
Labor Department Issues Final Rule on Paid Sick Leave for Federal Contractors

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The U.S. Department of Labor recently issued its Final Rule implementing Executive Order 13706 requiring certain types of contractors with the federal government to provide their employees with up to 7 days (56 hours) of paid sick leave annually. The Final Rule will apply to covered contracts where the solicitation for such contract has been issued, or the contract has been awarded outside the solicitation process, on or after January 1, 2017.

There are several specific provisions in the Final Rule relating to coverage for employers and employees; excluded contracts; accrual of sick leave; and permitted use of sick time. In order to ensure compliance, the DOL recommends that employers with federal government contracts consider taking the following actions:

- Identify government contracts that may be awarded or be renewed, extended or amended on or after January 1, 2017, to determine if the contract is covered by the sick leave executive order and rule.
- Ensure all covered contracts contain the required contract clause located in Appendix A to the rule.
- Review and revise sick time or PTO policies and procedures that apply to covered workers to determine whether they satisfy the requirements of the executive order and rule, including those requirements pertaining to accrual, use, carryover, and all other provisions.
- Review attendance and other disciplinary policies to ensure that adverse actions are not taken against employees for using sick leave.
- Post the DOL's Workers Rights Under Executive Order 13706 poster, which is available on the DOL's website.
- Review and update timekeeping, payroll and benefits systems to verify that they will comply with the law's recordkeeping requirements.
- Review Collective Bargaining Agreements (CBAs) of covered employees to determine whether their leave provisions will satisfy the requirements of the executive order, and provide additional leave as required.
- If the CBA does not fully comply with all requirements of the rule, prepare for negotiating changes to CBAs before the CBA expires or January 1, 2020, whichever date is earlier.

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