

Issue: PA Employment

Paid Sick Leave—A Public Health Priority

Millions of American workers face an unbearable choice when they get sick: go to work, possibly infecting others, or stay home without pay. Often, it is the lowest paid and most vulnerable people who work without a single day of paid sick leave. This includes those who make and serve our food and those who care for our children and elders.¹

A growing body of research shows how beneficial paid sick leave laws are for public health, limiting the spread of disease, lowering healthcare burdens and costs, and promoting overall well-being. When a large part of our society lacks such a simple, yet important piece of the healthcare puzzle, this has ripple effects on all of us, and the absence of these laws illustrates how little our policy makers value and understand our interconnectedness. Values drive public health policy, often with common good as a paramount goal.² What then does it say that the United States is the only developed country without universal paid sick leave laws?³

Now, in the midst of the pandemic, the ability to stay home while sick can become a matter of life and death. Yet even in this time of heightened awareness, paid sick leave laws included in the Coronavirus Stimulus Package are only temporary—through the year 2020—and provide for only some of those who were uncovered.

Voters Approve. Conservative Legislators and Special Interests Do Not.

Nationally, voters from both parties strongly support paid sick leave. A 2015 New York Times-CBS News poll showed that “Ninety-four percent of Democratic voters and nearly 80 percent of Republican voters favor paid sick leave.”⁴ In a 2017 Pennsylvania survey, 78% of all adults and 56% of employers favored paid family and medical leave. Small businesses expressed reluctance due to anticipated costs which might be alleviated by a state supported insurance fund.⁵

Despite voters’ wishes, only 12 states have chosen to mandate paid sick leave, three by citizen-driven voter initiatives.⁶ Pennsylvania is not among them. Twenty-two states have enacted preemption laws making it illegal for cities or counties to mandate paid sick leave.⁷ Cities tend to be more progressive; Republican-dominated state legislatures rein them in with preemption laws. (*See the Local Majority paper Pennsylvania: Sold to the Highest Bidder.*)

Philadelphia and Pittsburgh, and many individual companies, provide some level of paid sick leave benefits, but there was opposition from some in the restaurant industry when Pittsburgh first voted in their laws. The matter was settled by the State Supreme Court in favor of Pittsburgh.⁸ (*See Appendices A and B for a summary of Philadelphia and Pittsburgh ordinances.*)

The strongest opponents of paid sick leave are those who persistently push for limited government regulations regardless of public sentiment or demonstrated business and public-health benefits.

The American Legislative Exchange Council (ALEC) is a powerful lobbying organization which opposes regulations on business, including labor laws. It has been led and largely funded by Charles Koch and before his death, David Koch. Members include businesses and almost a quarter of elected state senators. ALEC writes “model” legislation that legislators then introduce in their states. ALEC pushes its agenda even in the face of overwhelmingly positive voter sentiment for change.⁹

At least twenty-five house representatives and eleven state senators in Pennsylvania are members of ALEC. Many do not acknowledge their affiliation with the group.^{10, 11}

Additionally, there are industry-specific groups that oppose worker benefits, including the National Restaurants Association, the National Retail Federation, and the Retail Industry Leaders Association. Many of the largest companies in these industries also make significant lobbying contributions.^{12, 13}

Proven Benefits of Paid Sick Leave

A growing body of research shows the economic and public health benefits of offering paid sick leave, which include:

- Easing pressure on emergency rooms. Those without paid sick leave visit emergency rooms for their own care at twice the rate as others and 2.5 times as often for their children.¹⁴ This drives up employers' insurance costs. Conversely, paid sick leave decreases these costs. These preventable visits to emergency rooms by those lacking sick leave benefits are estimated to cost the U.S. \$1.1 billion annually.¹⁵
- Improving preventive care. Those with paid sick leave are more likely to use preventive care for themselves and their children, including flu shots, vaccines, cholesterol checks, and cancer screenings. The result: fewer prolonged illnesses and fewer days off.¹⁶
- Improved morale. Paid sick leave benefits lead to more productive workers and are proven to reduce turnover.¹⁷ Lower turnover drives down the costs associated with hiring and training.¹⁸
- Aggregate economic benefits have been noted in cities after paid sick leave laws took effect. In the year after passage of a paid-sick-leave requirement, growth in the number of employers in Seattle exceeded that in surrounding Bellevue, Tacoma and Everett.¹⁹ San Francisco experienced much the same in the sectors most affected by the new laws.²⁰

