

# Contagion Nation: A Comparison of Paid Sick Day Policies in 22 Countries

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## Executive Summary

We review paid-sick-day and paid-sick-leave policies in 22 countries ranked highly in terms of economic and human development and find that the United States is the only country that does not guarantee that workers receive paid sick days or paid sick leave. Current U.S. labor law does not require employers to provide short-term paid sick days or longer-term paid sick leave; current U.S. law does not even protect all workers from being fired when they miss work due to illness.<sup>1</sup>

To compare the various national policies, we calculate the employer- or government-provided financial support available to workers facing two different illnesses requiring time off from work: a bout of flu that requires missing five days of work and a cancer treatment that requires missing fifty days of work. Provision of paid sick days or leave is critical to the ability of employed Americans to take time when they or their family members are sick and to prevent the spread of influenza and other contagious diseases. Paid sick days and leave are essential for ensuring that all Americans can treat and address their own and their family members' serious illnesses. A substantial body of research has shown that in addition to the obvious health and economic costs imposed on employees by the lack of paid sick days or leave, significant economic costs result as well for employers. Workers who go to work while sick stay sick longer, lower their productivity as well as that of their coworkers, and can spread their illnesses to coworkers and customers.

Only three countries – the United States, Canada, and Japan – have no national policy requiring employers to provide paid sick days for workers who need to miss five days of work to recover from the flu. In Canada, labor policy is a provincial jurisdiction and most provinces provide for some days off during short-term illnesses. Eleven countries – Australia, Austria, Belgium, Denmark, Finland, Germany, Iceland, Luxembourg, New Zealand, Norway, and Switzerland – guarantee the typical worker full pay while recovering from a five-day illness. In the rest of the countries in our sample, payments vary: 3.5 days pay for five missed days in Greece and the Netherlands, 3.2 days pay in Sweden, 1.2 days in Spain, 1 day in France, 0.7 days in Ireland, and 0.4 days in the United Kingdom. The lesser days generally reflect a waiting period for mandated coverage.

The United States is the only country that does not provide paid sick leave for a worker undergoing a fifty-day cancer treatment. Luxembourg and Norway provide full pay for the 50 full-time equivalent working days missed, while others provide less: Finland (47), Austria (45), Germany (44), Belgium (39), Sweden (38), Denmark (36), Netherlands (35), Spain (33), Italy (29), Greece (29), Japan (28), France (24), Canada (22), Ireland (17), Iceland (17), Switzerland (15), Australia (10), the United Kingdom (10), and New Zealand (5).

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<sup>1</sup> The 1993 Family and Medical Leave Act requires a subset of employers (those with 50 or more employees) to provide a subset of employees (those who have worked for their employer for at least 1250 hours in the 12 months prior to the leave) with *unpaid* leave to address a subset of circumstances, when a close family member (limited to a child, parent, or spouse) has a “serious health condition” (not a common illness). See <http://www.dol.gov/esa/whd/fmla/finalrule/NonMilitaryFAQs.pdf>.

## Introduction

This report reviews the paid-sick-day and paid-sick-leave policies<sup>2</sup> in 22 countries and analyzes the effects of these policies on the rights and benefits for workers with illnesses.<sup>3</sup> Policies covering short-term illnesses are complicated and differ widely across the countries we examine. To simplify our presentation of national laws, we concentrate on how national paid-sick-day and paid-sick-leave policies affect workers in two distinct situations. We first look at a worker suffering from the flu and who must miss five days at work and then at a worker with a more serious illness, such as cancer, who must undergo a treatment that requires a fifty-day absence from work. Examining these two important examples of health problems that would require time off from work allows us to assess the adequacy of coverage for a range of health issues a worker might face.

## Why Paid Sick Days and Paid Sick Leave Matter

### The Health of Working Americans and Their Families

If there is no policy for taking paid time off for illnesses, many workers continue to go to work when they are sick,<sup>4</sup> jeopardizing their own recovery and health. Research has shown that taking adequate time to rest and recuperate when sick encourages a faster recovery and helps prevent minor health conditions from progressing into more serious illnesses.<sup>5</sup>

If working adults are able to stay home when they are sick, they are less likely to spread infectious diseases to adults they work with.<sup>6</sup> As just one example, the spread of infectious disease at the workplace is the reason that the U.S. Centers for Disease Control and Prevention recommended that Americans with influenza – a disease that leads to 200,000 hospitalizations and over 36,000 deaths in an average year<sup>7</sup> – stay home when they are sick.<sup>8</sup> Conservatively estimated, at least 20 million Americans go to work sick because of a lack of sick leave.<sup>9</sup> With the recent outbreak of

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2 We use the term “paid sick days” to refer to short-term leave for health-care appointments, to deal with short-term illnesses and injuries, and to address periodic short-term health needs related to chronic health conditions. The term “paid sick leave” is used to refer to longer-term medical leave such as that needed for serious health conditions that require lengthier treatment and recovery periods. We use the term “paid sick days and leave” to refer to both of these policies together. In many countries, paid sick days are covered by employer mandate and paid sick leave by social insurance.

3 For a previous investigation of the economic feasibility of paid sick leave, see Earle and Heymann (2006).

4 Lovell (2004).

5 This literature is reviewed in Earle and Heymann (2006).

6 Skatun (2003), Lovell (2004).

7 Centers for Disease Control and Prevention (2006a).

8 Centers for Disease Control and Prevention (2006b).

9 There are two good sources available for estimating the number of workers who go to work when they are sick. Twenty million represents a lower bound estimate. National data show a 15 percentage-point gap in the number of workers who go to work sick depending on whether they reported their company provided paid sick leave. (Those with paid sick days are less likely to go to work sick.) However, many Americans, who in theory receive paid sick days, are still financially penalized at work and thus went to work when they were sick. In this same national survey, 11% reported they lost a job because of taking time off for illness and 11% say they or a family member have been “fired, suspended or otherwise penalized for taking time off for illness.” (Smith, 2008). A two-state survey of adults from Florida and Ohio asked employed adults directly whether they had gone work sick because of fears about financial penalties. Nearly half said yes. If these figures held for the national population, it would mean over 70 million Americans are going to work sick (Silberner, 2008).

