

JUNE 2019

LEAVE AND FLEXIBLE WORKING

SHRM EMPLOYEE BENEFITS 2019

LEAVE AND FLEXIBLE WORKING BENEFITS

LEAVE BENEFITS HAVE SHOWN MODEST INCREASES IN 2019, ALTHOUGH PAID PARENTAL LEAVE HAS CHANGED LITTLE SINCE LAST YEAR. FIFTEEN PERCENT OF ORGANIZATIONS REPORT INCREASING LEAVE BENEFITS IN THE PREVIOUS TWELVE MONTHS. FLEXIBLE WORKING BENEFITS HAVE ALSO INCREASED MODERATELY, WITH TELECOMMUTING AND FLEXIBLE SCHEDULING BOTH TRENDING SLIGHTLY UPWARDS.

Leave benefits have remained a topic of ongoing discussion in the last several years. Paid parental benefits are one of the most discussed kinds of paid leave, as the U.S. does not federally mandate any amount of paid leave for parents of new children.

Although 2018 saw statistically significant increases on all types of paid parental leave, this year many of those changes had stabilized, with all types of paid parental leave remaining within two percentage points of their 2018 measure. Parental leave of all types will likely remain a topic of discussion through 2020, with elections bringing potential for changes in federal law.

Flexible working benefits have shown somewhat of an upwards trend, with part-time and full-time telecommuting on the rise. This rise in telecommuting, as well as tax code changes, may be impacting other benefit categories, as business travel and housing and relocation benefits are both showing declines.

Flexible scheduling is also trending upwards, with most benefits in the category returning to their 2017 measures after a decline in 2018. In particular, mealtime flex and compressed workweeks have risen by significant margins, to above their 2017 numbers.

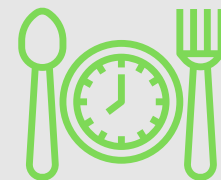
BIGGEST CHANGES BY PERCENTAGE SINCE 2018



FAMILY LEAVE ABOVE FEDERAL FMLA **INCREASED 6%**



PAID PERSONAL LEAVE SEPARATE FROM VACATION AND SICK LEAVE **DECREASED 5%**



MEALTIME FLEX **INCREASED 6%**



BETTER WORKPLACES BETTER WORLD

Paid leave is important for maintaining a happy workforce. Paid leave is associated with:¹



Increased productivity



Increased engagement



Better physical wellness



Positive employer brand

Vacation, Sick and Personal Leave

The vast majority, over 90 percent, of organizations offer paid leave of some type to their employees. In 2019, most organizations are doing this through a paid time-off (PTO) bank that combines both vacation and sick time.

The approach to paid leave and the leave available to employees is highly variable on employee classification. Though both exempt and nonexempt full-time employees generally have similar paid leave options from a plan perspective, paid leave benefits for part time workers are very different.

EMPLOYEE CLASSIFICATION CHANGES LEAVE AVAILABLE TO WORKERS

Open or unlimited leave, though the topic of much discussion for several years now, has not changed very much since 2016. For full-time employees, around 5% of organizations offer it as a benefit.

While open leave can sound very attractive to workers, there is research to suggest that leave of this type can have negative side effects to workers if organizations do not enforce mandatory minimums on annual leave taken.² Without guidelines to force employees to take leave, some workers will take less leave than they would have under another plan. This can result in burnout, lowered productivity, and higher turnover.³

VACATION, SICK, AND PERSONAL LEAVE BY EMPLOYEE CLASSIFICATION

	Paid Open/Unlimited leave	PTO including both vacation and sick	Standalone paid vacation leave	Standalone paid sick leave	Paid personal leave*
Full-time nonexempt	4%	61%	40%	37%	28%
Full-time exempt	6%	62%	40%	37%	30%
Part-time	1%	28%	20%	25%	12%

*Paid personal leave benefits as offered separately from paid vacation or sick leave

