



Paid Time Off Provisions In the Sheet Metal Industry

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Paid Time Off Arrangements in the Unionized Sheet Metal Industry

Paid time off arrangements have proliferated in recent years as states have enacted laws to provide sick time for workers otherwise not covered by employer-paid leave benefits. Since 2016, 18 states have enacted sick or medical leave for employees and family members, and to provide leave for employees who are seeking safety from domestic violence. The COVID pandemic prompted many states to enact laws providing paid sick leave for workers traditionally not covered by sick leave benefits. Although some states provide an exemption for employers that are subject to collective bargaining agreements (or even an exemption limited to employers in the “building and construction industry”), these laws often require collectively bargained leave programs to provide the state-mandated leave as a minimum. State mandated leave comes on the heels of Executive Order 13706, which requires employers to provide sick leave on federal Davis Bacon and related acts projects. In 2017, DOL began enforcement of the order which requires accrual of one hour of paid sick leave for every 30 hours worked up to 56 hours. For more information on Federal leave requirements on Davis Bacon jobs, click here: [Understanding DOL's Rules on Paid Sick Leave for Federal Contractors](#) . To access DOL's FAQ's on paid time off for federal work, click here: [Questions and Answers | U.S. Department of Labor \(dol.gov\)](#)

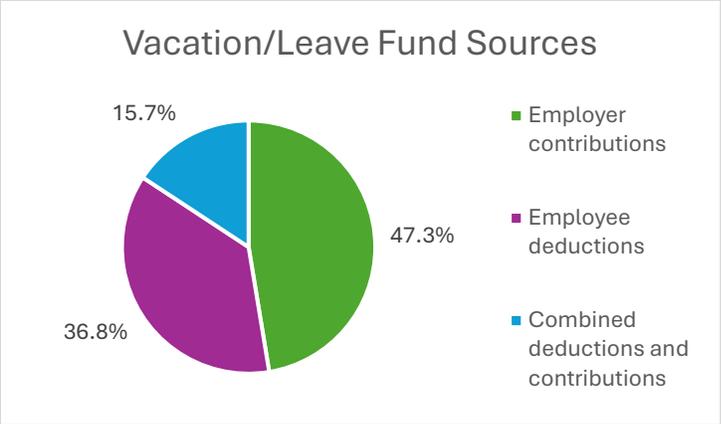
Historically, the sheet metal industry has accommodated sickness and vacation leave through employee deductions to a leave fund. With the increasing number of states requiring employers to provide paid leave, SMACNA looked at state paid leave mandates and surveyed its chapters on local Paid Time Off (PTO) provisions. The following is a compilation of survey results and leave arrangements, by region, along with state mandates.

Results of the survey

Funding

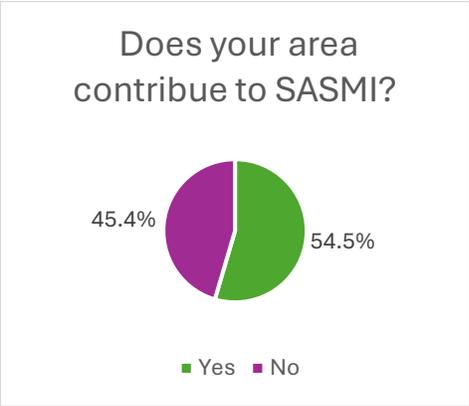
33 chapters responded to the paid time off survey. Respondents were asked whether contractors make contributions to a vacation/leave fund. 12 (36%) responded that they contribute to a vacation/leave fund in their area while 21 (64%) did not.

Funding for vacation/leave funds was mixed with 9 chapters reporting that funding was based on employer contributions. Seven areas reported that funds were collected from employee deductions and three areas reported a combination of employer contributions and employee deductions.



The amount contributed or deducted to fund time off varied widely between employer contributions and employee deductions. The average employer contribution was \$3.79, and the average employee deduction was \$1.13. Some chapters with employee deductions had varied deductions and one area reported a 12 percent deduction for time off. Of the chapters reporting combined deductions, one chapter reported a \$1.00 employee deduction for vacation and a \$.60 employer contribution for sick leave.

Eighteen chapters reported that their employers contribute to SASMI while 15 respondents do not have SASMI. Eleven chapters that do not have a leave fund make contributions to SASMI which provides maternity leave benefits. Five chapters with employer contributions to a leave fund also contribute to SASMI.



