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Employer Insights

A Moreton & Company Human Resource and Employee Benefits Compliance Newsletter.

PTO: Satisfactory, but Underutilized

A new Harris Poll survey found that most employed Americans are satisfied with their company's paid time off (PTO) policy; however, 3 in 4 said they didn't use the maximum PTO permitted by their employer.

According to the survey, most U.S. workers get between 11 and 30 PTO days yearly. Last year, the average employed American took 15 paid days off despite many being allowed more. The top use cases were vacation and health & wellness (e.g., sick days and doctor appointments). Consider these additional key findings from the survey:

- Most Americans (83%) are satisfied with their company's PTO policy.
- Over half (60%) are given more than 10 PTO days annually.
- An additional 7% have an "unlimited vacation policy." Nearly one-third (32%) of American workers indicate that "unlimited vacation policy" means more than 30 days off.
- Most (78%) do not use the maximum PTO allowed by their employer. The average worker took 15 paid days off last year despite half (49%) being allowed more than that by their employer.
- The top barriers preventing workers from taking more time off are "pressure to always be available and responsive to demands" (31%) and "heavy workload" (30%).

Even when workers took time off, 60% reported struggling to fully disconnect from work. As such, 86% checked emails from their boss, and 56% took work-related calls during time off.

Similarly, nearly half of the workers said they felt guilty about taking the time off in the first place. Specifically, Millennials and Generation Z are nervous about requesting PTO due to employer reactions and career implications. As a result, many Millennials admitted to workarounds, such as moving their mouse to maintain online messaging status or taking time off without telling their manager.

According to the Harris Poll survey, 76% of workers say, "I wish my workplace culture placed a stronger emphasis on the value of taking regular breaks and utilizing PTO."

Despite more employers expanding their PTO policies, workplace culture and workload pressures tend to dictate benefit usage. Furthermore, many workers still check their email or feel guilty during their time off, which can cause them not to recharge as intended. To combat these behaviors and the potential for burnout, employers can foster a company culture focused on taking PTO, not just the policy itself. Today's workers find it increasingly challenging to balance their work commitments and personal time off, but employers may choose to work on building a culture that supports and encourages breaks.

Does a Self-funded Plan Sponsor Have to Furnish the Summary of Benefits and Coverage in Languages Other Than English?

The summary of benefits and coverage (SBC) is a disclosure required of most group health plans (both insured and self-insured, but not certain excepted benefits) that is separate from and in addition to ERISA's summary plan description (SPD) and summary of material modifications (SMM) requirements. If your plan is fully insured, the insurance carrier should provide you with the SBC for distribution to employees. If your plan is self-funded, the TPA or plan sponsor must prepare the SBC.

Under applicable rules, the SBC must be presented in a "culturally and linguistically appropriate" manner (Similar language requirements apply to group health plan claims and appeals notices). Here is a summary of the non-English language requirements that apply to SBCs:

What Triggers the "Culturally and Linguistically Appropriate" Requirement for SBCs?

The rule's applicability does not depend on whether your plan actually covers any speakers of an applicable non-English language. The requirement is triggered if your plan's SBC is provided to individuals in any county where at least 10% of the population residing in the county is literate only in the same non-English language (as determined based on U.S. Census data). HHS issues a list, updated from time to time, of applicable counties and the language(s) for each county. An updated list applies for plan years beginning on or after January 1, 2025.

What Constitutes Compliance With the Requirement?

In general, in the specified counties, plans (and insurers) must provide interpretive services, including answering questions, in the applicable non-English languages. English-language SBCs provided in the specified counties must include a one-sentence statement in the applicable languages clearly indicating how to access the plan's language services. The statement should be included on the page of the SBC with the "Your Rights to Continue Coverage" and "Your Grievance and Appeals Rights" sections. In addition, a written translation of the SBC in the applicable language must be provided upon request.

To assist plans with compliance, the agencies (HHS, DOL, and IRS) have made available an SBC template that includes the one-sentence statement in each of the applicable languages, and written translations for the SBC template (and the related uniform glossary) for years beginning before 2025. The updated list provides the one-sentence statement in all languages that apply beginning in 2025; if the agencies provide additional translations of the template and uniform glossary, they will likely be found with the other SBC materials available on the DOL and HHS websites.

Even in counties where no non-English language meets the 10% threshold, a plan may voluntarily include the one-sentence statement in the SBC in any non-English language. In that case, of course, the plan would need to be prepared to provide the relevant language services. Keep in mind that these rules differ from the ERISA rules on providing language assistance and disclosing its availability in SPDs and SMMs.

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