

UNITED STATES DEPARTMENT OF LABOR

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**Sick-Leave Provisions in
Union Agreements**



Bulletin No. 832

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., May 22, 1945.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on sick-leave provisions in union agreements. This report is based on a study of 5,000 agreements current as of December 1944.

This report, which appeared in the May 1945 issue of the Monthly Labor Review, was prepared by Sophia F. McDowell under the direction of Florence Peterson, Chief of the Bureau's Industrial Relations Division.

A. F. HINRICHS,
Acting Commissioner.

Hon. FRANCES PERKINS,
Secretary of Labor.

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Sick-Leave Provisions in Union Agreements

Summary

The granting of sick leave without pay, but without loss of seniority, is provided for in a large proportion of the current union agreements. A small number of the agreements mention maternity leave and very few of these provide pay.

Of 5,000 agreements examined, 350 provide paid sick leave, three-fourths of these being found in nonmanufacturing industries. Some of these stipulate full pay for a limited period, others a portion of full pay for a limited period, and a few merely supplement group insurance or workmen's compensation benefits. The maximum leave provided varies from 3 days for all regular employees to 52 weeks per year for employees with long service. Paid-sick-leave provisions are fairly prevalent in agreements covering workers in the electric, water, and gas, and the telephone and telegraph industries; as well as office and professional, wholesale and retail trade, and State, county, and municipal workers.

Unpaid-Sick-Leave Provisions

The granting of sick leave without pay, but without loss of seniority or employment rights, has long been the practice in some American industries and is provided for in a great proportion of current union agreements. Many agreements which make no explicit provision for unpaid sick leave specify "leaves of absence for personal reasons" or "leaves of absence upon mutual agreement of the company and the union" which may be assumed, in application, to include sick leave.

Whether seniority accumulates or is frozen during the period of absence is not clear from those agreements which use such general terms as "seniority shall not be affected during illness" or "no one shall be removed from the seniority list." Although some agreements specify a definite time limit, ranging from 6 months to 3 years, others simply provide protection of seniority for a "reasonable period," or "until the employee is able to return to his job." Extension of these designated periods during prolonged illness, with automatic extension for employees injured on the job, is frequently provided.

MATERNITY LEAVE

Only a small proportion of the agreements specifically mention maternity leave, but in cases in which no mention is made it is possible

that such absence is considered as sick leave. Very few of the agreements in which maternity leave is mentioned make provision for pay. Maternity-leave provisions are common in the rubber and textile industries and are frequently found in the nonferrous-metals and machinery industries and among office and professional occupations. The length of time during which seniority is protected ranges from 8 weeks to 2 years, although again it is frequently not clear whether seniority accumulates or is frozen as of the date of leaving the job.

About a fourth of the American Newspaper Guild agreements have maternity-leave clauses,¹ most of which provide for unpaid leave of 2 months' duration. Some grant double vacation pay at the time of leave, with deduction of this extra pay from the severance pay, if the employee does not return. Certain other office and professional workers' agreements also provide for 6 months' unpaid maternity leave, sometimes with the specification that 3 months be taken before the birth of the baby and 3 months afterward. One of the agreements reviewed stipulated that "vacation and unused sick leave not to exceed 3 weeks may be taken as part of maternity leave."

Paid-Sick-Leave Provisions

EXTENT OF PROVISIONS

To an increasing extent, labor unions are now bargaining to obtain paid sick leave. Although the inclusion of such a provision in a union agreement usually indicates a new concession, in a few instances it represents a contractual arrangement for a policy already established by the management.²

Paid sick leave is provided in approximately 350 of 5,000 union agreements examined in the Bureau's files. About 250 of these 350 agreements contain detailed information; the others merely state that existing policies shall be continued, or otherwise fail to specify details. The present report is based on information provided in 50 paid-sick-leave plans, covering production workers in manufacturing industries and over 200 plans covering workers in nonmanufacturing industries.

Only in public utilities, and among radio technicians, and newspaper office and editorial workers are paid-sick-leave provisions in agreements the rule rather than the exception. Such leave is frequently provided, however, in agreements covering retail and wholesale trade, warehousing, and office and professional, and State, county, and municipal workers, as well as those employed in the airframe and petroleum production and refining industries. Though not widely prevalent, paid-sick-leave provisions are also found in some agreements in the apparel, furniture, stone, clay, and glass, nonferrous-metals, machinery, automobile, professional and scientific instruments, laundry and dry-cleaning, trucking, telephone and telegraph, street and railway industries, as well as in agreements covering building-service employees.

¹ I. e., 46 of 182 agreements (Guild report: *Wages and Conditions in American Newspaper Guild Contracts*, June 10, 1944).