Local Leave Arrangements

SMACNA surveyed chapters on the type of leave funded through local vacation/leave funds and the number of hours of leave covered by the vacation/leave fund. Most chapters with a leave fund allow for the fund to be used for any purpose. One employer-funded contribution is designated for sick leave only. The hourly average covered by funds was 48. Two areas reported increments in days with one reporting 10 days off and the other reporting up to three weeks of leave funded by employee deductions.

Urban chapters have the most generous employer-funded leave programs in place. These chapters fully comply with sweeping state paid time off mandates that have recently been enacted. Regionally, paid time off arrangements and state mandates are summarized below.

Regional breakdown

Northeast

State PTO laws in the region reveal that nine states and the District of Columbia require paid time off for illness, family leave and safe leave for employees experiencing domestic violence. Most of these laws went into effect after 2017. The average amount of mandated paid leave is up to 40 hours per year. Most states mandate that paid time off accrues at a rate of one hour for every 30-40 hours worked. New Hampshire provides for a percentage of pay for time off specifying 60% of average weekly wage for up to 6 weeks. Employers with 25 or more employees in Delaware, beginning in 2026, will be required to provide up to 80% of pay for up to 12 weeks for family and medical leave. Employers with 15 or more employees are covered by the Maryland statute enacted in 2018, while Massachusetts requires employers with 11 or more employees to accrue 1 hour for 30 hours worked up to 40 hours per year for sick, family and safe leave. All state laws, except for Maine and Vermont, cover only the use of leave for medical, family or safety purposes.

Six chapters from the northeast responded to the survey. Three reported that they paid Employer contributions widely ranging from \$7.49 to \$1.00. Three chapters reported employee deductions ranging from \$1.00 to \$1.50 with one area providing a 12% deduction for up to three weeks' leave. The amount of leave ranged from 40-56 hours. Four areas reported that they contribute to SASMI. Of the four, three areas fund paid time off through employer contributions and one provides employee deductions.

South

State PTO laws in two southern states require paid time off for sick and family leave. In 2022, New Mexico enacted a law requiring that all private employers accrue up to 1 hour for 30 hours worked for up to 64 hours per year. While Georgia does not require PTO, it requires employers with 25 or more employees to permit use of earned sick leave to care for a family member.

Seven chapter areas from the south responded to the survey with all reporting that paid time off either was not offered through a vacation/leave fund or was funded by employee deductions. Five areas contribute to SASMI, which provides maternity leave benefits.

Midwest

Since 2017, four states have enacted paid time off mandates for sick, family and safe leave. Illinois is among the four and its law is more expansive,

allowing leave to be taken for any reason and requiring all employers to accrue one hour of leave for every 40 hours worked. Colorado requires all employers to accrue one hour for every 30 hours worked for a maximum of 48 hours per year for sick, family and safe leave. Michigan requires

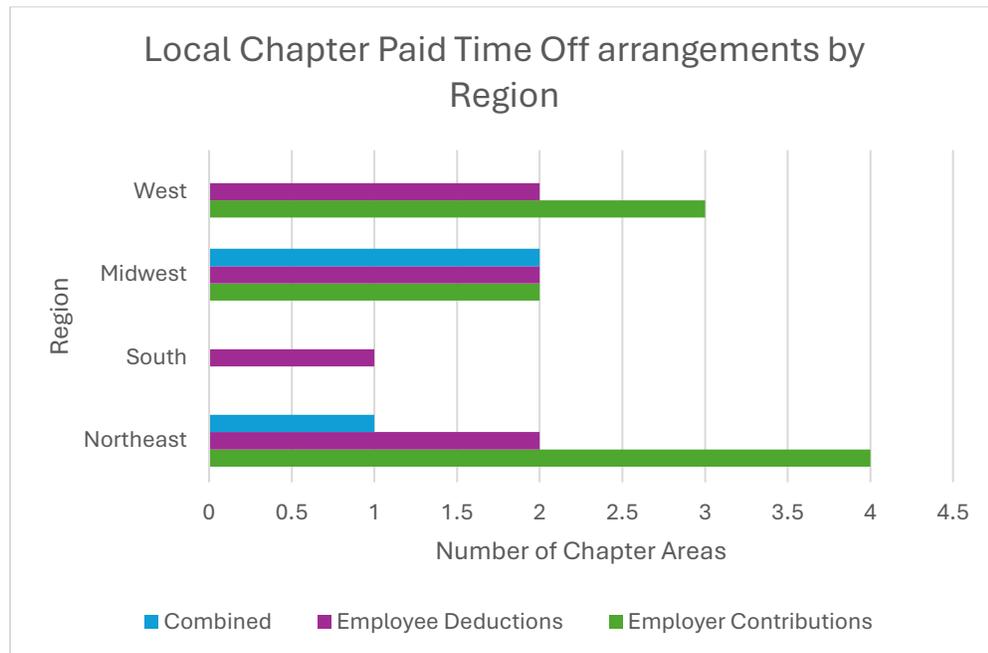
employers with 50 or more employees to accrue one hour of leave for 35 hours worked up to 40 hours per year.

