

Paid holidays: Should the time be accrued?

Question: "In my 30-year career, I've never heard of a company requiring that holiday time be accrued, i.e., each pay period an employee accrues the time, but if the employee doesn't have enough accrued time and a holiday rolls around then it's time off without pay. Is this legal?" — Peg

Comments

My company also makes us accrue time to cover holidays as well. Supposedly the time is built into our accrual. However, we are allowed to go into a negative balance if a company holiday rolls around and there isn't enough time to cover it, but ONLY for company holidays.

Posted by: Tiffany | September 19, 2008 at 02:27 PM

It is not illegal, but most companies have paid holidays as a standard benefit. Depending on what type of company I think there are holidays you have to close or close early but then again, unpaid is still legal. No law states that you have to pay employee when you are closed or they do not work, even maternity, it is only required you allow the employee to take the 2 weeks minimum.

Posted by: | September 19, 2008 at 02:34 PM

Each company has the right to put in place their own set of benefits, i.e., vacation, holiday, sick, etc. It sounds as though you have a PTO plan in which you have to have the time accrued in order to be paid for it. There is nothing illegal about it. Sounds like you need to start accruing your time.

Posted by: | September 19, 2008 at 02:39 PM

The Federal Labor Standards Act does not require that an employer provide any PTO including vacations or holidays. Employers are free to set their own policies for meal times, rest times, holidays, vacations, etc. What your employer is doing is weird, but legal.

Posted by: Debbie Robinson | September 19, 2008 at 02:41 PM

To the best of my knowledge, Federal regulations do not require a business to pay employees for time not worked (including vacations). Try your state's Department of Labor website and see the laws governing wages. It seems to me that the policy is similar to ones I have seen in the past whereas an employee must be employed a certain amount of time (commonly 90 days) prior to being eligible for holiday pay. It is also common practice to use this method to determine vacation time. The number of years the employee has invested in the company determines the rate at which time is accrued.

Posted by: Pam | September 19, 2008 at 03:38 PM

We are on a similar PTO accrual plan and allow employees to go in the negative to cover holiday PTO hours. Nothing illegal about it, it's just your company's practice. Over time, the accrual will be back in the black.

Posted by: Sue | September 19, 2008 at 07:30 PM

An employer does not have to provide sick, vacation or holiday pay, nor for breaks or lunch. The company where I work accrues PTO, to be used for vacation and/or sick, but has six holidays paid as explained in the employee manual.

Posted by: MK | September 19, 2008 at 08:09 PM

It is 100% legal. There is no requirement that any company provide holiday pay, so if a company does provide it, they are relatively free to come up with any policies they want.

Posted by: Mark | September 20, 2008 at 12:29 PM

I work for the government so we are paid for our holidays and also vacation and sick. I have friends that work for companies where they are paid by PTO and they still have 5-6 paid holidays. I also have a few friends who work for a company where everything is PTO and if they want to have a holiday off they have to have the time saved in the books or they are docked pay, if they do take it off. If it really bothers you you might want to look into a different company to work for or get with HR and see when and how this came about to see if it can be changed. Employee moral etc. Good luck

Posted by: Jo | September 20, 2008 at 02:19 PM

I worked in a hospital environment, paid by PTO. Hospitals are open 24/7, year-round, and they gave us 4 paid holidays, which was considered to be very generous. Unless you are in a labor union (and even then you would have to negotiate), you are not entitled to paid holidays unless your company wants to give them to you. Considering the state of the economy, you might just have to live with your situation.

Posted by: Anon | September 29, 2008 at 03:01 PM