



Mineral



Question of the Week

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Question

What should we know about floating holidays before deciding whether to offer them?

ANSWER

Floating holidays are a type of paid leave that allow employees to observe personal, cultural, or religious occasions not covered by your organization's designated holiday calendar. Employees usually appreciate them, and they generally pose little burden on employers. Here are some things to consider:

- Structure—Employers can decide whether to frontload floating holidays or require employees to accrue them. Typically, employers will frontload the floating holidays so employees are able to take advantage of them early in the benefit year—birthdays and religious holidays won't wait for employees to accrue time, after all.
- Tracking—Employers should track employees' use of floating holidays in the same manner they track the use of paid time off (PTO) or vacation days.
- Use—Many employers allow their employees to use floating holidays any time of the year. That flexibility can be nice, especially for observances like religious holidays. However, employers can also provide floating holidays that are tied to something specific and require those to be used within a certain span of time. For example, an employer might provide one fully free-floating holiday and another for the employee's birthday or work anniversary, which needs to be used within two weeks of the date being celebrated.

- Approval—As with vacation and PTO, employers can require prior approval for days taken as floating holidays and can approve or deny requests at their discretion. However, you'll want to be mindful of denying the use of floating holidays in a manner that could appear discriminatory. Notably, religious holidays should be treated with equal respect, regardless of the religion practiced.
- Payout at termination—Employers that operate in states that treat PTO, vacation, and similar benefits as wages might have to pay out unused floating holidays at termination.

This Q&A does not constitute legal advice and does not address state or local law.