper notice is given by employee: 20%
- No, paid only a percent of time remaining: 2%
- No, paid differently depending on reason for termination: 5%
- No payout at all: 11%
- Other, please specify: 9%
Sick Time Results

Over three-quarters of employers offer paid sick leave to their employees, a number that has actually decreased from 2012 when it was four-fifths (80 percent). The number of employers that allow workers to carry over sick days has also decreased from 54.1 percent in 2012 to just under half (49.6 percent) in 2013. The percentage of employers that do not differentiate between exempt and non-exempt or length of service in assigning sick leave amounts is virtually identical to 2012.

Do you offer sick time paid leave?

78% Yes

No 22%

How many initial sick days do full-time, non-exempt employees get per year?

- 0 days - we don’t offer sick days: 5%
- 1-5 days (8-40 hours): 46%
- 6-8 days (48-64 hours): 19%
- 9-10 days (72-80 hours): 13%
- 11-12 days (88-96 hours): 11%
- 13-15 days (104 - 120 hours): 4%
- 16+ days (128+ hours): 3%

When do employees acquire sick time that they can use to take days off?

- No sick time given: 3%
- Beginning of every calendar year/fiscal year: 41%
- Beginning of employee’s anniversary year: 9%
- Time is added per pay period/paycheck: 24%
- Gets credited each month during the year: 14%
- Other, please specify: 10%
If you have not hired a professional to specifically run your wellness program, who assists with your program?

- **Accumulation is unlimited**: 30%
- **31+ days (248+ hours)**: 32%
- **21-30 days (168-240 hours)**: 13%
- **11-20 days (88-160 hours)**: 11%
- **6-10 days (48-80 hours)**: 7%
- **5 days (40 hours)**: 7%

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Do you allow your employees to carry over sick time to the next year?

- **No**: 50.4%
- **Yes**: 49.6%

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How many sick days are allowed to be carried over?

- **All accrued sick time can be carried over to the next year**: 58%
- **More than 10**: 24%
- **6-10 days**: 6%
- **1-5 days**: 12%

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Do you pay out unused sick time upon termination?

- **No**: 86%
- **Yes**: 14%
Personal Time Results

Fifty-eight percent of respondents say they do not offer personal days, a number that’s up 2.4 percentage points from 2012. Of those that do offer personal days, 90 percent give the same number of personal days to every employee, and 86 percent do not allow unused personal time to be carried over to the next year.

**Do you offer paid personal days?**

- **58%** No
- **42%** Yes

**How many personal days do employees get?**

<table>
<thead>
<tr>
<th>Days</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 days</td>
<td>2%</td>
</tr>
<tr>
<td>1-2 days (8-16 hours)</td>
<td>45%</td>
</tr>
<tr>
<td>3-4 days (24-32 hours)</td>
<td>30%</td>
</tr>
<tr>
<td>5-6 days (40-48 hours)</td>
<td>18%</td>
</tr>
<tr>
<td>7-8 days (56-64 hours)</td>
<td>2%</td>
</tr>
<tr>
<td>9-10 days (72-80 hours)</td>
<td>2%</td>
</tr>
<tr>
<td>10+ days (80+ hours)</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Do you vary the number of personal days (not sick days) based on length of service?**

- **90%** Yes, everyone gets the same amount of personal time off
- **9%** No, everyone gets the same amount of personal time off
- **1%** We don’t offer employees personal days

**Do you allow your employees to carry over personal days to the next year?**

- **86%** No
- **14%** Yes

**How many personal days are allowed to be carried over?**

- **1-5 days**: 44%
- **6-10 days**: 19%
- **More than 10**: 9%
- **All accrued personal time can be carried over to the next year**: 29%

**Are employees allowed to buy or sell vacation days?**

- **89%** No
- **9%** Yes, sell excess days only
- **1%** Yes, buy additional days only
- **1%** Yes, both buy and sell some days
Paid Time Off (PTO) Results

In order to better manage costs, give employees more flexibility in taking time off, and attract and retain top talent, a growing number of companies are offering employees PTO banks.

Half of respondents calculate PTO based on an employee’s date of hire, and 84 percent of companies surveyed scale PTO based on length of service. Seventy-one percent of respondents offer the same amount of PTO to both employees and management. Unlike previously mentioned benefits, a large majority of respondents (72 percent) allow employees to roll over PTO benefits to the next year.

What type of system do you use?

<table>
<thead>
<tr>
<th>System</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll system</td>
<td>76%</td>
</tr>
<tr>
<td>Human Resource Information System</td>
<td>13%</td>
</tr>
<tr>
<td>Other web-based tool (HRconnection, intranet, etc)</td>
<td>12%</td>
</tr>
</tbody>
</table>

Does your plan allow employees to donate vacation to other employees?

- Yes 14%
- No 86%

How do you currently track vacation/sick/personal time?

- Electronically 64%
- Manually 34%
What are the maximum PTO days allowed to non-management, non-exempt employees for each period or year of service completed?