H1N1 influenza, public health officials again are recommending that adults stay home from work when they are sick and that children stay home from school if they have symptoms. The ability to stay home is dramatically affected by whether the infected adult or the sick child's parent has paid sick days. Parents with paid sick days are five times more likely to be able to care for sick children at home than similar parents who do not have paid sick days. Parents with paid sick days are also more likely to provide preventive health care.<sup>10</sup>

In health care and service settings, providing paid sick days to employees also helps to protect the health of patients and customers. For example, nursing homes that provide their employees with paid sick days have lower rates of respiratory and gastrointestinal illness among the patients they serve.<sup>11</sup>

Moreover, paid-sick-day policies are also important to the ability of working Americans to meet the health needs of their children.<sup>12</sup> Sick children have shorter recovery periods, better vital signs, and fewer symptoms when their parents share in their care. Yet without paid sick days, parents, especially resource-poor parents, may have little choice but to miss needed doctors' appointments or to have sick children stay home alone where they risk missing or improperly managing medications and may not be able to obtain emergency help. Lack of paid sick days places not only the health of working Americans' own children at risk but that of other children.<sup>13</sup> When parents lack paid sick days, they are far more likely to send their sick children to child care and school.<sup>14</sup> Children sent to day care when they are sick with contagious diseases exacerbate the higher rate of observed infections in day-care centers, including higher rates of respiratory and gastrointestinal infections.

Finally, paid sick days and leave influence the ability of working Americans to care for their aging parents. When sick adults receive support from family members, they have substantially better health outcomes from conditions such as heart attacks<sup>15</sup> and strokes.<sup>16</sup> Elderly individuals also live longer with family support.<sup>17,18</sup>

## The Health of the Economy

Paid sick days and leave have as substantial an impact on the finances of working Americans and their families as on their health. Without paid sick days and leave, working adults are placed at risk economically, experiencing wage and job loss when they take time off to care for their own health or to provide care for family members.<sup>19</sup> Immediate economic effects are due to wage loss in the absence of paid sick days and leave. Many households, already economically threatened, cannot afford the one-to-two weeks of wage loss due to the wage earner's illness and that of immediate family members that typically occur in a given year. Long-term economic effects include the risk of job loss. As just one example, in a study of nurses, most of whom were middle class, paid sick days were the only benefit significantly associated with an increased likelihood of returning to work after

10 Heymann et al (1999).

11 Li et al. (1996).

12 This literature is summarized in detail in Heymann (2000).

13 These studies are described in detail in Heymann (2000).

14 Heymann, Vo, and Bergstrom (2002).

15 Bennet (1993), Gorkin et al. (1993).

16 Tsouna-Hadjis et al. (2000).

17 Seeman (2000), Berkman (1995).

18 These studies are described in detail in Earle and Heymann (2006).

19 This literature is reviewed in Heymann (2000).

developing heart disease or having a heart attack. Nurses with paid sick days were 2.6 times more likely to be able to return to work after a heart attack or angina.<sup>20</sup>

While companies incur some costs from providing paid sick days and supporting paid leave, they also accrue financial benefits. Firms that provide paid sick days and leave tend to have lower job turnover rates, lower recruitment and training costs, lower unnecessary absenteeism, and a higher level of productivity than firms that do not offer these kinds of benefits.<sup>21</sup> This is because individuals who are ill cannot work at full capacity, and output and production are reduced for themselves and their co-workers as a result of going to work sick.<sup>22</sup> When workers don't take time off to address illnesses at their onset, they often end up taking longer absences as conditions worsen.<sup>23</sup> Moreover, when workers come to work with contagious illnesses, they spread them to co-workers, increasing the pool of absent or low-productivity workers.

## Where the US Stands in Comparison to Other Top Economies

### This Study

This study analyzes paid-sick-day and paid-sick-leave policies in the United States and 21 other countries that are also highly ranked in terms of standard of living and human development according to the United Nations' Human Development Index (HDI).<sup>24</sup> A majority of the countries are in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The remaining countries are located in other parts of the world: Australia, Canada, Japan, and New Zealand.

To assess each countries' current paid-sick-day and paid-sick-leave policies, we reviewed a range of primary and, where necessary, secondary sources. Our primary source is original labor codes and other labor-related legislation. The vast majority of the legislation reviewed was accessed through NATLEX, a global database of labor, social security, and human rights legislation maintained by the International Labor Organization (ILO). We also reviewed legislation, labor codes, and official summaries of the main features of leave laws located on national government websites and through web searches as well as summaries posted by well-respected international organizations, including the ILO, the Organization for Economic Cooperation and Development (OECD), the European

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20 Earle, Ayanian, and Heymann (2006).

21 Lovell (2005), Levin-Epstein (2007).

22 CCH Incorporated (2003).

23 Grinyer and Singleton (2000).

24 Our sample consists of those countries that score at least 0.94 on the Human Development Index (HDI), "a summary composite index that measures a country's average achievements in three basic aspects of human development: health, knowledge, and a decent standard of living. Health is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and tertiary gross enrollment ratio; and standard of living by GDP per capita (PPP US\$)" (<http://hdr.undp.org/en/statistics/faq/question,68,en.html>). The Human Development Index (HDI) is calculated yearly by the United Nations for 177 countries and areas with sufficient data and reported in their annual Human Development Reports. See United Nations Development Programme, Human Development Report, "Human Development Indices - A statistical update 2008", Table 1).

Union (EU), and the United States Social Security Administration (which produces the *Social Security Systems Throughout the World* country reports), as well as a small number of academic studies. To the best of our knowledge, the policies described here are the ones in effect in each country at the beginning of 2009. Further information on sources and details is available in Rho, Schmitt, Earle, and Heymann (2009).

## National Legislation

The 22 countries we examine here use a variety of policies to support workers with illnesses while they are unable to work. Some require employers to cover workers' pay while they are out sick (Australia, Netherlands, New Zealand, Switzerland, and the United Kingdom); others operate social-insurance systems where the government covers sick pay out of tax revenues (Canada, France, Ireland, Italy, and Japan); most use a hybrid of employer mandates and social insurance (Austria, Belgium, Denmark, Finland, Germany, Greece, Iceland, Luxembourg, Norway, Spain, and Sweden).<sup>25</sup> Some national systems include an initial waiting period, ranging from one to fourteen days, before mandatory employer or government-insured paid sick days or paid sick leave take effect.<sup>26</sup> The share of usual earnings that are replaced by paid sick days and leave also varies substantially, from full pay (Luxembourg and Norway, for example) to only a small fraction (Australia, New Zealand, and the United Kingdom, for example). **Table 1** outlines the main features of national systems and **Table 2** summarizes the financial supports provided to workers during their absence from work.

