

**Federal Contractors Required to Provide Paid Sick Leave**

**August 2017**

Effective November 29, 2016 federal contractors are required to provide employees with up to 56 hours of annual paid sick time. [Executive Order 13706](#). Since Connecticut already requires certain employers to provide certain employees up to 40 hours per year of paid sick time, such employees whose employer is also a federal contractor will only receive an additional 16 hours of paid time off each year. Also, employers with PTO policies that provide an equal or greater amount of paid time off, which can be used as outlined by the new Order, do not need to provide additional paid sick time under the Order.

The requirement covers new contracts and replacements of expiring contracts with the federal government that result from solicitations on or after January 1, 2017. Employees must accrue 1 hour of paid sick leave for every 30 hours worked “on” or “in connection with” a covered federal contract, capped at 56 hours (7 days) in a year.

Employees that work “on” a covered contract are those that are performing the specific services called for by the contract. They are covered, regardless of the number of hours worked in a year and regardless of whether they are full or part time. Employees that work “in connection” with a covered contract are those that perform work activities that are necessary to the performance of the contract, but are not directly engaged in the specific services called for in the contract. An employee who spends less than 20% of his or her hours working “in connection” with a covered contract in a workweek is not covered.

Alternatively, employees can be provided at least 56 hours of paid sick leave at the beginning of each accrual year rather than requiring employees to accrue leave based on hours worked.

Employees must be notified in writing of the amount of paid sick leave they have available at the end of each pay period or each month, whichever interval is shorter.

Employees may take time off in 1 hour increments, unless their work makes it physically impossible to leave or return to the job during a shift, and can use the time for their own illness or other health care needs, for the care of a loved one who is ill, for preventive health care for themselves or a loved one, for purposes resulting from being the victim of domestic violence, sexual assault, or stalking, or to assist a loved one who is such a victim. During the leave, employees must be given their regular pay and benefits, except that they need not earn additional paid sick leave during that time.

Employers can require employees using paid sick leave to provide certification from a health care provider showing the need for leave, if the leave lasts 3 or more consecutive days.

Employees may carry over up to 56 accrued, but unused paid sick leave from one year to the next, however the amount of paid sick leave employees may have for use at any one time can be limited to 56 hours. The integration of the carryover and accrual rules gets complex and the DOL has provided the following information to help manage the law:

If an employer front loads the sick time bank with 56 hours, and an employee carries over 16 hours of paid sick leave from the prior year, the contractor must permit the employee to have 72 hours (16 hours plus 56 hours) of paid sick available for use at any time during the second year. This scheme differs from Connecticut law, which

effectively prevents an employee from carrying over any unused time when an employer front loads their bank.

If, however, an employer uses the accrual method, any paid sick leave carried over from the previous year shall offset the amount of time an employee may be able to accrue at any given time during the second year. For example, if an employee carries over 16 hours of paid sick leave into the second year, she must be permitted to accrue 40 additional hours of paid sick leave. Once she has 56 hours of paid sick leave accrued, the contractor may prohibit her from accruing any additional leave until the workweek after she uses some portion of the 56 hours. For instance, if, after reaching the 56-hour cap, she uses 24 hours of paid sick leave (16 hours of the carryover and 8 hours accrued in the current year), she must be permitted to accrue up to at least 16 more hours (in addition to the 40 hours she has already accrued during the second year) for a total of 56 hours accrued in that year.

If an employee is rehired by the same contractor within 12 months after a job separation, the employee is entitled to reinstatement of any accrued, unused paid sick leave, unless the contractor already paid out the employee upon separation.

More information can be found on the U.S. Department of Labor's website in its [Fact Sheet](#) and [Overview](#).

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