

EDITORIALS

Let employees control their own paid time off

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To take paid time off work, employees now face an uncoordinated hodge-podge of schemes - paid vacations, paid sick leave, paid public holidays, short-term disability insurance, unemployment compensation, worker's compensation and more.

Suppose instead workers could access a single "earned paid leave" account. Like a super-IRA, this account would serve the needs of all employees to take off a day, or a week, or more and still be paid.

Employees would earn one day of paid leave for every five days worked. Every time you took a paid day off, you would draw down one day from your account. It would not matter whether you were on vacation, sick, between jobs or whatever.

Workers would not have to pretend to be sick to get a paid day off, as many now do. Nor would those who really are ill have to prove it to nosy employers. Diligent employees whose morale is lowered today when they see fellow workers abusing sick-leave policies would no longer have any reason to be angry. Moreover, many of today's sick-leave abusers would work more regularly, saving their paid days off for longer vacations.

If you left your job, there would be no more fighting at the unemployment office over whether you quit, were discharged for cause, or merely laid off. Whatever the reason, you could fund the time you take looking for new work from your paid leave account. Furthermore, the unemployed would no longer be bossed around by government agencies or made to engage in silly work search requirements. But they would have a strong incentive to find work quickly, because during their unemployment they would be using up their own earned benefits.

Federal law now guarantees only unpaid child-bearing leave. With an earned paid leave account, those planning to have a child could save up their paid time off to use when the baby comes.

Because workers would be able to take their earned paid leave with them from job to job, no longer would they inconveniently have to use up accrued vacation or other "comp time" just before they change jobs, as many do now.

In the course of a year, this plan would permit a full-time worker to take (1) three weeks of paid vacation, (2) eight paid days off for personal sickness, a child's illness, or the need to spend time with an elderly parent, (3) 10 paid public holidays, and (4) and still have 12 unused days of paid leave left over.

At the start, however, workers would be required to put aside each year at least 10 of their earned days until they build up a tidy nest egg - to be available in case of unemployment or disability lasting more than a brief period, or to fund periods of retraining or even mini-sabbaticals.

To promote portability and security, most paid leave days that were unused at year's end would be fully funded. Employers would pay the appropriate sum over to an employee's designated financial institution (where the funds would earn tax-sheltered interest).

Those unlucky enough to incur substantial periods of disability or unemployment at the start of their work careers might be allowed to run their nest egg accounts temporarily into the red, if necessary posting future Social Security benefits as collateral. Earned days that remain saved up at the end of one's career would supplement Social Security in retirement.

For employers who provide good employee benefits today, this proposal should cost about the same as the sum of the schemes it replaces. Those employers would also no longer be undercut by firms with lousy benefits.

Many smaller businesses and some larger enterprises in certain sectors (such as retailing) would have to grant their workers more paid time off. But this is an administratively easy way for those businesses to

take on obligations that employers of all sizes throughout Europe typically already meet. Moreover, where the plan costs employers more, then, economists tell us, this will eventually sort itself out in somewhat lowered wages. But surveys suggest that most workers would willingly forgo 2 percent in annual wages for a week's extra paid vacation.

Some forward-looking employers already merge sick leave and vacation pay, but the private sector can't create a broader program by itself. To replace legally mandated programs like unemployment compensation and a part of worker's compensation requires cooperation between government and the private sector. Isn't that what both the president and the Republicans have been saying our country needs?

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