



September 2015

Order Grants Federal Contractors 7 Sick Days a Year

What could these additional benefits mean for you?

On Monday, Sept. 7, 2015, President Barack Obama issued an Executive Order (the “Order”) that requires federal contractors to grant at least seven days of annual paid sick leave to their employees. The Order gives an estimated 300,000 federal contractors new access to paid sick leave.

Under the Order, employees of federal contractors will earn one hour of paid leave for every 30 hours of work when the policy enters into force with 2017 federal contracts after a public comment period. The paid sick leave can be used for absences resulting from illness, domestic violence, sexual assault, or stalking and can be used by the federal contractors themselves or for their family members. The Order is thus very similar to sick leave laws in California, Connecticut, the District of Columbia and Massachusetts that were enacted or amended in 2015. The president’s announcement was made in Boston and expressly praised Massachusetts’s new sick leave law.

The Order is the latest in a series issued by President Obama, wherein the White House has used his power over federal contracts as an attempt to encourage state and local governments and Congress to expand labor benefits for all employees in United States. In addition to the Order, the president also has signed executive orders raising the minimum wage for employees of certain federal contractors to \$10.10 per hour, banning retaliation against workers that discuss compensation, and protecting transgender workers from discrimination.

President Obama also used the 2015 Labor Day holiday to push for expanded worker benefits for private sector workers. During the announcement, the president called on Congress to extend paid leave to millions of Americans by passing the Healthy Families Act, which would require all employers with more than 15 employees to grant at least seven sick days annually to their employees. President Obama’s continued public push for worker benefits reflect his efforts to prioritize workers before leaving the White House in January 2017. For example, the president’s fiscal year 2016 budget includes

approximately \$2 billion in funds to encourage states to establish new paid family and medical leave programs designed to allow workers to stay home to care for children or elders. Earlier this summer, the Department of Labor proposed new regulations that nearly double the limit to exempt employees from eligibility for overtime pay to \$50,440 and indexed that limit to the 40th percentile of income. This increase would make overtime pay available for millions of workers currently exempt from such wages, although it is expected to be challenged in court.

Employers can expect continued changes throughout the year and beginning of next year with respect to labor and employment policies and procedures. Best practices require continued review and updating of policies. It is best to be proactive, particularly for federal contractors, whose compliance and failure to comply with the newly issued orders may affect the employers awarding of future contracts.

This *GT Alert* was prepared by **Johnine P. Barnes** and **Jonathan M. Young**[‡]. Questions about this information can be directed to:

- > [Johnine P. Barnes](#) | Shareholder; Chair, Statutory, Compliance and Contracts and Regulatory Practice Group | +1 202.331.3154 | barnesj@gtlaw.com
- > [Jonathan M. Young](#)[‡] | +1 678.553.2675 | youngjon@gtlaw.com
- > Or your [Greenberg Traurig](#) attorney

Albany +1 518.689.1400	Denver +1 303.572.6500	New York +1 212.801.9200	Shanghai +86 21 6391 6633
Amsterdam + 31 20 301 7300	Fort Lauderdale +1 954.765.0500	Northern Virginia +1 703.749.1300	Silicon Valley +1 650.328.8500
Atlanta +1 678.553.2100	Houston +1 713.374.3500	Orange County +1 949.732.6500	Tallahassee +1 850.222.6891
Austin +1 512.320.7200	Las Vegas +1 702.792.3773	Orlando +1 407.420.1000	Tampa +1 813.318.5700
Boca Raton +1 561.955.7600	London* +44 (0)203 349 8700	Philadelphia +1 215.988.7800	Tel Aviv^ +03.636.6000
Boston +1 617.310.6000	Los Angeles +1 310.586.7700	Phoenix +1 602.445.8000	Tokyo +81 (0)3 4510 2200
Chicago +1 312.456.8400	Mexico City+ +52 55 5029.0000	Sacramento +1 916.442.1111	Warsaw~ +48 22 690 6100
Dallas +1 214.665.3600	Miami +1 305.579.0500	San Francisco +1 415.655.1300	Washington, D.C. +1 202.331.3100
Delaware +1 302.661.7000	New Jersey +1 973.360.7900	Seoul∞ +82-2-369-1000	Westchester County +1 914.286.2900
			West Palm Beach +1 561.650.7900

*This Greenberg Traurig Client Advisory is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. *Operates as Greenberg Traurig Maher LLP. **Greenberg Traurig is not responsible for any legal or other services rendered by attorneys employed by the strategic alliance firms. +Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ∞Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. ^Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. ¤Greenberg Traurig Tokyo Law Offices are operated by GT Tokyo Horitsu Jimusho, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ~Greenberg Traurig's Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2015 Greenberg Traurig, LLP. All rights reserved.*

‡Admitted to practice only in Pennsylvania and U.S. District Court for the Eastern District of Pennsylvania. Not admitted in Georgia.