

Whereas: More than 26 million people working in the private sector have no access to earned sick time, or “paid sick leave” (PSL), for short-term health needs and preventive care.¹ Working people in the United States face an impossible choice when they are sick: stay home and risk their economic stability or go to work and risk their health and the public’s health.

The vast majority (77%) of the lowest earning 10% of American employees do not have access to PSL.² 48% of Latinx workers and 36% of Black workers report having no paid time away from work of any kind.³

As the COVID-19 pandemic has shown, PSL is a crucial contributor to public health, allowing workers who have been exposed to any illness to quarantine. State and local PSL mandates have been shown to reduce the rate at which employees report to work ill in low-wage industries where employers don’t tend to provide PSL, lowering disease and overall absence rates.⁴

A lack of PSL could pose reputational risk, especially for CVS, whose mission is to “take on many of the country’s most prevalent and pressing health care needs.”⁵ After more than 1,700 employees petitioned for PSL and other safety measures, CVS announced in March 2020 that full-time employees have access to PSL, and extended a meager 24 hours of PSL available to part-time employees for the duration of the COVID-19 pandemic. However, its policy for full-time employees is not publicly available and the benefit for part-time employees does not appear to be permanent.⁶

CVS could benefit from all of its employees having permanent access to PSL. The initial cost is relatively low--providing PSL is estimated to cost employers an average of 2.7 cents per hour of paid work⁷—and PSL both increases productivity⁸ and reduces turnover, which in turn reduces costs associated with hiring.⁹ This is particularly important for lower-wage industries like retail where turnover is highest. Additionally, proactively establishing PSL for all employees would help prepare CVS for potential regulation. 37 jurisdictions, including 14 states, have adopted PSL laws since 2006.¹⁰

We believe adopting a comprehensive, permanent, and public PSL policy would help make the future operating environment more equitable and mitigate reputational, financial, and regulatory risk to CVS.

Resolved: shareholders of CVS ask the company to adopt and publicly disclose a policy that all employees, part- and full-time, accrue some amount of PSL that can be used after working at CVS for a reasonable probationary period. This policy should not expire after a set time or depend upon the existence of a global pandemic.

¹ <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

² <https://www.wsj.com/articles/companies-expand-paid-sick-time-leave-11632413861>

³ <https://www.bls.gov/news.release/leave.t01.htm>

⁴ <https://voxeu.org/article/pros-and-cons-sick-pay>

⁵ <https://cvshealth.com/about-cvs-health/our-purpose>

⁶ <https://cvshealth.com/news-and-insights/press-releases/cvs-health-to-provide-bonuses-add-benefits-and-hire-50000-in>; <https://www.businessinsider.com/coronavirus-cvs-updates-policies-after-workers-petition-for-sick-leave-2020-3>

⁷ https://www.nber.org/system/files/working_papers/w26832/w26832.pdf

⁸ <https://voxeu.org/article/pros-and-cons-sick-pay>

⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5649342/>

¹⁰ <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-sick-days/current-paid-sick-days-laws.pdf>