

President Obama's Latest Executive Order: Required Paid Sick Leave for Federal Contractors and Subcontractors

OCTOBER 14, 2016

Authors: [Joseph N. Gross](#), [W. Eric Baisden](#)

By President Obama's September 7, 2016 Executive Order, federal contractors and subcontractors will now be required to provide paid sick leave to their employees beginning on January 1, 2017. The Department of Labor (DOL) published its Final Rule necessary to implement the Executive Order on September 30, 2016.

Effective January 1, 2017, all federal contractors and subcontractors must provide their employees at least 1 hour of paid sick leave for every 30 hours worked. However, federal contractors and subcontractors may limit the total accrual of paid sick leave to 56 hours per year. All new federal contracts, contract-like documents, and solicitations must now include a clause which specifies, as a condition of payment on the contract, all employees shall not earn less than 1 hour of paid sick leave for every 30 hours worked. This clause must also be incorporated into all lower-tier subcontracts.

Employees of federal contractors and subcontractors will be permitted to use the paid sick leave for a variety of reasons, including and absence resulting from: (1) physical or mental illness, injury, or medical condition; (2) obtaining diagnosis, care, or preventive care; (3) caring for a child, parent, spouse, domestic partner, or other close blood relative or individual with a close relationship that is akin to a family relationship; and (4) care for domestic violence, sexual assault, or stalking, as well as to obtain additional counseling, seek relocation, seek assistance from a victim services organization, or take related legal action.

If your company is a federal contractor or subcontractor, you should begin to examine what type of sick leave is already provided to your employees. Given the short time frame between the issuance of the Executive Order and effective date, employers must act quickly to revise new contracts, examine employee handbooks and leave policies, and implement new recordkeeping processes.

Although this Executive Order only applies to private employers with federal contracts or subcontracts, future Executive Orders may also expand required leave for private employers without such contacts or subcontracts. Employers should be on alert for future Executive Orders that may expand the leave and benefits required for employees. As always, Benesch will continue to keep you informed of the latest laws affecting you and your workforce.

For more information, please contact a member of our Labor & Employment Practice Group.

Joseph N. Gross at jgross@beneschlaw.com or 216.363.4163

Eric Baisden at ebaisden@beneschlaw.com or 216.363.4676

Mike Buck at mbuck@beneschlaw.com or 216.363.4694