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25 See Table 1 for a summary of the structure of paid-sick-days systems in the 22 countries. Details on the systems in each country are available in Rho, Schmitt, Heymann, and Earle (2009).

26 Employers can and often do offer paid sick days from the first day of illness, either as company policy or through collective-bargaining agreements. Below, we examine non-mandatory employer-provided paid sick days and leave in the United States. In the rest of the 21 countries, we only consider legally mandated or government-funded programs.

**TABLE 1**  
**Main Features of National Paid-Sick-Day and Paid-Sick-Leave Systems in 22 High HDI Countries**

Country	Source of Payment		Minimum Job Tenure Requirement		Benefit Variations*
	5-Day Flu	50-Day Cancer	5-Day Flu	50-Day Cancer	
Australia	E	E	None	None	None
Austria	E	E & SI	None	None	Payment amount depends on job tenure after 5 years of service.
Belgium	E (white-collar)	E & SI	None	120 hours in 6 months immediately prior to illness (SI)	None
Canada	None	SI	N/A	600 hours work in the last 52 weeks or since last claim	None
Denmark	E (private-sector); SI if not E	E & SI	72 hours during 8 weeks of service (private-sector)	120 hours in 13 weeks immediately prior to illness	None
Finland	E	E & SI		1 month	50% if less than 1 month (E); Amount of SI benefits vary by income.
France	SI	SI	800 hours in preceding 12 months (200 hours of which in first three months)		If employed for less than 12 months (200 hours in the preceding three months), benefits paid for six months
Germany	E	E & SI	4 weeks of service		None
Greece	E-SI (50-50)	E & SI	1 year of service		If less than one year, 100% pay for 2 weeks only. Duration of benefits thereafter depends on insurance contributions.**
Iceland	E	E & SI	1 month	1 month (E); 2 months (SI)	Duration of payment depends on job tenure.
Ireland	SI	SI	104 weeks of insurance contributions		Duration of payment depends on insurance contributions; amount of payment depends on income.
Italy	SI	SI	None	None	None
Japan	None	SI	N/A	2 months of service	None
Luxembourg	E (SI refunds 80%)	E (SI refunds 80%)	None	None	None
Netherlands	E	E	None	None	None
New Zealand	E	E	6 months of service		None
Norway	E	E & SI	4 weeks of service		None
Spain	E (SI refunds)	SI	None	None	None
Sweden	E	SI	1 month of service or 14 consecutive days of work before illness		None
Switzerland	E	E	3 months of service		Payment amount depends on job tenure.
United Kingdom	E	E	None	None	SI benefit amounts depend on the phases of sickness assessment and the age.
United States	None	None	N/A	N/A	None

Note: E refers to employer-sponsored paid sick days; SI refers to social insurance.

\*See Rho, Schmitt, Earle, and Heymann (2009) for more details on benefit variations for each country.

\*\*Insurance contribution and tenure requirements are two separate cases. A worker with one month of employment with the same employer, for example, may have more than one month of insurance contributions due to prior employment.

Source: See Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each country.

**TABLE 2**  
**Financial Supports in National Paid-Sick-Day and Paid-Sick-Leave Systems in 22 High HDI Countries**

Country	Sickness Pay	Social Insurance Benefit Ceiling	Waiting Period (calendar days)
<b>Australia</b>	10 days (100%, E)	None	0
<b>Austria</b>	6 weeks (100%, E), additional 4 weeks (50%, E) (25%, SI); SI benefits continue for 52 weeks (50%, 60% after 6 weeks)	€3,930 per month	0 (E); 3 (SI)
<b>Belgium</b>	1 month for white-collar workers (100%, E), 7 days for manual workers (100%, E) up to 2 weeks (60% plus supplemental, E); if still ill, up to 1 year (60%, SI)	€112.87 per day	0 (E); 1 (SI)
<b>Canada</b>	12 weeks of job protection (unpaid); 15 weeks (55%, SI)	CAD \$42,300 per year	14 (SI)
<b>Denmark</b>	2 weeks for private-sector (100%, E, reimbursed by SI for 2 more weeks); if still ill, 52 weeks in an 18-month period (61.7%, SI)	DKK 3,515 per a 37-hr work week	0
<b>Finland</b>	First 9 days (100%, E); if still ill, 300 days in a 2-year period, excluding Sundays (92.7%, SI)	70% x 1/300 earnings for low earners; €66.27 plus 40% x 1/300 earnings at median.	0
<b>France</b>	12 months in a 3-year period (50%, SI)	€47.65 per day	3 (SI)
<b>Germany</b>	6 weeks (100%, E); if still ill, 78 weeks in a 3-year period (70%, SI)	Up to 90% of net salary	0
<b>Greece</b>	2 weeks (100%, E&SI) (50%, E during waiting period); if still ill, from 180 to 720 days (50.5%, SI)	€15.68 per day for first 15 days, €28.81 thereafter	0 (E); 3 (SI)
<b>Iceland</b>	12 days per year (100%, E); from 15th day (if illness lasted >20 days), up to 52 weeks in a 2-year period (ISK 1,000 plus twice the 270 for 2 dependents, 13.5%, SI)	Flat rate of ISK 1,000 per day	0 (E); 14 (SI)
<b>Ireland</b>	Up to 52 weeks (36.6%, SI)	Flat rate of €204.30 per week.	3 (SI)
<b>Italy</b>	First 20 days (50%, SI); from 21st day, up to 180 days (66.7%, SI)	None	3 (SI)
<b>Japan</b>	Up to 18 months (60%, SI, serious illness only)	None	3 (SI)
<b>Luxembourg</b>	First 77 days (100%, E(80% reimbursed by SI)) until the end of the month during which the 77th day occurs.	None	0
<b>Netherlands</b>	2 years (70%, E), min. wage not guaranteed in the 2nd year.	None	0
<b>New Zealand</b>	5 days in a 12-month period (100%, E)	None	0
<b>Norway</b>	16 calendar days (100%, E); if still ill, up to 52 weeks (100%, SI)	None	0
<b>Spain</b>	First 16 days (60%, SI refunds E); from 16th to 20th day (60%, SI); 21st day up to 12 months (75%, SI), extension up to 18 months	75% of earnings up to €3,074.10 per month	3 (SI)
<b>Sweden</b>	First 14 days (80%, E); if still ill, up to 364 days over a 15-month period (80%, SI); extension possible up to 550 days (75%, SI); for more serious illness, no formal max (70%, SI).	SEK 321,000 per year	1 (E), 0 (SI)
<b>Switzerland</b>	3 weeks (100%, E)	None	0
<b>United Kingdom</b>	Up to 28 weeks (£75.40, 20.3%, E), if still ill, 13 weeks of assessment phase and additional periods of main phase (SI).	Flat rate of £75.40 per week for 28 weeks	3 (E), 3 (SI)
<b>United States</b>	None	N/A	N/A

