

October 3, 2016



**Authors:**



Gary S. Starr  
(860) 251-5501  
gstarr@goodwin.com



Ashley L. Marshall  
(860) 251-5011  
amarshall@goodwin.com

## Federal Contractors Must Provide Paid Sick Leave

Connecticut and Massachusetts already require certain employers to provide paid sick leave to qualifying employees. Now, a new class of employers has been brought into this requirement: federal contractors (including those in Connecticut and Massachusetts).

In September 2015, President Obama signed Executive Order 13706, which established a mandate for federal contractors to give their employees up to 56 hours (seven days) of paid sick leave each year. Until recently, the requirement has not been implemented. The Secretary of Labor has finally issued regulations to implement President Obama's Executive Order, which will go into effect on November 29, 2016.

Here are some of the highlights:

1. The Final Rule applies to new federal contracts and replacements for expiring contracts that result from solicitations on or after January 1, 2017.
2. Employees will accrue one hour of paid sick leave for every 30 hours worked on or in connection with a covered federal contract.
3. Paid sick leave is capped at 56 hours (seven days) in a year, but can be carried over to the next year.
4. Employees may use paid sick leave for (1) their own illnesses or other health care needs (including preventive care); (2) for purposes resulting from being the victim of domestic violence, sexual assault, or stalking; or (3) for the health care, preventive care, or care related to domestic violence, sexual assault, or stalking of the employee's child, parent, spouse, domestic partner, or any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.
5. The Final Rule allows for coordination with existing paid time off policies and labor agreements so that the federal paid leave is not added to sick leave programs that already provide up to 56 hours per year in paid leave.
6. Employers may require that employees provide certification from a health care provider if they use three or more days of leave consecutively.
7. While the employee may request the time off orally or in writing, if the employer is going to deny the request, the reason for the denial must be explained in writing.

A few other tidbits:

- Employees who work "on" a covered contract are those that are performing the specific services called for by the contract. They are covered, regardless of the number of hours



worked in a year and regardless of whether they are full or part time.

- Employees who work “in connection” with a covered contract are those that perform work activities that are necessary to the performance of the contract, but are not directly engaged in the specific services called for in the contract.
- In calculating eligibility under the regulation, employees who work “in connection” with a covered contract must spend 20% or more of their hours in a particular workweek performing work activities that are necessary for the performance of the contract. Employees who spend less than 20% of their hours working “in connection” with a covered contract in a particular workweek are not subject to accrual requirements in that week.

As with many new benefits, employers who are federal contractors must be careful to comply with this new requirement and track the amount of sick leave provided to and used by covered employees. As such, these employers may need to look at their existing policies to ensure that they are consistent with the Final Rule. In addition, employers are going to need to be vigilant against abuse.

The Final Rule was published in the Federal Register September 30, 2016, and will go into effect exactly 60 days after its publication. More information can be found on the U.S. Department of Labor’s website in its Fact Sheet [<https://www.dol.gov/whd/govcontracts/eo13706/PaidLeaveFS.pdf>] and Overview [<https://www.dol.gov/sites/default/files/PaidLeaveFinalRule2016.pdf>].

### Questions or Assistance:

If you have questions about paid sick leave requirements, please contact Gary Starr at (860) 251-5501 or [gstarr@goodwin.com](mailto:gstarr@goodwin.com) or Ashley Marshall at (860) 251-5011 or [amarshall@goodwin.com](mailto:amarshall@goodwin.com).

This communication is being circulated to Shipman & Goodwin LLP clients and friends and does not constitute an attorney client relationship. The contents are intended for informational purposes only and are not intended and should not be construed as legal advice. This may be deemed advertising under certain state laws. © 2016 Shipman & Goodwin LLP.

---

289 Greenwich Avenue  
Greenwich, CT 06830-6595  
203-869-5600

---

One Constitution Plaza  
Hartford, CT 06103-1919  
860-251-5000

---

265 Church Street - Suite 1207  
New Haven, CT 06510-7013  
203-836-2801

---

400 Park Avenue - Fifth Floor  
New York, NY 10022-4406  
212-376-3010

---

300 Atlantic Street  
Stamford, CT 06901-3522  
203-324-8100

---

1875 K St., NW - Suite 600  
Washington, DC 20006-1251  
202-469-7750

---

[www.shipmangoodwin.com](http://www.shipmangoodwin.com)