Paid Leave for New Parents

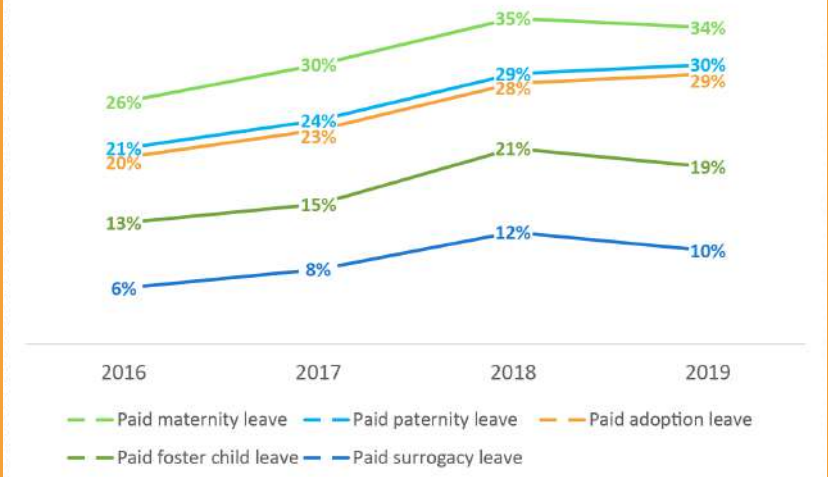
Paid leave for new parents has held steady from 2018, with no significant increases or decreases for any type of leave.

Paid paternity leave continues to rise, now only four percent away from the most common type of paid leave for new parents; maternity leave. Maternity, paternity, and adoption leave are all offered at about the same rate, but foster child and surrogacy leave are much more rare.

Around one-fifth of organizations report that they offer family leave (paid or unpaid) beyond the time required by federal and state FMLA, an increase of 5-6% since 2018. Though leave from FMLA is unpaid, it can still provide benefits to the employee through allowing them time for recovery of their health, bonding with their child, and other related activities.

Employers will likely continue to increase paid

TRENDS IN PAID LEAVE FOR NEW PARENTS



parental leave offerings, as more employees begin to demand them. Organizations with workforces comprised primarily of adults under 40, or those looking to recruit greater numbers of younger workers, will likely see even stronger pushes for paid parental and family leave. Older workers dealing with elder care responsibilities are likely to advocate for family leave that can be used to care for aging parents as well as dependent children.



Parental leave can come from a variety of sources, and organizations may have overlapping coverage from different policies. In general there are three main types of paid leave used by new parents; family leave, parental leave, and specific policies that cover each kind of parent or circumstance.

"PAID PARENTAL LEAVE CAN YIELD CHILD HEALTH BENEFITS IN THE SHORT AND LONG RUN"⁴

Organizations may choose between these types, and many organizations have multiple policies. Family leave is the most broad of the three, with paid family leave including paid absence to deal with family matters such as new children and sick parents or spouses.

Most organizations outline what kinds of relatives qualify under family leave policies, with some limiting employees to immediate family (partners, dependents, and parents), and others allowing employees to make the decision about who they feel qualifies as family. Parental leave often includes time to care for both new children and sick children and is generally limited to immediate dependents.

BETTER WORKPLACES BETTER WORLD

Paid family leave can strengthen communities:⁴



Higher take-up rates than unpaid leave; more families benefit



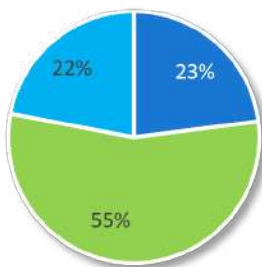
Improved infant and child long-term well-being outcomes



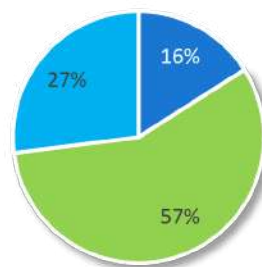
Improved population health

Sources of paid leave for new parents:

