



# PAID TIME OFF

Annual Vacation | Statutory & General Holidays | Personal Days | Leaves of Absence

## **WCBC** Western Compensation & Benefits Consultants

WCBC helps Canadian employers pay employees appropriately by providing customized solutions, market-based research and professional advice. Let us know how we can help you achieve your compensation goals.

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# Paid Time Off

Employees need time away from work to recharge the batteries. Time off can reduce stress and improve mental and physical health. From the employer's perspective a rested employee is more productive, focused and dedicated. Along with salaries, incentives, perks, group insurance and retirement benefits, paid time off can play an important role in an organization's overall compensation strategy.

In January 2015, Western Compensation & Benefits Consultants ("WCBC") conducted a national survey of paid time off provided for employees, including:

- annual vacation policies;
- statutory holidays;
- personal days;
- leaves of absence; and
- other paid time off.

A total of 320 organizations from across Canada participated in this survey.

# Our Findings

Canadian employers recognize the important role paid time off plays in their total compensation offerings. While many feel their current policies are competitive, some admit there is room for improvement. One of the challenges facing employers is the need to balance the high cost of paid time off with the need to have competitive paid time off policies that help recruit new employees and motivate and retain existing staff.

## Policies Vary by Sector

The amount and type of paid time off varies depending whether your organization is in the private, public or not-for-profit sector. Not-for-profits tend to offer more generous annual vacation schedules, give employees paid personal days that can be used for whatever reason an employee decides, as well letting employees have additional paid time off on Christmas and New Year's Eve.

## Formal Policies Less Likely in the Private Sector

Public sector and not-for-profits typically have more formal policies than the private sector. While the majority of private sector employers allow new hires to negotiate their vacation entitlement and take into consideration previous service with another employer, this isn't the case with public and not-for-profit employers. Three-quarters of public and not-for-profit employers have formal policies for paid leaves of absences such as bereavement, whereas private sector employers are less likely to have formal policies and, instead, grant paid leaves depending on circumstances.

## Trends in Paid Time Off

WCBC conducted research on paid time off policies in March 2011 and there have been some changes over the past four years. Both private sector and not-for-profit sector employers are offering more generous vacation entitlement for their employees in 2015 than they did in 2011, while policies for public sector employers have shown little change. There has also been a trend away from providing employees with paid personal days. In 2011 69% of organizations provided paid personal days to employees, while in 2015 that number has dropped to 43%.