



New Jersey Gasoline, C-Store, and Automotive Association (**NJGCA**)
(Formerly New Jersey Gasoline Retailers Association)
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FOR IMMEDIATE RELEASE

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March 12, 2015

NJGCA Member Pens Op-Ed about Paid Sick Leave Impact on Small Businesses

*Member has 14 employees, has owned a truck and auto repair business for 32 years
Small business owners can no longer manage government's interference and imposition
of unfunded mandates*

Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience, Automotive Association (NJGCA), released the following op-ed written by a longtime member of the organization, Keith Krehel. As a small business owner for over 30 years, Keith has long felt the impact of government creeping into his affairs -- increasing regulations, raising minimum wage, and now, considering a paid sick leave mandate. Keith wrote:

In recent months, it has become clear that many elected officials (at both the local and state level) have adopted the mindset that the government is entitled to dictate how an entrepreneur runs his/her business. These officials have already inserted themselves into decisions that an employer makes (minimum wage), but with that battle already lost, my concern at this time is *paid sick leave*.

I have owned a repair shop for 33 years and currently have 14 employees. Before I went into business, I spent eight years learning the trade at a major retailer's auto center, eventually becoming assistant service manager of a 22-bay operation by age 21. This was during the 1980s, and the company's policy was that you did not get paid for any sick time until you had been with the company for five years.

As "tough" as the policy might seem, in my eyes, it was fair. With a "no-pay" policy, employees with the sniffles, hangovers or other minor ailments would come to work to earn their pay. Few employees made it past a couple of years with the company, and even fewer made it to their five-year anniversary, but if they did, an interesting thing happened. The same employees who had acted responsibly for five years suddenly called in sick regularly. I even remember some of those "sick" colleagues coming back to work with a sunburn.

Saturdays were the most popular sick day, especially in the summer. It became such a problem that we termed this phenomenon the "five-year flu." The "five-year flu" soon spread to our better technicians as they saw their coworkers abuse the system and get away with it. Employees developed the mentality that they had earned the "right" to be paid for not coming into work, regardless of whether or not they were sick.

In addition to the financial burden of paying an employee who is not at work, the unexpected loss of an employee for a sick day is more costly and interruptive to the business than a vacation day. Vacations are requested in advance and planned for, while sick days are not (not by the employer). In my business, I have a very fair policy. My employees receive one week of paid time in their first year, and then two weeks each year thereafter. After 10 years the employee receives three weeks of paid time off. All employees are permitted to carryover unused days into the next year, with no cap or maximum. If an employee has used all of their paid time off, but becomes ill and needs to stay home from work, if they return with a doctor's note they will be paid for the days they missed. Despite the fact that this policy exists, if the State or my municipality decides to pass a paid sick leave policy, I will be forced to abide by that, even though my policy may be more generous. There is no one-size-fits-all policy that works for every business or every industry.

The beauty of the free-market is that if my employees do not find this arrangement suitable, they are always free to consider employment at another business that may have a more generous policy. I know this for sure; small business owners in NJ cannot afford another government-imposed mandate which attempts to regulate the way in which we run our businesses.

Keith has owned and managed an auto and truck repair facility for the last 33 years. He is a member of NJGCA, NFIB, and AASP/NJ

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