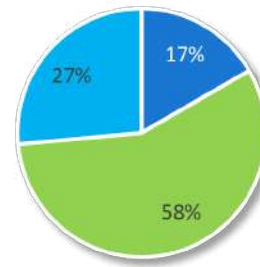
Maternity leave



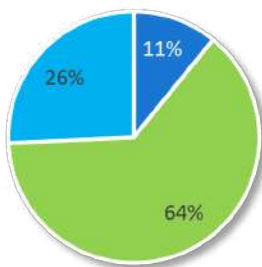
Paternity leave



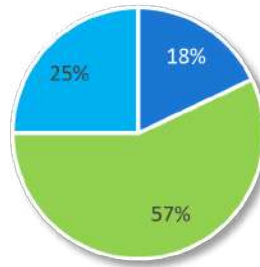
Adoption leave



Foster leave



Surrogacy leave



- Family leave
- Parental leave
- Specific leave

Most leave for parents of all types comes from family leave policies.

About one-quarter of leave for parents comes from parental leave policies.

For organizations that selected multiple options, (e.g. assembling leave from two or more policies) are reported in the broadest category they selected



FREQUENCY OF TELECOMMUTING BENEFITS BY ORGANIZATION SIZE

Small (1-99)	Medium (100-499)	Large (500+)
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69%	68%	71%
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Ad-hoc telecommuting

39%	37%	50%
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Part-time telecommuting

22%	23%	36%
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Full-time telecommuting

Telecommuting

Remote work continues to rise in popularity as a benefit, and as a result telecommunication of all types is increasing.

The largest increase in the past year has been in part-time telecommuting, which is now offered by over 40% of organizations, up 5% from 2018. Part-time telecommuters may work from a remote location several days a week year round, or may work remote full-time during certain parts of the year.

Organizations likely need to be prepared for more employee demand for part-time telecommuting arrangements, particularly as technology makes working from a distance more seamless.

Ad-hoc telecommuting is offered by a large majority of organizations, 69% in 2019, and full-time telecommuting is offered by over one-quarter of organizations.

Flexible Scheduling

Most flexible scheduling benefits saw minor increases in the past twelve months, gaining back losses from 2017-2018. Flextime during core business hours (allowing employees to choose their own work hours within core business hours) is offered by 57% of organizations. Nearly a third of organizations allow workers even more flexibility with flextime outside of core business hours.

Mealtime flex, break arrangements, and shift flexibility all increased around 5% since 2018. Flexibility benefits of this type may be particularly valuable to non-salaried employees, who are often subject to more stringent scheduling and punctuality expectations than other workers. Organizations with many workers of this type may consider instituting these benefits to allow their employees greater flexibility.



BETTER WORKPLACES BETTER WORLD

Other potential advantages to flexible work arrangements: ⁵

Employees



Reduced commuting time and cost

Employers



Boosts employee morale



Ability to work during hours that better suit natural energy cycles



Extended hours of operation for some departments

Compressed and four-day workweek benefits also saw minor increases in 2019. Compressed workweeks are now offered by one-third of organizations, and four-day workweeks of 32 hours or less per week are offered by 15%.

While four-day workweeks are still relatively uncommon, organizations that have implemented them report no decreases to productivity or revenue as a result. ⁶

In general, flexible work benefits are not equally suitable for all industries and job functions, as some organizations rely on workers completing tasks 24-hours a day, or at specific times.

For industries and functions without these limits, however, organizations should be prepared to continue offering greater flexibility options to their workforce.