² Under the present wage-stabilization policy, all new sick-leave plans must be submitted to the National War Labor Board for approval. The Board, though inclined to approve "reasonable" sick-leave requests made jointly by labor and management, usually denies requests in dispute cases. The Board has also upon occasion ordered companies to incorporate their voluntary sick-leave policies into the union contracts despite management's contention that it should not be bound by current plans "simply because it has been reasonably forward in the development of these welfare policies." (See *Tidewater Associated Oil Co. Case No. 111-5206-D*.)

GENERAL CHARACTERISTICS OF PLANS

The plans providing paid sick leave may be divided into three groups on the basis of the proportion of regular wages provided: (1) Full pay for a limited period; (2) less than full pay for a limited period, i. e., a stipulated portion of regular wages (such as 50 or 70 percent) or a stipulated amount (such as \$10 a week or \$50 a month); (3) payments to supplement group-insurance or workmen's compensation benefits, as for example, payment of all or a portion of regular wages during the waiting period for workmen's compensation or after insurance benefits have been exhausted.

The paid-sick-leave plans differ not only in their rates of pay, but also with respect to qualifying requirements and length of leave allowances. Some agreements provide uniform arrangements for all eligible employees, while others offer more generous time and wage allowances for employees with longer service. The former are referred to as fixed (or uniform) plans and the latter as graduated (or sliding-scale) plans. Occasionally work requirements are imposed in addition to service requirements.

The maximum period for which the payment is made is almost always stipulated in the agreements. It varies from 3 days per year for all eligible employees (in fixed plans) to as much as 52 weeks per year (in graduated plans for employees with long service). Under some agreements the stipulated periods may be extended through the cumulation of unused leave, and under others by special permission of the management during serious illnesses. The provision, in some agreements, of a waiting period during which payments are not made serves to restrict compensation to illnesses of longer duration. However, if the illness extends beyond the waiting period, payments are usually made retroactive to the beginning of the absence.

In over half of the agreements medical evidence of illness is required, in the form of a certificate from the employee's or company's doctor. In a small proportion sick-leave pay is specifically denied when the absence is due to such causes as negligence, misconduct, immorality, venereal disease, or use of drugs.

Most agreements carefully distinguish between vacation and sick-leave allowances by providing safeguards against using sick-leave time as vacation. For instance, one agreement states: "In order to avoid abuses * * * no sick leave will be granted or compensation paid for any time off immediately prior to or succeeding any vacation period." A few agreements, however, allow combination vacation and sick leaves. Under such arrangements a stipulated period may be used either as paid sick leave or as a vacation, or employees are permitted to add their unused sick leave to their allotted vacation period.³

MANUFACTURING INDUSTRIES

Rate of Remuneration During Sick Leave

Plans providing full pay.—In over two-thirds of the 50 sick-leave plans covering production workers in manufacturing industries, full pay or "regular wages" during sick leave is either specified or definitely implied. These include 8 of the 18 plans in the agreements analyzed in the petroleum-refining industry. The method of calculating "full

³ These combination vacation-sick leave plans were included in a recent study of paid-vacation provisions in union agreements and will not be further discussed in this report (see *Monthly Labor Review*, February 1944, p. 303).

pay" is not always defined in the agreements, although some specify "average weekly wage as computed for the 3 months immediately preceding disability" or "base rate plus night-shift premium where applicable."

Paid sick leave of 5 working days or 1 working week per year after a year's service is the most common allowance for employees in manufacturing industries other than petroleum refining. However, about one-third of the fixed plans do not mention service requirements. This may be interpreted to mean that all regular employees, but not necessarily probationary and part-time employees, are covered by paid-sick-leave provisions. Occasionally the stipulated time allowance applies to an individual illness, with no yearly maximum specified. In a few agreements it is not clear whether the maximum applies to one illness or to the entire year.

In the petroleum-refining industry, two of the three full-pay fixed plans allow 2 weeks' leave after 1 year's service, while four of the five full-pay graduated plans allow 1 week's leave after 1 year's service with varying maxima ranging from 2 weeks for 5-year employees to as high as 13 weeks for 10-year employees.

Plans providing less than full pay.—A large proportion of these plans in manufacturing industries (other than petroleum refining) provide 2 weeks' leave at half pay after a year's service, with a maximum of as high as 52 weeks for 26-year employees in a few graduated plans. Other arrangements include a flat sum of \$50 per month for nonoccupational injuries, full pay for a stipulated part of the leave period and half pay for the other part, and a provision that the sick-leave payments "shall be measured by and shall be the same as those granted to its employees insured thereunder by the company's group policy" (i. e., about half pay).

Except for the four agreements limiting 1-year employees to a week's paid sick leave, practically all agreements with paid-sick-leave provisions in the petroleum-refining industry offer one of the following arrangements: 2 weeks at full pay; 3 weeks at two-thirds pay; or 4 weeks at half pay. The total maximum payments are the same, however, under all three plans.

