

Dear HR Knowledge, do I have to offer paid time off to my employees?

This depends on where your employees are located. There are no federal laws that require private employers to provide paid time off, such as vacation, sick leave, or holidays. There are, however, several state and local laws that do require employers to offer paid sick leave, and many of these jurisdictions come with their own nuances.

Paid sick leave is sweeping the country as more and more states and cities pass legislation; therefore, it is important for multi-state employers to be aware of these requirements. Many employers don't realize that a number of these laws apply to organizations with only one employee in that jurisdiction.

While vacation time is not lawfully required, when it is offered, there are also state laws in place surrounding the administration rules, including paying out upon termination, forfeiture, and carry over.

Many employers are now adopting a Paid Time Off or "PTO" benefit. Under this program, there is one bucket of time that employees earn instead of the traditional separate sick, vacation, and personal time policies. These programs are advantageous to both employees and employers: Employees get more flexibility and control over their own time, and employers only need to track one type of policy.

While paid vacation and paid holidays are not required, in general, they are customary benefits that many employers offer. When offering any type of paid time off benefits, best practice is to administer them in a nondiscriminatory way, by providing the same benefits to all similarly situated employees. In addition, every employer should also have a clearly written policy.

Interested in a review of your paid time off policies? Our team of experienced HR advisors can help you customize your policies to keep you compliant with federal and state legal guidelines. Please [contact us](#) if you would like to learn more about our HR services.

About HR Knowledge

Founded in 2001, HR Knowledge, Inc. is a privately funded company providing integrated outsourced HR services tailored to our clients' needs. Our full array of offerings includes managed payroll, employee benefits administration, and HR consulting and support services, such as training, compliance, custom-built software solutions, and Hiring Process Management™, our comprehensive recruitment service that takes you from finding to onboarding new talent. Our major markets are fast-growing small- and medium-sized businesses, many of which are venture-capital-backed; foreign companies expanding into the states; and charter schools. Partnering with HR Knowledge can reduce your administrative costs, minimize your legal risk, help you find and develop talent, and alleviate the HR burden so that you can focus on your core business.



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