

Holiday and Paid Time Off Policies and Sample

Purpose

While some organizations combine holiday, vacation, and sick time into a lump sum, often called Paid Time Off (PTO), many organizations opt to separate them. Many organizations may be legally required to keep sick leave separate because of laws in their states, while for others, it's an incentive so that staff who are out sick don't feel like they are using up their vacation time. When determining how you plan to offer sick leave within your PTO policies, it is crucial that you check your state's employment laws first.

If you don't require holidays to be used for holidays, then there is little difference between holiday and vacation days. One reason for keeping holiday time separate is to have set days that your whole office will be closed. By choosing federal holidays as the designated holidays, your staff will be off work on the same day that many in your community are also off work, and schools are closed. Staff who does a significant amount of collaboration with their colleagues often appreciate that staff is off on the same days, making coordination easier.

However, by designating all holidays as a mandatory day off, are you missing any opportunities to offer a more inclusive policy?

To mitigate the potential impacts, you can develop a policy that offers a few fixed holidays for the major federal holidays and allows additional flexible holidays since your staff celebrates a range of holidays. Those flexible holidays are for staff to use on other holidays of their choice throughout the year that may or may not be recognized as federal holidays. These may include faith-based, religious or cultural holidays, election day, the employee's birthday or anniversary, or any day they deem worthy of observation.

Objectives

Some key questions to consider when developing your organization's Holiday and PTO policy:

- Who are you centering in this policy?
- What assumptions are you making in this policy? What are the potential impacts?
- What commitments is your organization able to make in support of employee well-being and resiliency?
- How many days do you need to close the office for fixed holidays? Will you include additional flexible holidays so that staff can choose which holidays they will take?

- Can you offer more paid holidays, even if that means fewer vacation days, to support staff who are newer to your organization and may not have accrued as much vacation time?
- If you are offering fixed or federal holidays and flexible holidays, how will you select the fixed holidays? What are their roots?

Sample Holiday Policy

To provide ORGANIZATION employees the opportunity to refresh, recharge, and reflect, all ORGANIZATION offices will also be closed, and fixed holidays provided for the following 5 days: Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and New Year's Day.

***Optional:** ORGANIZATION offices will also be closed the final 5 workdays of the calendar year, and those days will be paid as fixed holidays. These end-of-the-year dates are inclusive of the Kwanzaa and Christmas holidays. These 5 days plus the 5 days at the end of the year make a total of 10 fixed holidays per year.*

To honor the diversity of our team and create a more inclusive culture at ORGANIZATION, we also offer [#] additional paid days as floating holidays for staff. These may be used for and on other holidays of their choice throughout the year that may or may not be recognized as U.S. Federal Holidays. These may include faith-based, religious or cultural holidays, election day, the employee's birthday or anniversary, or any day they deem worthy of observation. At the end of the calendar year, any unused holiday days are lost and may not be cashed out or carried over to the new calendar year. Paid holidays for part-time employees are prorated by multiplying the full-time holiday allocation ([Insert #] hours per holiday) by the employee's full-time equivalency percentage.