

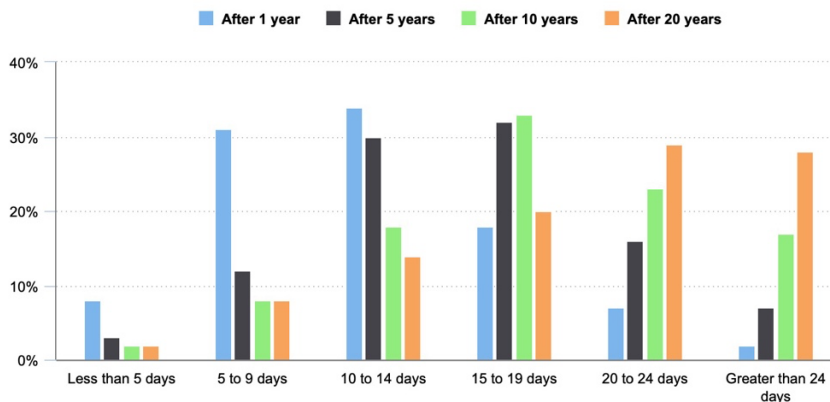


## PTO and Holiday Schedule Recommendations

Paid time off (PTO) and paid holidays are an important part of the benefits, or total rewards, package for employees. On one side, employees want and are demanding an increasing amount of work/life balance. On the other side, employers need to run an effective operation and not overwhelm employees with other employees being gone. It's important to consider the busier times of year for your business and be mindful and thoughtful of other companies in your industry and what they might be offering to employees.

### PTO Benchmarking

Chart 1. Percentage of private industry workers with number of annual paid vacation days by service requirement, March 2021



Click legend items to change data display. Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.



### PTO at Other Companies

- Employees at Apple receive 15-20 days of PTO
- Employees at Google receive 20-30 days of PTO
- Employees at Caterpillar receive 20-30 days of PTO after 5-10 years of service
- Employees at General Motors receive 15 days of PTO at the start, and 18 days after 2 years, up to 5 weeks for long-term employees

### Average PTO Statistics

Private sector employees receive an average of 10 days of PTO, according to the Bureau of Labor Statistics. This number does not include sick days or paid holidays. More than one-third of private industry workers received 10-14 days of paid vacation after one year of service.



## PTO Hours Accrued by Hours Worked

Source: Salary.com

### Average Annual Hours

	Accrued Hours	
	Exempt	Non-Exempt
Banking and Finance	130.9	130.9
Colleges and Universities	130.5	130.5
Healthcare	180.9	169.9
Hospitality	127.7	88.2
Insurance	---	---
Manufacturing and Distribution	146.8	127.3
Not-for-Profit	140.6	136.0
Services	126.2	126.1
Utilities	---	130.3
Other	---	---
All	157.7	141.0

### Recommendation for PTO policy and the one we use at Flex HR:

Service with Company	Regular Full-time Employees Hours per month	Total Hours, plus Birthday	Equates to Days, plus Birthday
On Day 1 of service through 24 months (2 years)	10.00 Hours per month	128	16 Days
On your 25 <sup>th</sup> month of service through 72 months (6 years)	12.00 Hours per month	152	19 Days
73 <sup>rd</sup> month thereafter (6 years +)	13.33 Hours per month	168	21 Days



## Unlimited PTO

Unlimited PTO is typically only offered to exempt employees while hourly workers still accrue time. The exempt employees who qualify for unlimited PTO are typically supervisor-level employees through VP/CEO level.

An employee handbook should specify the following for unlimited PTO:

- Requests might still be denied for PTO
- Unlimited PTO should also cover any necessary time off for sickness
- Specification for any type of pay-out of PTO if someone leaves the company

Unlimited PTO Pros	Unlimited PTO Cons
Creates a positive work culture where the employee feels valued and trusted with their time and productivity.	Could potentially lead to abuse of time off and result in neglected or postponed work projects.
Work life balance without feeling guilty if communicated effectively.	If not properly managed could lead to business needs not being met.
Alignment of workflow and delegation to ensure that projects are still completed, and communication is flowing before time off is taken.	Could lead to resentment from other managers in the team if time off is taken too often.

## Holiday Schedule Benchmarking

Employees in the U.S. receive an average of 7.6 paid holidays, according to the Bureau of Labor Statistics. Professional and technical employees average 8.5 paid holidays, clerical and sales employees average 7.7 paid holidays and blue collar/service employees have 7.0 paid holidays.

### Floating Holidays

A popular option for a company holiday plan has been to offer floating holidays to employees. By offering floating holidays the company is acknowledging that the holidays are important without fully shutting down the company. Managers will need to coordinate the work flow for the team to make sure not everyone is off on a given holiday.

### American Bank Holidays (11 days):

- New Year's Day
- MLK Day
- Washington's Birthday/Presidents Day
- Memorial Day
- Juneteenth National Independence Day
- July 4<sup>th</sup> Independence Day



- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

### **Holidays at Google (12 days):**

#### 1-day Holidays –

- MLK Day
- Presidents Day
- Memorial Day
- Labor Day

#### 2-day Holidays –

- New Years
- Independence Day
- Thanksgiving
- Christmas

### **Holidays at Caterpillar (8 days):**

- Christmas
- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving

### **Holidays at General Motors (17 days):**

- New Years Day
- MLK
- Good Friday
- Day after Easter
- Memorial Day
- 2 days for Independence Day
- Labor Day
- Election Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving



- 5 days at Christmas