Frequency Tables for Leave and Flexibility Benefits

SEE THE EXECUTIVE SUMMARY REPORT FOR A FULL INVENTORY OF BENEFITS OFFERINGS IN 2019

Leave Benefits

	2015	2016	2017	2018	2019
Holidays					
Paid holidays	98%	97%	97%	97%	96%
Floating holidays ^A	42%	39%	42%	40%	44%
Religious accommodation paid holidays ^B	20%	16%	17%	19%	20%
Vacation, Sick and Personal Leave					
Paid leave for the purpose of vacation (including PTO for the purposes of vacation and unlimited leave)	99%	97%	96%	96%	98%
Paid leave for the purpose of sickness (including PTO for the purposes of sickness and unlimited leave)	95%	92%	81%	79%	95%
Paid time off (PTO) including both vacation and sick time	—	—	—	—	62%
Paid personal leave (separate from paid vacation or sick leave)	27%	22%	34%	36%	32%
Paid open/unlimited leave	3%	3%	5%	5%	6%
Other Paid Leave					
Paid bereavement leave	86%	81%	79%	88%	89%
Paid jury duty beyond what is required by law	67%	64%	65%	64%	65%
Paid time off to vote	—	—	42%	44%	43%
Unpaid time off to vote ^C	—	—	33%	29%	31%
Paid military leave ^C	23%	19%	25%	21%	22%
Paid time off for volunteering	21%	21%	22%	24%	26%
Paid time off to serve on the board of a community group or professional association	18%	21%	20%	19%	19%
Unpaid sabbatical program	13%	12%	12%	10%	11%
Paid sabbatical program	5%	4%	5%	5%	5%
Leave for New Parents					
Paid parental leave	—	17%	20%	27%	27%
Paid paternity leave (Includes coverage by family/parental leave)	17%	21%	24%	29%	30%
Paid adoption leave (Includes coverage by family/parental leave)	17%	20%	23%	28%	29%
Paid maternity leave (Includes coverage by family/parental leave, other than what is covered by short-term disability or state law)	21%	26%	30%	35%	34%
Paid foster child leave (Includes coverage by family/parental leave)	—	13%	15%	21%	19%
Paid surrogacy leave (Includes coverage by family/parental leave)	5%	6%	8%	12%	10%
Parental leave above federal FMLA leave ^C	20%	16%	16%	14%	20%
Parental leave above state FMLA leave ^D	18%	15%	15%	14%	19%
Family and Elder Care Leave					
Paid family leave	27%	18%	21%	27%	24%
Family leave above federal FMLA leave ^C	26%	21%	21%	16%	22%
Family leave above state FMLA leave ^D	22%	18%	19%	14%	19%
Elder care leave above federal FMLA leave ^C	13%	10%	10%	10%	13%
Elder care leave above state FMLA leave ^D	12%	9%	9%	9%	12%
^A Taking time off that would have been allotted for a specific holiday on a different day, separate from personal days ^B Paid days off for religious holidays not offered by employer ^C Beyond the time that may be required by law ^D Beyond the time or paid leave that may be required by law					

Flexible Working Benefits

	2015	2016	2017	2018	2019
Telecommuting					
Telecommuting on an ad-hoc basis	56%	56%	59%	68%	69%
Telecommuting on a part-time basis	36%	31%	35%	37%	42%
Telecommuting on a full-time basis	22%	20%	23%	23%	27%
Flexible Scheduling					
Flextime during core business hours	52%	51%	54%	55%	57%
Flextime outside of core business hours	26%	28%	31%	27%	29%
Mealtime flex ^A	42%	43%	45%	41%	47%
Break arrangements ^B	37%	36%	36%	33%	37%
Compressed workweek	31%	29%	29%	27%	32%
Shift flexibility ^C	21%	24%	25%	22%	27%
4-day workweek of 32 hours or less per week (applies to all employees for all or part of the year)	—	—	13%	12%	15%

^A Making up time at some point during the day as a result of a longer meal break or allowing employees to leave early as a result of a shorter meal break)

^B Employees who generally can only take assigned breaks enter into an arrangement with their employers giving them more flexibility over when they take breaks)

^C Allows employees to coordinate with co-workers to adjust their schedules by trading, dropping or picking up shifts)

End Notes

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Methodology Note

Sixty-thousand U.S.-based SHRM members were invited by e-mail to participate in this survey, which was fielded March 31-April 30, 2019. There were 2,763 survey participants, yielding a response rate of about 5%.

For full survey methodology and demographic information, please see the Executive Summary report.

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