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>0 - 5 days (40 hrs or less)</th>
<th>6 - 10 days (48-80 hrs)</th>
<th>11 - 15 days (88-120 hrs)</th>
<th>16 - 20 days (128-160 hrs)</th>
<th>21 - 25 days (168-200 hrs)</th>
<th>26 - 30 days (208-240 hrs)</th>
<th>31+ days (241+ hrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1 year</td>
<td>32%</td>
<td>22%</td>
<td>25%</td>
<td>13%</td>
<td>6%</td>
<td>1%</td>
<td>2%</td>
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<tr>
<td>1 year</td>
<td>17%</td>
<td>25%</td>
<td>29%</td>
<td>18%</td>
<td>7%</td>
<td>2%</td>
<td>2%</td>
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<tr>
<td>2 years</td>
<td>8%</td>
<td>26%</td>
<td>33%</td>
<td>21%</td>
<td>8%</td>
<td>2%</td>
<td>2%</td>
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<tr>
<td>3 years</td>
<td>5%</td>
<td>21%</td>
<td>35%</td>
<td>23%</td>
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<td>2%</td>
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<td>31%</td>
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<td>10 years</td>
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<td>19%</td>
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<td>13%</td>
<td>7%</td>
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<td>15 years</td>
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<td>5%</td>
<td>16%</td>
<td>26%</td>
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<td>16%</td>
<td>10%</td>
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<td>20 years</td>
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<td>12%</td>
<td>25%</td>
<td>26%</td>
<td>17%</td>
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<td>25 years</td>
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<td>25%</td>
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<td>17%</td>
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<td>30 years</td>
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<td>5%</td>
<td>12%</td>
<td>25%</td>
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<td>18%</td>
<td>14%</td>
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<tr>
<td>Over 30 years</td>
<td>2%</td>
<td>4%</td>
<td>12%</td>
<td>25%</td>
<td>25%</td>
<td>17%</td>
<td>15%</td>
</tr>
</tbody>
</table>
On average, how many additional days/hours of PTO do you provide to management (exempt) employees?

- 0 days - exempts and non-exempts get the same amount of PTO: 71%
- 1-5 days (8-40 hours): 15%
- 6-10 days (48-80 hours): 6%
- 11+ days (88+ hours): 8%

Do you allow your employees to carry over PTO to the next year?

- Yes: 72%
- No: 28%

How many PTO hours are allowed to be carried over?

- Accumulation is unlimited: 21%
- 31+ days (248+ hours): 21%
- 21-30 days (168-240 hours): 25%
- 11-20 days (88-160 hours): 17%
- 6-10 days (48-80 hours): 6%
- 5 days (40 hours): 10%

Upon termination, do employees get paid for all of the earned, unused time remaining in their bank?

- Yes, paid 100%: 50%
- Yes, only if proper notice is given by employee: 20%
- No, paid only a percent of time remaining: 4%
- No, paid differently depending on reason for termination: 4%
- No payout at all: 16%
- Other, please specify: 6%

Are employees allowed to buy or sell PTO?

- No: 84%
- Yes, sell excess hours only: 13%
- Yes, buy additional hours only: 1%
- Yes, both buy and sell some hours: 2%
Does your plan allow employees to donate PTO to other employees?

- **79%** No
- **21%** Yes

How do you currently track PTO?

- **71%** Electronically
- **29%** Manually

What type of system do you use?

<table>
<thead>
<tr>
<th>System</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll system</td>
<td>78%</td>
</tr>
<tr>
<td>Human Resource Information System</td>
<td>12%</td>
</tr>
<tr>
<td>Other web-based tool (HRconnection, intranet, etc.)</td>
<td>10%</td>
</tr>
</tbody>
</table>

For each year, how many paid days/hours do you give employees for holidays?

- **8%** We don't offer holiday pay
- **25%** 6 days (48 hours) or less
- **29%** 7-8 days (56-64 hours)
- **24%** 9-10 days (72-80 hours)
- **6%** 11-12 days (88-96 hours)
- **2%** 13+ days (104+ hours)
- **5%** Other, please specify

For non-exempt employees, how do you determine how much they are paid for holidays not worked?

- **9%** Non-exempts don't get paid for holidays
- **32%** Full-time, non-exempt employees get paid for a regular full day (7-8 hours) and part-time, non-exempt employees get a pro-rated number of hours
- **32%** Full-time, non-exempt employees get paid for a regular full day (7-8 hours) and part-time, non-exempt employees get paid nothing
- **14%** Pay is based on number of hours they were scheduled to work on that particular day - if not scheduled, they get no pay
- **6%** We don't offer holiday pay
- **7%** Other, please specify
Americans value a flexible, family-friendly workplace as one of the main perks when choosing a job. Many employers are restructuring their time off programs in order to meet employee needs and aid in retention and satisfaction. However, despite an increase in the popularity of PTO programs, the majority of employers still use traditional time off programs, and there are many areas of variance in structuring either type of program.

Contact Raffa Financial Services to discuss how these survey results and this benchmarking information can assist you in your future benefit plan strategies.

This survey was conducted in the summer of 2013 through the website provided by Raffa Financial Services. The survey was anonymous, so responses have not been validated for statistical significance or margin of error.

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