Answers to Arguments Against Paid Sick Leave

Many businesses worry about paid sick leave driving costs up which could force them to raise prices or cut jobs and work hours. A large random survey of companies in Connecticut, the first state to require paid sick leave, showed that employers experienced minimal to no increase in costs and minor administrative burdens. While there was strong opposition to the laws ahead of enactment, that changed to support from a vast majority of companies after implementation.²¹

Some opponents fear that employees would take advantage of new benefits. Research in San Francisco showed the opposite. Employees were given nine days of paid sick leave; on average they took three.²² A study in New York City had much the same result.²³ Few employers reported abuses after passage of Connecticut's law. Indeed, many commented on improved morale.²⁴

The best argument to counter objections to paid sick leave: the companies that continue to thrive after providing it.²⁵ In-N-Out Burger, where paid sick leave is standard, stands out in the fast-food industry, where many employers insist it is unaffordable. Stop & Shop, Aldi and Trader Joes show that even in the traditionally low-margin grocery industry, business can thrive while offering paid sick leave.²⁶

Federal Coronavirus Stimulus Package

In the midst of the COVID-19 pandemic, the federal government has temporarily instituted national paid sick leave benefits. However, the bill has, in the words of the New York Times' Editorial Board, "a giant hole" that affects many of those most in need. A rare bipartisan acknowledgement of the benefits of keeping sick employees from the workplace, where they could raise the level of COVID-19 contagion, precipitated the rush to enact the law. Yet, after spirited debate pitting perceived business interests against public health, and over economists' objections, lawmakers carved out sizable exclusions.²⁷ (See Appendix C for summary terms of the law.)

Exclusions in the Stimulus Package

Prior to the stimulus package, 70% of the lowest compensated workers did not have a single paid day off, and a full 24% of all civilian workers were without paid leave benefits.^{28, 29} Since passage of the stimulus package, the number of those left out has been difficult to measure given the turmoil of business closures and reduced workforces. Here's what we do know:

- Companies with fewer than 50 workers may request relief from the family and sick-leave mandate if it threatens their viability. Nationally, roughly 12 million civilians work for small companies.³⁰ In Pennsylvania, 95 percent of businesses qualify as small companies.³¹
- Companies with more than 500 employees are excluded under this law. Of the 59 million employees of large companies, roughly 6.5 million had no paid sick leave benefits in 2019. Companies employing professionals more often have paid sick leave, although their plans vary considerably; some may not cover the needs presented by this pandemic. Industries most likely to lack paid sick leave include food services, big box retailers, the grocery industry, and businesses that classify many of their workers as contractors, like ride-hailing services.³²
- Health care providers and emergency responders can be excluded from the package at the Labor Secretary's discretion.

Proposed Legislation in Pennsylvania in 2019

In 2019, Democrats introduced three bills in Pennsylvania's legislature proposing statewide paid sick leave: SB 13, HB 169 and HB 998. The Republican-led Labor and Industry Committees put all on hold indefinitely. HB 169 aptly described the benefits of a "healthier and more productive workforce." HB 998 was introduced as part of a "People Above Profits" legislative packet. This catchy phrase ignores research showing that companies offering these benefits are more profitable and create a healthier workplace.

Examples: How Large Companies Do—Or Do Not—Protect Employees

Some large companies already offer varying levels of paid sick leave; some do not. The health risks of COVID-19 prompted some to offer or to improve paid leave benefits. Even so, many do not match the mandates of the stimulus package: two weeks full pay and additional ten weeks partial pay.

