

Sample Policy: Sick Leave



The following sample policies were excerpted from The Book of Company Policies, published by HR Specialist, © 2015. Edit for your organization's purposes.

Sample Policy 1:

"Sick leave is earned from the first day of employment at a rate of one (1) day per month, culminating in a maximum of ninety (90) days. After an employee is absent for three (3) consecutive days, a physician's statement may be requested.

"Sick leave is to be used for medical, dental or optical reasons only; it is not to be construed as a secondary or 'add on' vacation time. If so used, it will be considered grounds for termination by XYZ.

"Upon retirement or termination of employment, any unused sick leave lapses, and no payment will be made for such unused time."

Sample Policy 2:

"Full-time employees accrue one day of paid sick leave at the end of each month, beginning with the first month of employment. Sick leave may be taken for any bona fide reason. Sick leave may not be taken in increments of less than two hours.

"Up to 12 days of unused sick leave may be carried over from one calendar year to the next. Each employee is allowed a maximum of 12 sick days in any calendar year. Unused accrued sick leave will not be paid out upon termination."

POLICY CONSIDERATIONS:

Sick days and family or medical leave are the most complicated time-off policies, so they warrant special attention by you and your managers. Abuse of sick time has major implications for productivity, and placing an extra burden on employees during a co-worker's absence can create morale problems and disharmony.

- Your policy should specify (1) how much time accrues per specified work period; (2) whether sick time can carry over from year to year; and (3) whether any part of accrued sick time is payable to an employee if she leaves the company. Sick time is normally accumulated in much the same manner as vacation time.

- You should define what you mean by sick leave. Some companies insist that it is not extended vacation time and must be used for reasons related to illness in the employee's immediate family. But other firms offer workers a given number of "sick days" and don't care whether employees who call in sick are actually ill.
- It's a good idea to insist that employees speak directly with their supervisors when they call in sick. If they leave a message, have the supervisor return the call and ask what's wrong. If the employee simply says he feels sick, ask for more details. (Does his head hurt? Did he eat something that disagreed with him? Does he think he will be in tomorrow?) The answers will help you arrange for a temporary replacement if necessary and also help you determine if the leave might be covered by the FMLA. Have the supervisor document the reason for the sick leave and note the date, day and time.

5 ways to limit sick-leave abuse

If you've had a lax sick-leave policy and want to improve it, don't get tough overnight. Make any changes clear to employees first. To send a message that you are on the lookout for abuse, issue updates to your employee manual or your posted sick-leave policy. You might want to try altering your policy in one of these ways:

1. Consider reducing the amount of sick leave available to employees. Some studies have shown that the more generous the sick-leave policy, the more sick leave workers will take.

2. Implement paid-time-off banks. A Hewitt Associates survey reports that unscheduled absences decreased at nearly half of the 360 companies studied that implemented PTO plans. One disadvantage of PTOs, though, is that they clearly classify sick leave with earned vacation time. Accordingly, if employees who've been dismissed sue for pay, courts are more likely to rule that they're entitled to all the time in their PTO bank.

3. Offer extended sick leave. Extended sick leave is another way to reduce the expense and disruption of traditional sick-leave plans while providing income protection for those who are seriously ill. A Minnesota telephone company started offering up to 12 weeks of extended sick leave to workers when the need was verified by a physician, and cut its regular sick leave from 12 to 5 days a year. The company said sick-leave absences declined 44.1 percent over two years.

4. Cash out unused sick days. In the Hewitt survey, 12 percent of employers pay workers 50 percent or even 100 percent for the sick leave or PTO they didn't use, either at the end of each year or when the employee leaves the company. The idea is to provide an incentive for employees not to use sick time unless they really need it. The company bears the expense, but more work gets done. The sticking point is that you're paying employees extra to do what they're supposed to do.

5. Establish a leave-share program. A policy popular in federal agencies is to allow employees to donate unused leave to co-workers suffering from extended illnesses. For companies without extended sick-leave policies, the policy can build community spirit in the office while providing income protection for those who need it.

Observation: Under the Family and Medical Leave Act, employers can require workers to take all their available paid vacation, sick time and personal days as part of their FMLA leave. This policy limits the length of time employees are absent. However, if the employee uses sick leave or PTO for illnesses that wouldn't be covered by the FMLA, you cannot charge that time against the FMLA entitlement.