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**REASONS TO
OPPOSE** *Mandating*

**PAID
SICK
LEAVE**

*Not Everybody
Benefits...*

#1 MANDATING PAID SICK LEAVE WILL COST MONEY AND JOBS

For the past several years, the legislature has proposed mandating paid sick leave in Connecticut. This year, the proposal would require employers of 50 or more hourly and nonexempt employees to provide one hour of paid sick leave for every 40 hours worked (for a minimum of 6 paid days per year).

Mandating paid sick leave would be an additional cost that many employers simply can't afford, in any kind of economy, good or bad — but especially now in today's very difficult economy. If the General Assembly mandates paid sick leave, it's very likely that many employers may be forced to adjust other employee benefit costs — such as reduce wages, for example — in order to pay for paid sick leave. And if that doesn't work, some employers may have to reduce the size of their workforces.



What will a Paid Sick Leave Mandate really cost employers?

Adding just one hour of paid sick leave each week for each employee in a company where the average wage is \$10/hour:

One hour of paid sick leave	\$10
per week	x 52 weeks per year
per employee	x 50 employees

Total increased cost to employer **\$26,000/year**

“ This bill alone would cost Traver IDC about \$50,000 and would turn us from profitable to operating in the red. We would have no choice but to take other major cost cutting measures to remain solvent and since employee expenses constitute nearly 2/3 of all of our overhead, the cuts would most likely be in this area.

JACK TRAVER, JR.
President, Traver IDC, Waterbury





MANDATES LIMIT EMPLOYERS' FLEXIBILITY

Connecticut employers need the flexibility to design and negotiate their own benefit and time-off policies that best meet the needs of their employees and their business. Mandating a “one-size-fits-all” policy for the wide variety of businesses we have in Connecticut just doesn’t make sense. That’s because it increases costs and administrative burdens, even for employers that may already give generous time-off benefits.

Most Connecticut employers work very hard to accommodate their employees’ needs — because in today’s highly competitive economy, they have to, in order to keep their skilled workers.

Lawmakers should encourage competition for skilled employees and allow those skilled workers the ability to decide which workplaces are best for them.

Potential for Abuse

One-size-fits-all policies also limit employers’ ability to curb chronic misuse and abuse of paid sick leave.

67% of Americans say they would use paid sick time for reasons other than illness.

Parade Magazine, Feb. 2009



Having a one size fits all approach to paid sick time will require us to eliminate the incentives or reduce benefits in other areas; thus reducing potential annual benefit to employees on an annual basis.



STEPHEN J. MCGUFF
Director-Global Manufacturing, Reflexite



At the Internal Revenue Service, one employee over a two-year period took sick leave on 13 of the 14 Tuesdays after a Monday holiday ...

For weeks that had a holiday falling on a Monday, 27% of all sick leave at the IRS was taken on a Tuesday in 2005 and 2006, the report said. And 24% of all sick leave taken by IRS employees during non-holiday weeks was on a Monday.



WASHINGTON POST, 5/15/2008

#3

NO OTHER STATE IMPOSES THIS MANDATE

Mandating paid sick leave in Connecticut when no other state does will immediately make employers here significantly less competitive. Rushing in ahead of others to add a costly new workplace benefit will further weaken our economy and employers. It's a risk we can't afford to take: Business competitiveness is vital to the survival for many Connecticut employers, because in today's economy, they are competing with rivals in every part of the globe.

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No other state has implemented a measure like this. There could not be a worse time to embark upon this experiment, particularly given the overall economic climate. Businesses are struggling to avoid layoffs and keep their doors open. This is no time for a measure that would increase labor costs and impede employment growth.

ENFIELD PRESS
February 19, 2009

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Paid Sick Leave In the U.S.

■ Legislation Enacted



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Our company has locations in 30 states. Because no other state has such a mandate, this legislation would make Connecticut a higher cost, less competitive and ultimately less desirable place to do business.

LESLIE LENSER
Vice president, human resources
Valassis Communications Inc.
Waterbury

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#4

NEW MANDATES MAKE CONNECTICUT LESS COMPETITIVE

Good public policy will encourage economic development and job growth. Ideally, state government should find ways to help jobs grow and employers invest more in Connecticut. Costly government-imposed mandates, such as for paid sick leave, however, work directly against those goals.

Connecticut businesses simply won't grow, and jobs won't be created or saved, if employers' costs are driven higher by the legislature.