Note: For full-time worker with six months or more job tenure and national median earnings (and, where relevant, with two dependents). Per-year basis if not noted otherwise. For Denmark, Finland, Greece, Iceland, we use the 2005 average worker earnings; for Ireland, average production worker earnings (as specified in OECD, 2007, p.185); for United Kingdom, 2008 weekly median wage (retrieved from UK office for National Statistics) to calculate full-time equivalent wage replacement rate. In Australia, Finland, France, Greece, Ireland, Switzerland, and United Kingdom, amounts of benefits vary by job tenure, insurance contributions, income, or age. See Table 1.

Source: See Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each country.

In order to facilitate comparisons across these often very different policies, we have asked how national policy would treat an identical worker facing two different illnesses in each country. The worker we follow: receives the national median earnings<sup>27</sup> (since benefit rates sometimes depend on a worker's level of earnings); has been with the same employer for six months (eligibility sometimes depends on past employment history, including in some cases time with current employer); works full-time (in some cases benefits vary by number of hours worked); is in a workplace with 25 or more employees (in the three U.S. cities with paid-sick-day laws, entitlements vary by establishment size); and has two dependents (in a few cases benefit levels increase with the number of dependents).

We analyze the impact of national policies on this typical worker in two different circumstances. In the first case, we calculate the total full-time equivalent<sup>28</sup> pay the worker would receive if he or she is out of work for five days with the flu. In the second case, we tally the full-time equivalent pay the same worker would receive if he or she is out of work for fifty days while undergoing cancer treatment.

### Five-Day Flu

**Figure 1** presents the results for both policy experiments. Starting with the case of a five-day flu, the figure shows the portion of a worker's earnings over the five-day absence that are replaced by the national paid-sick-day system in each country. If a country requires employers to compensate sick workers with a full day's pay for all five days, the full-time equivalent days displayed in the figure would be five. If a country excludes payment for the first day, but pays subsequent days out of a social-insurance fund at full pay, then the full-time equivalent payment in the figure would be four days. If a country guarantees 70 percent pay for all paid sick days, then the figure would show 3.5 days (5 days times the 70 percent replacement rate).

U.S. law provides no financial support for a worker with a five-day flu. Canada and Japan are the only other countries of the 22 analyzed here that also have no mandated support for workers. Japanese law provides paid sick days for "serious" illnesses (lasting up to 18 months), but Figure 1 assumes that the five-day flu would not rise to the serious illness standard.<sup>29</sup> In Canada, decisions regarding job protection are made at a provincial level due to the federal division of powers, though long-term illness insurance is provided federally and described below.<sup>30</sup>

Eleven countries – Australia, Austria, Belgium, Denmark, Finland, Germany, Iceland, Luxembourg, New Zealand, Norway, and Switzerland – give the typical worker full pay while recovering from a five-day illness. In Greece and the Netherlands, workers receive the equivalent of 3.5 days pay when they are out sick for five consecutive days.<sup>31</sup> In Sweden, paid sick days cover 3.2 days of pay during a five-day illness.

Workers are guaranteed a smaller share of pay in the rest of the countries: Spain (1.2 days out of five), France (1), Ireland (0.7), and the United Kingdom (0.4). Payments are less generous in these

27 See Appendix for further details.

28 See Appendix for more information on calculating full-time equivalent paid sick days.

29 And in any event, the serious illness protection under the Employees Health Insurance Program (Shakai Hoken) has an initial three-day waiting period before payment begins.

30 Chaussard, Gerecke, and Heymann (2008).

31 In the Netherlands, workers receive 70 percent of pay from the first day of illness. In Greece, workers receive 50 percent of pay for the first three days and full pay for the last two. In Sweden, workers are entitled to receive 80 percent of pay, but there is no legal guarantee of payment for the first sick day. For full details for these three and all other cases, see. Rho, Schmitt, Earle, and Heymann (2009).

countries primarily because they provide no legal guarantees of pay during the first three days of illness-related absences.

As **Figure 2** shows, for low-wage workers earning half the median national earnings, the full-time-equivalent benefits are more generous in Ireland (rising from 0.7 to 1.5 paid FTE days) and the United Kingdom (increasing from 0.4 to 0.8 FTE days).

Figures 1 and 2 exclude voluntary employer policies or collectively bargained agreements covering paid sick days. Below, we present evidence from survey data on the extent of employer-provided and collectively bargained paid sick days in the United States.

