



**B<sup>2</sup>Squared Consulting, LLC**

Brian Blahnik, PHR

608-215-4325

[BcBlahnik@outlook.com](mailto:BcBlahnik@outlook.com)

[B-squaredllc.net](http://B-squaredllc.net)

## Human Resources Consulting Services

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### PTO Report

Paid time off (PTO) is paid leave bundled together into a predetermined number of days. Rather than receive separate allowances for sick days, personal days, and paid vacation time — like under a traditional paid leave policy — PTO is a single pool of paid time off that employees earn and accumulate, or accrue, over time. As PTO is any paid time away from work, employees use their earned and accrued time for everything. Whether they're taking summer vacations, recovering from a nasty cold, bringing their pet to the vet, it's all PTO.

Proponents of PTO say the uncategorized paid leave gives employees the autonomy to use time off as they'd like, rather than having to decide whether they're using a personal day or a sick day for the Monday after their vacation, just as an example. And eliminating the need to track various types of leave, PTO policies lessen the administrative burden on HR and managers.

Research by HR vendor Namely has shown that employees with unlimited PTO end up taking fewer vacation days than their limited PTO counterparts (13 days versus 15 days). Not taking enough time off can quickly lead to employee burnout and dissatisfaction.

A 2018 survey by Employers Council showed that unlimited PTO is on the rise, up 25% from 2016 to 2018. But critics say it's a marketing ploy to attract top talent, and that underuse is a bigger problem than overuse; with unlimited PTO, employees take less time off. That's because there's no template by which to judge an appropriate amount of time away from the office, so employees rely on workplace culture to inform their decisions.

'Unlimited Vacation' Isn't Unlimited - Unlimited vacation policies do not, in fact, allow employees to take an unlimited amount of time off. It's more of a marketing tool for recruiting talent than a literal interpretation of vacation policy. A company establishes certain parameters for appropriate use of unlimited vacation. "A handful of employees use four to six weeks of vacation," said one tech CEO. "If they are performing well, we don't care. If they are not performing well, we need to have a conversation" about vacation use.

As far as CEO's time off - vast amounts of unused vacation days are one reason more companies have been adding the "unlimited vacation" policies that have become popular with Silicon Valley startups, particularly for their groups of executive or professional employees. If there's no policy, then there's no bank of vacation time for employees to accrue or not accrue, said a partner who leads work-life consulting at Aon Hewitt.

"Many employers are doing this now for top tiers or executives," Aon said. They often have the kind of jobs where they aren't able to get away as much.

SHRM Customized Benchmarking Database '15 of 2,665 employers.

57% offered PTO, of that just 2% offered unlimited PTO.

Average PTO days offered per year = 18 days.

PTO days for five through nine years of service = 20

PTO days for 10 through 19 years of service = 24

PTO days for 20 or more years of service = 26

WorldatWork member survey 2019, with 557 responses.

41% offered PTO, of that just 4% offered unlimited PTO.

3-4 years of service = 19 days

5-6 years of service = 22

7-8 years of service = 23

9-10 years of service = 24

11-15 years of service = 26

16-19 years of service = 27

20+ years of service = 29

In '18 41% of NTCA companies offer PTO.

3rd year of service = 15.5 vs. 10.5 days of vaca.

5th year of service = 17 vs. 12 days of vaca.

10th year of service = 20.5 vs. 15.5 days of vaca.

15th year of service = 23.5 vs. 19 days of vaca.

20th year of service = 25.5 vs. 21 days of vaca.

The average number of days of PTO increase over time in small companies (<100 employees)

After 1 year = 9 days, After 5 years = 13, After 10 years = 15. BLS

Average number of PTO days by industry?

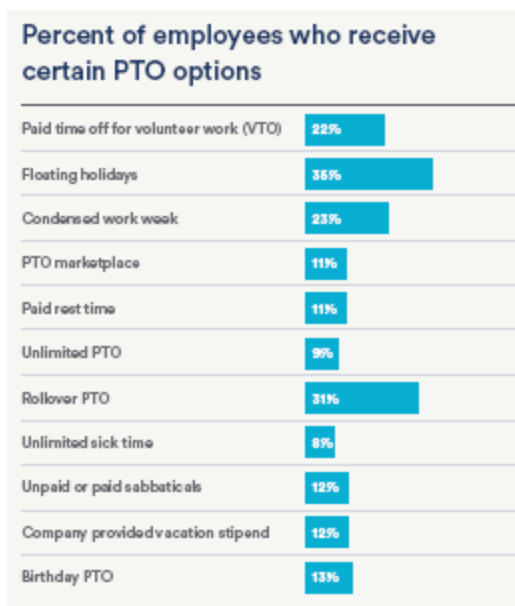
Telecommunications = 12.3, Finance / Banking / Insurance = 14.0, Internet (Including SaaS/Mobile) = 13.7, Computers (Hardware, Desktop Software) = 7.9, Business / Professional Services = 9.8. BLS

9 paid **holidays** are the norm in the United States. WorldatWork

Average **sick** leave accrued each year for NTCA companies 10 days. NTCA

The most common alternative PTO benefit is **floating holidays**, with 35% of employees receiving the perk. Zenefits

Nearly 3 out of 4 small business employees (74%) say PTO policies are an important consideration when assessing a new job or employer, according to a survey of 606 current employees of small businesses (companies with 500 or fewer employees) conducted by Zenefits.



New administration in DC will likely focus on labor laws...Get squared-away by calling your favorite HR Consultant today.

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