

THE Pros & Cons OF PTO

These days, many of us are just an email, text, or click away from work. So it's more important than ever to make sure you and your employees are getting time away to recharge. Increasingly, that's coming in the form of PTO or Paid Time Off, an integrated system that combines traditional vacation, sick leave, and personal leave.

Traditional PAID LEAVE BENEFITS

-  VACATION
-  SICK LEAVE
-  PERSONAL LEAVE
-  HOLIDAYS
-  BEREAVEMENT
-  JURY DUTY
-  OTHER



PTO

40% of employers now offer a PTO plan, but how do you know if it's right for your organization? Here are some of the pros and cons of PTO vs. segmented leave policies.







Pros

- Flexibility:** Employees like the flexibility of PTO, which allows them to adapt their paid time off to their needs.
- Transparency:** Employees are not incentivized to lie about being sick in order to use all of their paid time off, creating more transparency in the employer / employee relationship.
- Efficiency:** Employers only have to track PTO hours, as opposed to tracking hours separately for vacation, sick and personal days (unless required by law).

Cons

- Higher Utilization:** Employees are more likely to use all of their PTO, whereas they may not have used all of their sick or personal days in the past.
- Illness:** Employees may come to work when sick in order to save up PTO for extended vacations.
- Liability:** In California, Illinois, and Massachusetts all earned PTO must be paid out upon separation of employment.

MAKING PTO WORK FOR YOU

-  Align your paid leave policies with the value that your company places on work / life balance.
-  Make sure your paid time off policy is clearly articulated to both management and employees and applied in a consistent manner.
-  Encourage employees to use their paid time off; they will return from vacation refreshed and more productive.
-  Prohibit employees from working while they are taking paid time off.

Other time-off programs

UNLIMITED PAID TIME OFF

Rather than designating a set number of PTO hours per year, employees are offered as much paid time off as they can take while still meeting their performance expectations. It can be a powerful incentive to attract and retain top talent, but it also carries the risk of overuse or abuse of the policy, so careful planning is key to making it successful.

PAID TIME OFF DONATION PROGRAMS

Employees may donate paid time off into a central pool for colleagues who have exhausted their leave to use in the event of an emergency. Those donated hours may be taxable, however, depending on how the program is drafted.

CONCLUSION

Although many companies are gravitating toward PTO, and some even offer unlimited PTO, every organization is different and has unique needs and corresponding practices. Ultimately, leaning on your organization's values, business needs and workplace culture will help you create a time off policy that works best for you and your employees.