### **Fifty-Day Cancer Treatment**

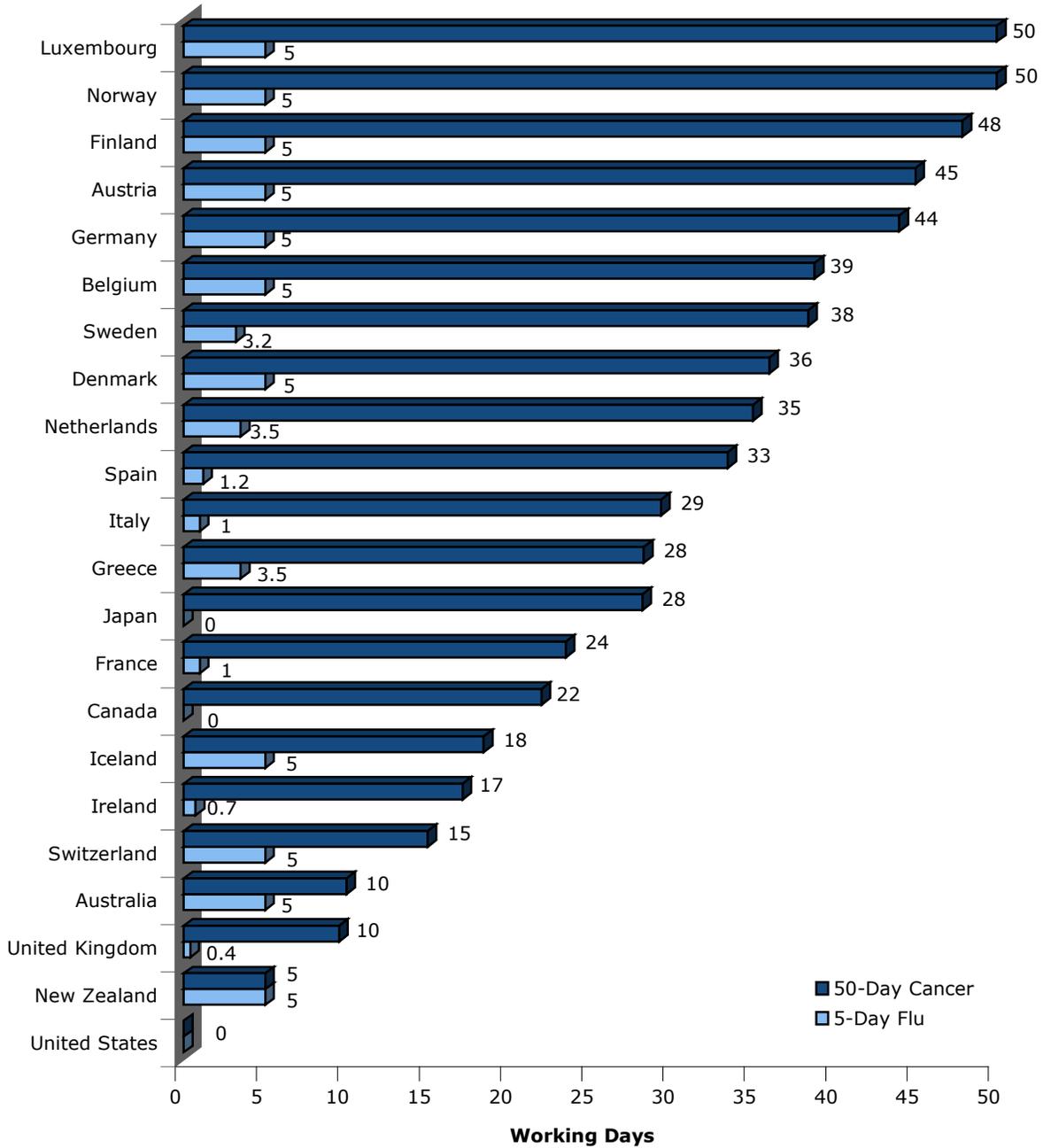
Figure 1 also summarizes the full-time-equivalent benefits paid to a worker who is absent from work for 50 working days, as might occur in the case of treatment for an illness such as cancer. In this case, the United States is the only country that has no guaranteed paid sick leave. Luxembourg and Norway provide full pay for the 50 missed days. Three more countries also mandate more than 40 days: Finland (47), Austria (45), and Germany (44); ten countries guarantee between 20 and 40 days of full-time equivalent earnings: Belgium (39), Sweden (38), Denmark (36), Netherlands (35), Spain (33), Italy (29), Greece (29), Japan (28), France (24), and Canada (22). The rest mandate at least five days: Iceland (17), Ireland (17), Switzerland (15), Australia (10), the United Kingdom (10), and New Zealand (5). In most of the countries, government social-insurance programs rather than employer mandates cover most of the costs of paid sick leave in the case of a fifty-day absence.<sup>32</sup>

In six countries, paid sick leave available to low-wage workers is even more generous than it is for the typical worker (see Figure 2). A low-wage worker earning only half of the national median and facing a fifty-day absence from work receives 50 FTE paid days in pay in Greece and Denmark, compared to 28 for the median worker in Greece and 36 for the median worker in Denmark. In Ireland, a low-wage worker is entitled to 34 paid days, compared to 17 for a worker at median earnings; in Iceland, a low-wage worker receives 25 paid days, compared to 18 for the median worker; in the United Kingdom, there are 19 days for the low-wage worker, compared to 10 for the worker at the median. In Finland, the advantage for low-wage workers is smaller because the benefits are high for all (50 weeks compared to 48 at the median).

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<sup>32</sup> Sources and details on the systems in each country are available in Rho, Schmitt, Earle, and Heymann (2009).