Plans providing supplemental pay.—Sick-leave payment equal to the difference between full wages and workmen's compensation benefits is provided in one agreement which restricts its payments to employees who have sustained occupational disease or injury. Five plans which specifically allow sick-leave pay for nonindustrial disabilities also make separate provision, in the case of compensable injuries, to supplement workmen's compensation by the amount required to bring the total compensation up to the maximum benefits of the plan. For example, two agreements of a large oil company grant sick-leave pay equal to the difference between full pay and workmen's compensation in cases of occupational injury and, in cases of illness not connected with the job, the payments are equal to the difference between full pay and the benefits provided by the Employees Mutual Benefit Association. Another oil-company agreement, which pays only two-thirds of the regular wages during excused absences for nonoccupational illness, provides supplemental payments for time lost because of occupational injury "to the extent necessary to bring such employee's benefit payments up to but not to exceed his regular wage." Another agreement grants full sick leave during the waiting period imposed by the workmen's compensation laws, but none later.

Work Requirements and Other Rules

Several agreements analyzed impose other service requirements in addition to those noted above. One specifies, for example, that the employee must have been on the job at least 13 weeks immediately preceding the absence. Another specifies that he must have worked a total of 1,752 hours or more during the year; however, for fewer hours, he receives proportionate benefits in the ratio that his actual hours worked are of a full year (1,872 hours) of work.

Accumulation of unused sick leave from year to year is permitted under a few plans but is usually limited to a maximum absence of about 12 weeks, although in one plan the maximum is 72 weeks. In one agreement under which leave may not accrue beyond 1 year, unused leave is paid for in cash at the end of the second year.

A few agreements permit the management to extend the specified maximum during serious illness. One of these specifically states that an employee who has exhausted his sick leave may use earned vacation time as additional sick leave.

Less than half the manufacturing agreements providing paid sick leave specify a waiting period during which payments are not made. The period mentioned is most frequently 3 days, occasionally 1 day or 1 week, and is generally waived if illness extends beyond that period.

NONMANUFACTURING INDUSTRIES

Among salaried employees and some other special groups of workers in nonmanufacturing industries the granting of pay during sickness is a common practice and union agreement provisions for these workers are generally more liberal than those covering production workers in manufacturing industries. Industries in which paid-sick-leave provisions are fairly prevalent are described below.⁴

Public utilities.—About three-fourths of the 110 agreements examined for the electricity, water, and gas industries contain paid-sick-leave provisions. Almost all of these provide full pay, and graduated plans are more usual than fixed plans. Over half of the graduated plans provide at least a week's leave after 1 year's service, the range being from 3 days to 2 weeks; the maximum that may accrue is 12 weeks after 12 years' service. Well over half of the nongraduated plans provide 10 days or more of leave, with a range of from 5 to 90 days. Several agreements contain different sick-leave provisions for monthly and hourly paid employees, granting more liberal terms to the former. Accumulation of unused sick leave from year to year is permitted in about a third of the full-pay fixed plans and in one graduated plan, with maxima ranging from 30 days to an unlimited period.

A small proportion of the agreements require a waiting period ranging from 2 to 7 days. In about half of these agreements the waiting period may be waived; some of these provide retroactive payments to the first day of absence, if the illness exceeds the waiting period by even 1 day, while others waive the waiting period only in cases of prolonged illness.

Most of the less-than-full-pay plans provide full pay during the first portion of the absence and half pay for the remainder. The full-pay periods vary from 1 to 4 weeks for employees with 1 year of

⁴ In addition are the workers engaged in the production and transportation of crude petroleum who are covered by the petroleum-refining industry agreements discussed previously.

seniority, and in graduated plans may continue for as long as 13 weeks for employees with 10 years' seniority. The half-pay periods which follow are usually 1 additional week for employees with minimum service (1 year) and as much as 42 additional weeks for employees with 15 years' service. The leave at full pay and half pay combined totals 2 weeks for 1-year employees, with a maximum of 52 weeks for 15-year employees.

Under one plan the sick-leave allowance amounts to the difference between full pay and the benefits received under the company's welfare program. Many of the agreements which provide full pay for absences caused by nonoccupational disabilities specify that payment in cases of occupational accidents shall amount to the difference between full sick-leave pay and workmen's compensation.