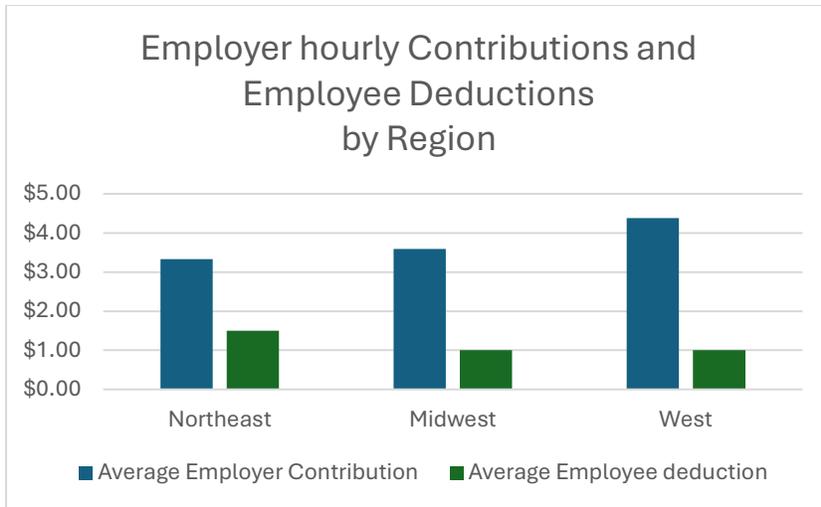
Ten chapters responded to the survey. Two chapters reported employer contributions averaging \$3.59 per hour. Two chapters reported employee deductions averaging \$1.00 per hour. Three areas reported combined deductions and contributions. Six chapters contribute to SASMI, most of which do not have employer contributions for paid leave.

West

Five states in the west have enacted sick, family and safe leave laws since 2015. Nevada’s law, which went into effect in 2020, covers leave of any type and requires employers with 40 or more employees to accrue 1 hour of leave for 52 hours worked up to 40 hours per year. Washington’s PTO law covers all employers while Oregon’s statute covers employers with 25 ore more employees. California requires employers with five or more employees to accrue one hour of leave for every 30 hours worked for sick and family leave. Arizona likewise requires employers to accrue one hour of leave for every 30 hours worked. For employers with less than 15 workers in Arizona, a maximum of 24 hours of year must be permitted and for employers with more than 15 workers, the cap is 40 hours per year.

Nine chapters from the west responded to the survey. Three areas reported employer contributions to a leave fund widely ranging from \$2.50 per hour to \$5.65. The average was \$4.38 per hour. Two areas reported employee deductions of \$1.00 to a leave fund. Three chapters reported that their employers contribute to SASMI. Two of three chapter areas that have SASMI do not have any other funding arrangement for leave.





Conclusion

Paid time off has become a critical lobbying goal for many unions since the pandemic and has resulted in PTO laws in 18 states. These laws are intended to allow workers to care for themselves and their families during times of illness. At least 23 of the 33 chapters that responded to the survey provide some PTO either through a leave fund or through participation in SASMI. Currently, most vacation leave funds offer leave for any purpose while most state mandates mostly focus on sick and family leave. More recently, state mandates have trended towards more open PTO policies permitting leave for any purpose. Chapters that are not subject to state PTO mandates should closely monitor state legislative efforts and work to obtain an exemption for employers subject to a collective bargaining agreement or, at the very least, an exemption for employers in the building and construction industry.

Figuring out how to comply with new state laws and the federal leave rule can be complicated, especially if contractors are also subject to local paid sick leave ordinances. SMACNA strongly suggests that contractors who work on federal projects consult with their local legal counsel to ensure that policies and procedures are in place that comply with the federal PTO rule, the collective bargaining agreement, and any other obligations it might have to provide paid leave. We will continue to monitor this area of law as it continues to evolve.