Before the pandemic, Darden (owner of the Olive Garden), the largest full-service food company, offered no paid sick leave and spent millions lobbying against such benefits. It led efforts in 15 states to fight paid sick leave.³³ After the pandemic, it added paid sick leave for 180,000 hourly workers.³⁴

Conclusion

The COVID-19 pandemic has highlighted how many of our lowest-paid workers serve important roles in our society. The government considers bus drivers, farm workers, and hospital janitors “essential workers.”³⁹ Most of our citizenry want every worker, no matter their duties, to be able to decide when they are too ill to work, without having to pay dearly for it.^{40, 41} Now is the time to insist that our public health interests and popular sentiment prevail over special corporate interests, and give all workers the benefit of paid sick leave. Our state will be a better place for all.

Appendix A—Summary of Philadelphia’s Paid Sick Leave Law (superseded by Federal Families First Coronavirus Response Act, Appendix C)⁴²

Companies must award up to five days sick leave—paid or unpaid—at the rate of one hour per 40 hours worked as follows:

- Employers with nine or fewer employees must provide unpaid sick leave.
- Employers with ten or more employees must provide paid sick leave.
- Employers with fifteen or more locations, regardless of employee count in Philadelphia, must provide paid sick leave.

Exclusions include:

- Union members (most likely covered under a collective bargaining agreement).
- State and federal employees (covered under respective laws).
- Seasonal workers.
- Independent contractors receiving 1099s.

Eligibility requirements include:

- Employees must have worked 90 days for an employer prior to using accrued sick days.
- Employees must work 40 hours or more in a year to accrue sick days.
- Immigration status does not affect eligibility.

Appendix B—Summary of Pittsburgh’s Paid Sick Leave Law (superseded by Federal Families First Coronavirus Response Act, Appendix C)⁴³

All employers must provide paid sick leave at the rate of one hour per 35 hours worked as follows:

- Employers with 15 or more employees must let them accrue 40 hours paid sick leave per year.
- Employers with 14 or fewer employees must let them accrue 24 hours per year, unpaid the first year of this ordinance, paid thereafter.

Exclusions:

- Independent contractors receiving 1099s.
- Hours worked outside Pittsburgh will not count.
- Construction union members covered under a collective bargaining agreement.

Eligibility requirements include:

- Employees must have worked 90 days for an employer prior to using paid sick days.

The Act became effective March 1, 2020; no violations will be enforced with penalties for one year.

Appendix C–Summary of Federal Families First Coronavirus Response Act (in effect through December 31, 2020)⁴⁴

Employers must provide paid sick leave as follows:

- Employees receive up to two weeks full pay if they are experiencing COVID-19 symptoms or are officially quarantined. Pay is calculated at the higher of their regular pay rate or minimum wage up to \$511 per day.
- Employees receive up to two weeks at two-thirds of full pay if they are caring for someone officially quarantined or caring for a child whose school is closed. Pay is calculated at two-thirds of the higher of their regular pay rate or minimum wage up to \$200 per day.
- Employees may receive an extension of 10 weeks for family and medical leave at two-thirds pay if they are caring for a child under 18 years of age whose school or child-care provider is closed due to Covid-19.
- Part-time employees are covered based on their average number of weekly hours worked.

Exclusions from the law include:

- Large companies with more than 500 employees.
- Small companies with fewer than 50 employees that file for an exemption due to school closings or child care unavailability if the leave requirements would jeopardize business viability.
- State and federal employees (covered under respective laws).
- Seasonal workers.
- Independent contractors receiving 1099s.

Eligibility requirements include:

- Employees must have worked more than 30 days at a company.

¹ <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-improve-our-public-health.pdf>

² <https://health.iresearchnet.com/public-health/public-health-philosophy/>

³ <https://www.npr.org/sections/itsallpolitics/2015/07/15/422957640/lots-of-other-countries-mandate-paid-leave-why-not-the-us>

⁴ <https://www.csmonitor.com/Business/2018/0925/Cities-battle-their-states-over-paid-sick-leave-policy>

⁵ [https://www.dli.pa.gov/Documents/Paid%20Family%20and%20Medical%20Leave%20in%20Pennsylvania%20\(002\).pdf](https://www.dli.pa.gov/Documents/Paid%20Family%20and%20Medical%20Leave%20in%20Pennsylvania%20(002).pdf)