Telephone and telegraph industry.—Paid sick-leave provisions are the rule rather than the exception for plant and traffic department employees in the major telephone companies under union agreement. All these plans provide full pay, calculated at either the straight-time rate or at "the employees' basic wage rate plus such differential payments which the employee receives under his regular assignment." The period for which pay is granted is almost always on an illness rather than an annual basis, and benefits are frequently paid from a company welfare fund when the sick-leave allowance has been exhausted.⁵ Although the agreements speak in terms of 7 days' leave for all employees with at least 2 years of service, who suffer disabilities of at least 7 days' duration, payment for the full 7 days is usually made only to employees with 10 or more years' service. For employees with 2 but less than 5 years' service there is usually a waiting period of 2 days followed by a maximum of 5 days' paid leave, and for employees with 5 but less than 10 years' service the waiting period is 1 day with a maximum of 6 days' paid leave.

The press-telegraph companies have varying sick-leave plans ranging from 1 week at full pay, per year, to an undefined maximum "within reasonable limitations to be determined by the employer."

Only one of the two major telegraph-company agreements current in 1944 contained a sick-leave plan. This provided:

The company agrees that sick pay shall commence after the second week of illness and shall be retroactive to the eighth day of illness. The second week of illness shall be paid for at the employee's full regular weekly rate of pay and sick pay thereafter shall be given at one-half the employee's regular weekly rate of pay on the basis of 4 weeks' sick pay for each year of the employee's term of service, with a maximum of 50 weeks.

Office and professional workers.—Almost half of the agreements covering office and professional workers contain detailed provisions for full-pay sick leave, while many others specify "a reasonable amount of sick leave in line with past practice." Most of the described plans provide 2 weeks' leave per year, regardless of service, which may be prorated on a monthly basis, and in a number of cases, accumulated to a maximum of 1 or 2 months. Some agreements provide graduated plans which grant paid leave ranging from a minimum of 1 week to a maximum of 4 weeks. In agreements covering railway clerks a prerequisite to sick-leave payments is that the work of the absentee must be carried on at no cost to the carrier.

Retail and wholesale trade.—Sick-leave provisions are also commonly found in agreements in wholesale and retail trade, and are in effect in

⁵ An additional allowance in the form of board-and-lodging stipend for the sick-leave period is frequently allowed a traveling employee while working away from headquarters.

many other companies although not incorporated in the agreements. Most of the agreement provisions allow full pay for 1 or 2 weeks of sickness after 1 year of service. Plans providing for half or three-fourths pay offer a greater maximum period of leave, one large department store paying "one-half of salary" for 10 weeks to any employee who has been employed for over 2 months.

State, county, and municipal workers.—Full-pay sick-leave provisions are prevalent in agreements covering State, county, and municipal workers. Fixed plans providing 15 days' leave per year are most common, with accumulation of unused leave frequently permitted to a maximum ranging from 28 to 60 days.

Radio technicians.—The agreements covering radio technicians almost invariably call for "at least 2 weeks" of full pay per year for absence caused by illness; service requirements range from 60 days to 6 months.

Newspaper employees.—All the American Newspaper Guild agreements examined, which cover all types of newspaper employees except those engaged in the mechanical operations, contain some mention of paid sick leave. Most of these merely refer to the continuance of past policy or provide that the amount of sick-leave compensation shall be determined by the publisher according to circumstances, length of employment, and dependents. Occasionally the agreement provides that when there is compensation insurance, the publisher shall pay the difference between the insurance benefits and the regular salary.

The agreements which mention a definite sick-leave allowance per year specify as maximum "at least 1 week," "not more than 4 weeks unless in the judgment of the publisher the time should be extended," or a week for each 6 months of service until the maximum of 30 weeks is reached after 15 years. One clause states: "The publisher * * * shall not be obligated to provide sick leave with full pay to any employee during any calendar year for more than 2 months, nor half pay for more than an additional 2 months."

Truck drivers.—A number of agreements for truck drivers contain sick-leave clauses providing full pay for 1 week, with no mention of service prerequisites, and several specify a 3-day maximum for employees of from 18 to 39 weeks' service, and a 1-week maximum for employees of over 40 weeks' service.

Maritime personnel.—Provisions for sick leave are not included in agreements for seagoing personnel since these workers are covered by the Admiralty Law's doctrine of maintenance, wages, and cure, which guarantees "full rehabilitation and cure" for disabilities and sickness occurring during employment. Union agreements covering employees on inland waterways sometimes contain provision for paid sick leave, and occasionally agreements covering both licensed and unlicensed personnel on river vessels provide some allowance, such as "1½ days sick leave with pay for every 30 days worked." The following standard clause is included in a small proportion of the agreements of the Great Lakes shipping companies with the National Marine Engineers Beneficial Association and with the Masters, Mates and Pilots:

All officers with over 1 year's service with the company will be allowed 10 days' sick leave without loss of pay each year. In the event that sick leave is not taken in any 1 year it will accumulate for a period of 3 years or a total of 30 days. Those applying for sick leave in accordance with this rule must furnish proof of sickness from a practicing physician, which if questioned by the management must be certified by the United States Public Health Service.