Increased overhead in managing PTO when it is accrued and administered. Employers need to keep pace by adding market-based levels of PTO entitlement.

Major Trends Impacting PTO

1. Organizations are shifting away from a combined PTO strategy towards an allotment for each type of PTO (Vacation, Sick, and Personal).

2. Many employees are not using their full time off benefits.

3. Managing Generational Needs: Older workers tend to expect to gain PTO over time, while younger employees tend to expect it upfront.

4. Culture and expectations differ by geography, industry and role.

Creative PTO Practices

- Allowing employees to purchase additional PTO: Providing an option to allow for more PTO for family situations or circumstances not covered under FMLA laws.
- Performance-based rewards: Give additional PTO out as a reward for good performance; either in a team or individual basis.
- Alternative to a raise: Award PTO in lieu of a salary increase. For example, when someone is at the top of the salary range.
- PTO for personal employee development: PTO can be allotted for personal employee development or training that the company would not otherwise support.

Key Considerations

- Systems are not good enough to allow for effective tracking of PTO.
- Design and usability of PTO systems need to be improved.
- Artificial intelligence (AI) has potential to help automate processes and reduce administrative burden.
- PTO policies are becoming a strategic tool to better support business goals.
- Purpose-driven PTO is on the rise moving organizations toward sustainability, diversity, and transparency.