



Obama Orders Federal Contractors To Provide Mandatory Paid Sick Leave

Insights

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President Obama used Labor Day 2015 to send a strong signal about his domestic priorities, signing an Executive Order which will require federal contractors and subcontractors to provide their workers up to seven or more days of paid sick leave per year. Employers have some time to come into compliance, as the rule only applies to contracts that are solicited or awarded starting on January 1, 2017.

What Will The New Executive Order Require?

This new Executive Order ("Order"), signed by the President on September 7, 2015, will guarantee one hour of paid sick leave for every 30 hours worked by federal contract workers, and applies to both full-time and part-time employees. Officials estimate that this Order will affect about 300,000 workers who currently do not get paid sick leave. Of course, federal contractors are permitted to provide even more generous benefits and increase paid sick leave time offered to employees, which may become necessary in some cases to stay competitive in the marketplace. Employers who already provide paid time off will be able to take credit for this leave, as long as it can be used for the purposes and in the same manner as outlined in the Order.

How Can The Sick Leave Be Used?

The potential uses for the paid sick leave include not only time off for a worker's own health reasons, but also if the worker needs to care for a sick family member (including child, spouse, or domestic partner). It could also be used if the worker needs to take time off to recover from or otherwise deal with domestic violence, sexual assault, or stalking.

What Other Rules Will Be In Place?

Any paid sick leave accrued under the new Order but not used in a calendar year will carry over to the next year. Also, if an employee is reinstated within 12 months of being separated from a covered contractor, the accrued sick leave must be reinstated.

Employers can't force workers to find replacements for missed time, either. In fact, management cannot punish workers for not finding a replacement, and can't tell workers that they won't be able to miss work unless they find a replacement.

What Else Is On The Horizon?

This is just the latest salvo by President Obama designed to change the rules of the country's

workforce, certainly aimed at shoring up his relationship with unions. As the President has been unable to convince Congress to pass “pro-worker” legislation, he has taken to using his Executive Order power to impact those who work for federal contractors: banning retaliation against workers who discuss pay and compensation, prohibiting discrimination based on sexual orientation and gender identity, requiring higher wages, as well as imposing more data collection and reporting requirements on the federal contractors.

The President continues to push for a paid sick leave law that would apply to all private businesses across the country with 15 or more employees, although that does not seem likely to pass anytime soon given the current makeup of Congress.

If you have any questions about this Executive Order or how it may affect your business, please contact your Fisher Phillips attorney.

This Legal Alert provides an overview of a specific Executive Order. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

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