Maintaining business costs and the competitiveness of our state is the key to our economic prosperity. Creating and growing jobs will help to speed our economic recovery during one of the worst economic times in recent history. Any efforts to mandate when, what type and how much employers should give their employees as benefits only increases business costs and hinders job growth at a time when we can least afford it.



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Please don't unintentionally precipitate more job losses or drive more businesses from Connecticut by further increasing workplace costs.

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DONNA J. WEISENBERGER

VP, Human Resources,
Plas-Pak Industries, Inc., Norwich

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If the state keeps proposing these regulations then it is the consumers who will pay the price. I am afraid our customers won't come out to dinner at all, thus there will be less incoming sales tax for Connecticut or worse, we will have to shut our doors completely and there will be no state revenue at all, leaving more workers without jobs.

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LINDA MAFFUCCI

Manager and owner,
Vito's Pizzeria & Restaurant, Wethersfield



BAD IDEA— EVEN IN A GOOD ECONOMY

Long before the severe recession and the huge state budget deficit we're facing, Connecticut was already one of the highest-cost states in which to do business.

Just to open the doors in Connecticut, employers pay some of the steepest costs in the nation for wages, energy, industrial or office rent, workers' compensation costs, tax burden (corporate, personal, property, sales and gas) regulatory requirements and health costs/mandates.

And this year, employers, even those who have not had layoffs, are facing a half-billion-dollar hike in unemployment compensation solvency taxes due to the poor economy. Those who have had to cut staff to survive will face additional unemployment cost burdens.

Adding a paid sick leave mandate on top of this mountain of costs and at a time when employers are struggling to survive is untimely, unreasonable and just a bad idea for everyone involved — employers, their employees and our state.



I think that most people would rather have a job than paid time off right now.

JOANNE B. MURPHY
Saybrook Country Barn, Inc., Old Saybrook



Our economic situation is dire.

SUSAN BYSIEWICZ
Secretary of the State, Jan. 2009



Where Connecticut Ranks in the U.S.

Worst in Business Friendliness

Connecticut is 50th out of 50 states for the legislative quotient which includes: general taxes, 5-year improvement, infrastructure spending, managing debt, self spending. (Expansion Management Magazine, 2008)

Business Costs

- 5th highest (Forbes Magazine)
- 3rd highest (CNBC study, 2008)
- 4th highest (Moody's/Economy.com study, 2008)
- 5th highest (Milken Institute, 2008)

Employment growth

45th out of 50 for long term employment growth, and 39 out of 50 for short term employment growth. (CFED, 2007)

Small Business Survival Index

38th worst (Small Business and Entrepreneurship Council, 2007)

PAID SICK LEAVE

at a Glance

What does the legislation do? Mandates employers of 50 or more to give a minimum of 6 paid sick days off each year in increments of 1 hour for every 40 hours worked regardless of their industry, financial resources, business demands or workforce needs.

Who does it impact? All hourly, non-exempt, full-time, part-time, or flex time employees except temporary and day workers. All employees covered by collective bargaining agreements after Jan 1, 2010 are also covered.

Does any other state have this type of law? No. No other states have enacted such a mandate because of its high costs and impacts on business competitiveness and economic development.

What industries will it affect the most? It will affect businesses in all industries, but especially those in seasonal, tourism or industries where paid sick leave isn't customary due to flexibility in shifts, hours and personnel practices. Even for businesses that already provide sick leave, legislation that mandates a specific amount of paid sick leave could increase their labor costs, cause a reduction of other benefits or worse yet—force them to cut jobs in order to compensate for the new mandate.

Is it true that food service and hospitality workers need paid sick leave? The truth is that workers in the leisure and hospitality industry only make up 8.1% or about 135,000 people of the 1.6 million workers in the state workforce, and many of them already have paid time off benefits.

How will mandating paid sick leave affect job growth and economic development in Connecticut? Connecticut is one of the highest-cost states in which to do business. We are consistently ranked one of the least friendly states for businesses based on our costly labor benefits and strict regulations. This makes Connecticut one of the toughest environments in which to do business, and mandating employers to provide new, costly employee benefits only makes matters worse.

Why isn't this a good time for paid sick leave legislation? The high cost of doing business here and the unpredictable national economy has left many Connecticut businesses struggling to survive and compete. That's why legislation that imposes costly and burdensome new mandates on employers ultimately slows down our economy by making it that much harder for businesses to thrive. Businesses need public policy to encourage job growth and economic stability.

**MANDATORY
PAID SICK LEAVE:**

*Businesses can't
afford it and neither can
the state economy.*

CBIA

CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

10,000 Businesses Working for a Competitive Connecticut

cbia.com