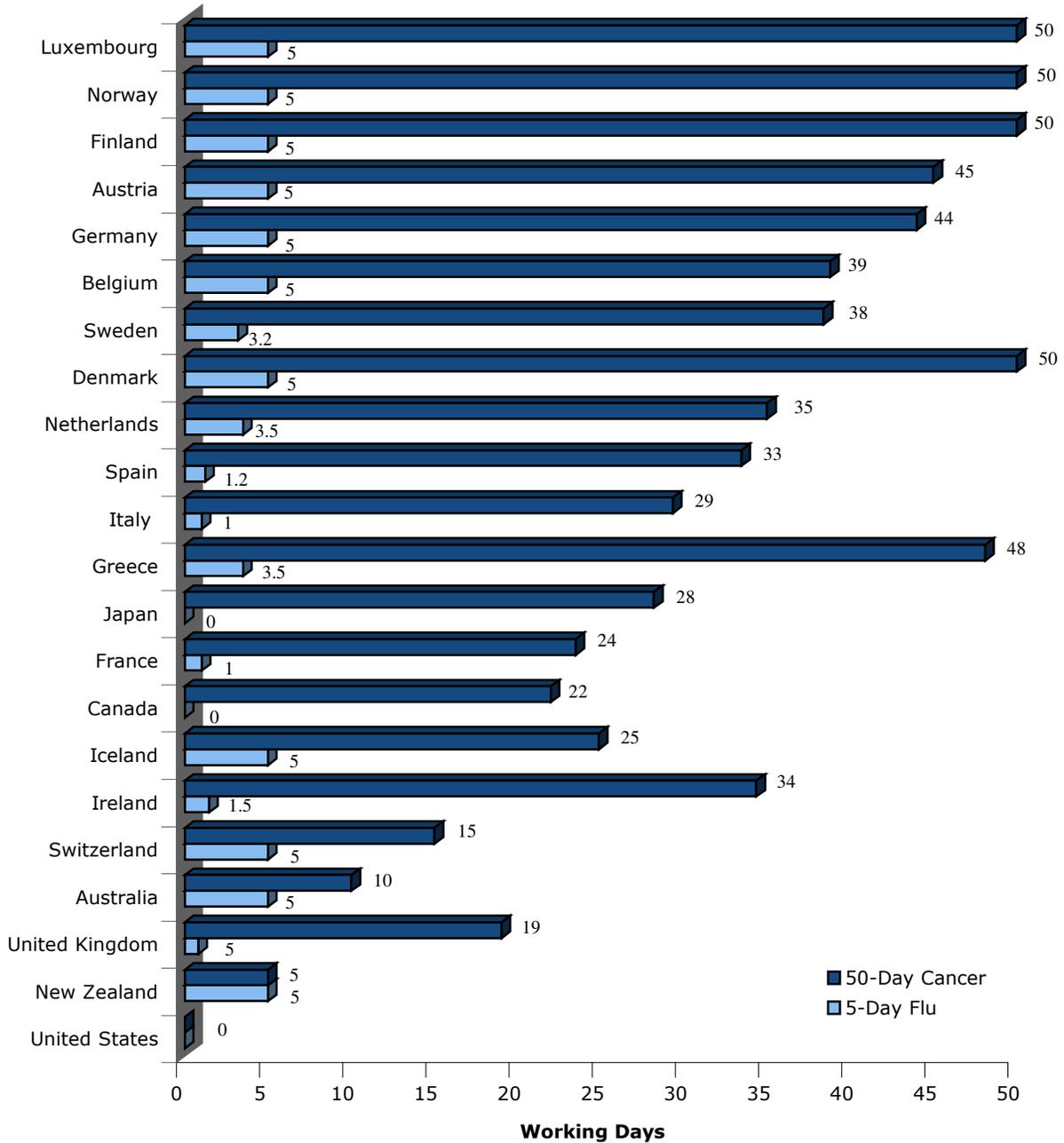
**FIGURE 1**  
**Paid Sick Days and Leave in 22 Countries, Worker at Median Earnings**  
 (Full-time equivalent working days)



Notes: For full-time worker with six months or more job tenure, earning the national median, and, where relevant, with two dependents.

Sources: See Appendix for more information on calculating full-time equivalent paid sick days. See Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each country.

**FIGURE 2**  
**Paid Sick Days and Leave in 22 Countries, Worker at Half the Median Earnings**  
 (Full-time equivalent working days)



Notes: For full-time worker with six months or more job tenure, earning half the national median, and, where relevant, with two dependents.

Sources: See Appendix for more information on calculating full-time equivalent paid sick days. See Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each country.

## Beyond Federal Mandates: State and Local Policy and Voluntary Steps by Firms in the United States

The United States is the only country of the 22 studied here that has no legal provisions for paid sick days or leave of some form. In this section, we review the impact of employer policies and state and local legislation on the availability of paid sick days and leave in the United States.<sup>33</sup> The existing patchwork of employer policies and state and local legislation leaves a large portion of the workforce without paid sick days and leave. Low-wage and part-time workers, who are disproportionately women, appear to be particularly likely to be without paid sick days and leave.

### Employers

According to the most recent available data from the Bureau of Labor Statistics' National Compensation Survey (NCS) (covering March 2008), 39 percent of private-sector workers in the United States have no paid sick days or leave.<sup>34</sup> The availability of paid sick days and leave varies widely by worker characteristics. Only 27 percent of part-time private-sector workers have paid sick days or leave, compared to 71 percent of full-timers. Low-wage workers are also much less likely to have paid sick days or leave than higher wage workers. Only one-in-four (23 percent) private-sector workers in the bottom 10 percent of the wage distribution in their occupation, for example, have paid sick days or leave, compared to more than 8-in-10 (83 percent) workers in the top 10 percent of their occupational wage distribution. Private-sector workers at small establishments are also less likely than workers at larger establishments to have paid sick days or leave. At establishments with between one and 49 employees, for example, only about 51 percent of workers have paid sick days or leave, compared to 78 percent at establishments with 500 or more workers. Non-union workers are also less likely to have paid sick days or leave (60 percent) than workers who are in unions (66 percent).<sup>35</sup>

These BLS estimates drawn from the NCS, however, almost certainly overstate paid-sick-day coverage in the United States.<sup>36</sup> As Lovell (2007) has noted, “[t]he NCS data are on whether *jobs* are covered by a paid sick days policy; incumbents in those jobs may not yet have met employer-imposed eligibility thresholds related to job tenure.”<sup>37</sup> After Lovell adjusts for the share of workers in each occupation that have been on the job for less than the average minimum requirement for paid-sick-day eligibility, she finds a lower rate of paid-sick-day coverage than the BLS reports.<sup>38</sup> Using 2006 data, Lovell’s adjustment appears to reduce coverage by about four percentage points. If we add four percentage points to the 39 percent non-coverage rate from the raw NCS data, the share of private-sector workers without paid sick days rises to 43 percent.<sup>39</sup>

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33 For more information, see Rho, Schmitt, Earle, and Heymann (2009).

34 Kramer and Zilberman (2008), Table 2. The BLS term refers to what we call paid sick days and paid sick leave here.

35 For other recent analyses of paid-sick-day coverage, see also: Clemans-Cope (2008), Hartmann (2007), Lovell (2004), National Partnership (2004), and Phillips (2004).

36 The NCS data cover both paid sick days and paid sick leave; we follow Lovell's treatment here, which treat the NCS data as referring to “paid sick days.”

37 Lovell (2007), p.4. Emphasis in original.

38 Beginning in 2008, the BLS also changed its methodology for determining paid-sick-day coverage, which had the effect of raising paid-sick-day coverage by one to two percentage points relative to the old methodology.