⁶ <https://www.ncsl.org/research/labor-and-employment/paid-sick-leave.aspx>

⁷ <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/09/24/as-more-cities-push-for-paid-sick-leave-states-push-back>

⁸ <https://www.wesa.fm/post/pennsylvania-supreme-court-rules-pittsburghs-paid-sick-leave-law-can-stand#stream/0>

⁹ <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/09/24/as-more-cities-push-for-paid-sick-leave-states-push-back>

¹⁰ <https://www.sourcewatch.org>

¹¹ <https://www.documented.net>

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- ¹² <https://www.retaildive.com/news/which-retailers-spend-the-most-on-lobbying/527085/>
- ¹³ https://www.salon.com/2013/08/28/the_other_nra_how_the_national_restaurant_association_ensures_poverty_wages_partner/
- ¹⁴ <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/paid-sick-days-attitudes-and-experiences.pdf>
- ¹⁵ <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/B301-PSD&ED.pdf>
- ¹⁶ <https://www.ncbi.nlm.nih.gov/pubmed/28189802>
- ¹⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3825168/>
- ¹⁸ <https://www.adeccousa.com/employers/resources/cost-of-turnover-calculator/>
- ¹⁹ <https://www.seattle.gov/Documents/Departments/CityAuditor/auditreports/PSSTOUWReportwAppendices.pdf>
- ²⁰ <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/C385.pdf>
- ²¹ <https://cepr.net/documents/good-for-buisness-2014-02-21.pdf>
- ²² https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/A138_edited.pdf
- ²³ https://www.huffpost.com/entry/who-really-takes-paid-sic_b_11892588?section=us_business&guccounter=1
- ²⁴ <https://cepr.net/documents/good-for-buisness-2014-02-21.pdf>
- ²⁵ <https://www.nytimes.com/2020/03/14/opinion/sunday/coronavirus-paid-sick-leave.html>
- ²⁶ <https://shift.berkeley.edu/paid-sick-leave-brief/>
- ²⁷ <https://www.nytimes.com/2020/03/14/opinion/coronavirus-pelosi-sick-leave.html>
- ²⁸ <https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf>
- ²⁹ <https://www.pewresearch.org/fact-tank/2020/03/12/as-coronavirus-spreads-which-u-s-workers-have-paid-sick-leave-and-which-dont/>
- ³⁰ <https://time.com/5803671/paid-leave-imminent-coronavirus/>
- ³¹ [https://www.dli.pa.gov/Documents/Paid%20Family%20and%20Medical%20Leave%20in%20Pennsylvania%20\(002\).pdf](https://www.dli.pa.gov/Documents/Paid%20Family%20and%20Medical%20Leave%20in%20Pennsylvania%20(002).pdf)
- ³² <https://time.com/5803671/paid-leave-imminent-coronavirus/>
- ³³ https://www.huffpost.com/entry/the-politics-on-your-plate_b_9623946
- ³⁴ <https://www.cNBC.com/2020/03/10/darden-restaurants-is-offering-paid-sick-leave-to-all-employees-amid-coronavirus-outbreak.html>
- ³⁵ <https://www.eater.com/2020/3/16/21181862/are-mcdonalds-starbucks-and-other-chains-offering-paid-sick-leave-for-coronavirus>
- ³⁶ <https://www.abcl5.com/news/national/walmart-is-changing-its-sick-leave-policy-and-will-pay-bonuses-for-good-attendance>
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- ³⁹ <https://www.abcl0.com/article/news/health/coronavirus/who-are-considered-essential-workers/103-19c58ce2-cdae-442d-af64-294ce8c79626>
- ⁴⁰ <https://www.penncapital-star.com/commentary/report-majorities-of-pa-voters-support-minimum-wage-hike-wednesday-morning-coffee/>
- ⁴¹ <http://www.makeitworkcampaign.org/poll-voters-want-new-workplace-policies/>
- ⁴² <https://www.phila.gov/media/20191218103833/Paid-Sick-Leave-Poster-Translations.pdf>
- ⁴³ <https://pittsburghpa.gov/mayor/paidsickleave>
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