39 For the total private-sector workforce, see the Economic Report of the President (2009), Table B-46. The 49 million figure does not include any workers without paid sick days among: public employees at the federal, state, and local

Unfortunately, available data do not allow us to measure the generosity of employer-provided paid-sick-day and paid-sick-leave policies. The NCS data, for example, do not provide information on either the number of paid sick days available to workers or the rates at which those sick days are compensated. Comprehensive data were similarly unavailable on the voluntary provision by companies beyond the minimum legislated requirements in the 21 other countries. Even with these limitations, available data on coverage make clear that the voluntary system in the United States has left far more working men and women with no paid sick days or leave than the employer mandates and social insurance programs in comparable countries.

## State and Local Laws

Five U.S. states – California, Hawaii, New Jersey, New York, and Rhode Island – have legislation that provides eligible workers with temporary disability benefits that can provide paid sick leave for temporary illnesses that last longer than seven work days.<sup>40</sup> Three U.S. cities – Milwaukee, San Francisco, and Washington, D.C. – have also passed legislation requiring that most employers provide a limited number of paid sick days to most employees. **Table 3** summarizes the basic features of the five state and three city laws. **Figure 3** shows the generosity of the state and city plans for workers facing the same five-day flu or a fifty-day cancer treatment in Figures 1 and 2.

Since all five states exclude illnesses of less than eight days from coverage, all the state plans provide zero full-time equivalent days of pay for a five-day illness. However, three of the five states provide about six weeks of full-time equivalent pay for a worker that misses 50 days of work due to illness: New Jersey (31), California (29), and Hawaii (28). New York provides almost 11 days of full-time equivalent pay for a fifty-day absence. Rhode Island’s system grants 30 weeks of coverage, but at much lower benefit rates. As a result, the state’s system covers only about three days of full-time-equivalent earnings over a fifty-work-day illness.

The three city laws focus on shorter-term illnesses, with full costs of between three and ten paid sick days per year borne by employers. For a five-day flu, our representative worker, with six months of job experience in a firm of 25 employees, would receive full pay in Milwaukee and San Francisco as well as in Washington, D.C., although in the District of Columbia the law has important exemptions and conditions.<sup>41</sup> Since Washington, D.C., requires that a worker have one year of tenure with the same employer, our representative worker with only six months tenure is not eligible for paid sick days under the Washington, D.C., legislation. For a fifty-day cancer treatment, Milwaukee and San Francisco guarantee nine days of full-time-equivalent paid sick days (the maximum number of days required under both city laws); and, Washington, D.C., provides five days of full-time equivalent paid sick days.

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levels; agricultural workers; household employees; and the self-employed. Inclusion of these groups obviously raises the number of uncovered workers significantly.

40 Eligible workers will begin to use New Jersey’s paid-sick-day provisions beginning July 1, 2009.

41 As Table 3 states, employees must have worked one full-year and at least 1,000 hours during the 12-month period prior to illness before being eligible for paid sick days. In addition, the Washington, D.C., law explicitly excludes “health care workers who choose to participate in a premium program” and “restaurant wait staff and bartenders who work for a combination of wages and tips” (Council of the District of Columbia, 2008). The accrual rate and the annual maximum paid sick days also vary by firm size, with small employers required to provide fewer paid sick days than larger employers. Businesses with under 25 employees are required to provide three paid sick days, those with 25 to 99, five days, and those with 100 or more employees, seven days.

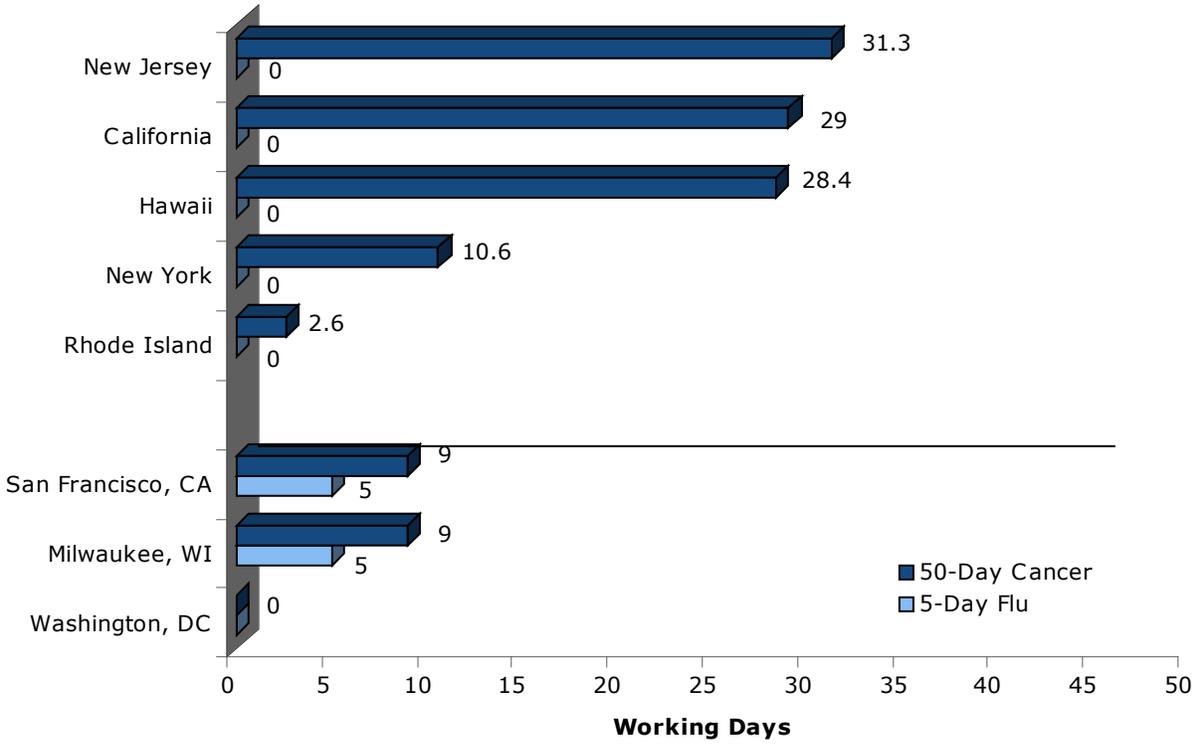
**TABLE 3**  
**Summary of State and Local Paid-Sick-Day and Paid-Sick-Leave Provisions in the United States**

	Qualifying Conditions	Source of Funding	Weekly Benefit Amount	Payment Duration	Waiting Period	
States providing Temporary Disability Insurance Programs (For 50-Day Cancer)	California	\$300 earnings during base period	Employee payroll deductions	\$50-\$959; 55% of average weekly earnings in the highest quarter of the base period	52 weeks	7
	Hawaii	14 weeks of HI employment, including 20 hours of pay; and \$400 earnings in the 52 weeks preceding the first day of disability	Employers, by purchasing insurance or self-insuring	\$1-\$510; 58% of average weekly earnings	26 weeks	7
	New Jersey	20 weeks of NJ employment with \$143 earnings; or \$7,200 earnings during base year period	Both employees and employers contribute	Up to \$546; 2/3 of average weekly earnings (based on last eight weeks)	26 weeks	7
	New York	4 consecutive weeks of work	Employers, by purchasing insurance or self-insuring; they may pay the entire cost or employees may contribute <=60 cents per week	Up to \$170; 50% of average weekly earnings (based on last eight weeks)	26 weeks	7
	Rhode Island	\$8,800 earnings in base or alternate base period	Financed entirely by employee payroll deductions	\$69-\$671; 4.62% of high quarter wages up to 85% of state's average weekly wage in preceding calendar year, plus the greater of \$10 or 7% of benefit rate for each dependent up to 5	30 weeks	7
<b>Rules for Payment Duration (by business size)</b>						
Cities with Paid Sick Days ordinance (For 5-Day Flu)	San Francisco	Accrual starts 90 days after the day of hire; if hired prior to Feb. 5, 2007, accrual started on Feb. 5, 2007.	Employers (provide full pay)	1 hr of leave per every 30 hr worked. If >=10 employees, up to 72 hrs of leave (9 days); if <10 employees, up to 40 hrs of leave (5 days)	0	
	Washington, D.C.	Accrual starts on the day of hire (after Nov. 13, 2008); access date starts after one year and 1,000 hours of work.	Employers (provide full pay)	If >=100 employees, 1 hr of leave for every 37 hrs worked (max 7 days); if 25>= employees >100, 1 hr of leave for 43 hrs (max 5 days); if <25 employees, 1 hr of leave for 87 hrs (max 3 days)	0	
	Milwaukee	Accrual will start on the day of hire, and on the day of ordinance implementation.	Employers (provide full pay)	1 hr of leave per every 30 hr worked. If >=10 employees, up to 72 hrs of leave (9 days); if <10 employees, up to 40 hrs of leave (5 days)	0	

Notes: Ordinance in Washington D.C. excludes a) health care workers participating in a premium pay program instead, and b) restaurant wait staff and bartenders who work for a combination of wages and tips. Ordinance in Milwaukee is currently on a temporary injunction.

Sources: See Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each state and city.

**FIGURE 3**  
**Paid Sick Days and Leave in the United States**  
 (Full-time equivalent working days)



Notes: For a worker with six months or more job tenure, earning the national median, in an establishment with 25 employees. In Washington D.C., employees can access the leave after one year of continuous service and 1,000 hours of work in a 12-month period immediately preceding the illness.

Sources: See Appendix for more information on calculating full-time equivalent paid sick days. See also Rho, Schmitt, Earle, and Heymann (2009) for specific sources of data for each state and city.

## Conclusion

Everyone is vulnerable to illness and injury. Unlike the rest of the world's rich economies, the United States relies on voluntary employer policies to provide paid sick days to employees with short-term illnesses. As a result, at least 40 percent of the private-sector workforce in the United States does not have paid sick days or leave.

The rest of the world's rich economies have taken a legislative approach to ensuring paid sick days or paid sick leave. Of the 22 rich countries whose labor law we analyze here, all but the United States guarantees some form of paid time off tied specifically to illness. The United States is the only rich country in the world that does not mandate any form of paid sick days or leave. As a result, each year millions of American workers go to work sick, lowering their own productivity and that of their coworkers and potentially spreading illness to their coworkers and customers. Other sick workers lose pay and risk job loss when they miss work to address personal and family health needs. Always critical, addressing this policy gap is more urgent in the current economic downturn.

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## Appendix: Full-time Equivalent Paid Sick Days

This reports uses full-time equivalent (FTE) paid sick days (or paid sick leave) to simplify the comparison of paid sick days and paid sick leave policies across our 22 high HDI countries. FTE paid sick days are calculated as the wage replacement rate multiplied by the duration of paid time off.

A number of countries provide paid sick days and paid sick leave at the same rate to all their workers (Iceland, Ireland, and the United Kingdom).

Some countries seek to save money by placing a cap on the amount paid for sick days and leave (Denmark and Greece). In these countries, lower paid workers receive a higher percentage of their earnings or higher FTE equivalent than higher paid workers. To provide the reader with an estimate of how many days the typical worker with median earnings and the low-wage worker with half median earnings would receive, we conduct estimates.

When calculating these FTE paid sick days, we make a few simplifying and standardizing decisions. In the absence of internationally comparable, recent data on median national earnings, we use internationally comparable data from the OECD on mean wages for 2005 (OECD, 2007), which we adjust in two ways. We increase the mean wage by 2005-2008 wage growth in each country (using OECD, 2008, Annex Table 11). We then multiply these estimated 2008 mean wage rates by 0.85 to create estimated 2008 median national earnings levels in national currencies.

If benefits through a social-insurance program have a waiting period and take effect after an initial employer-mandated leave, we assume that the waiting period for social-insurance benefits occurs during the initial employer-mandated period.

Finally, in order to facilitate the discussion of duration of leave, every leave in each country is standardized to a single time unit of ‘working days’, assuming that there are five working days per week for every country (we make necessary adjustments for countries that specify a different number of working days per week). In countries whose social-insurance fund provides daily sickness benefits on a calendar-day basis, we convert the sickness benefits to a working-day basis. For example, if a worker is paid a daily sickness benefit of \$100 for a calendar week, the worker would receive a total of \$700 in sickness benefits per week. When calculating full-time equivalent paid sick days, however, we calculate that the worker receives \$140 (\$700 divided by 5 working days) of sickness benefits per working day for five days.