

Vacation and Paid Time Off Benefits by State

Guide





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A private employer is not required by federal or most state law to provide paid or unpaid vacation time. However, if employers choose to provide vacation time as a benefit to employees, they may have certain compliance requirements.

Most employers find that providing vacation helps them stay competitive in attracting new talent and retaining current talent. Some employers choose to use separate vacation policies and sick time policies, while others decide to lump together all paid time off (PTO) benefits.

This chart helps employers understand whether their jurisdiction allows caps on vacation/PTO accrual and allows use-it-or-lose-it policies. These laws generally apply to all employers that choose to offer vacation or PTO.

For information on whether a jurisdiction requires payout of accrued time at termination of employment, please see [Final Wage Payment Requirements by State](#).

Employers that provide PTO that can be used for sick leave purposes must ensure compliance with state and local laws. Since this chart does not cover laws requiring the provision of paid sick leave or other leave, PTO policies should be examined in conjunction with any applicable laws. See [Paid Sick Leave by State and Municipality](#) and [Leave Laws by State and Municipality](#).

Jurisdiction	Cap on Accrual Allowed	Use-It-or-Lose-It Policies Allowed	Employee Handbook Statements
Federal	N/A	N/A	Vacation Handbook Statement
Alabama	N/A	N/A	N/A
Alaska	N/A	Likely no, as vacation pay is a vested right.	Vacation Handbook Statement: Alaska
Arizona	N/A	N/A	N/A
Arkansas	N/A	N/A	N/A
California	Yes, but the cap must be reasonable.	No. In general, a policy cannot require forfeiture of accrued vacation (and leave that is treated like vacation, e.g., PTO). However, exceptions apply for collective bargaining agreements and leaves that are not treated like vacation (e.g., sick pay).	Vacation Handbook Statement: California
Colorado	Yes, but the cap cannot be less than one year's worth of vacation.	Yes, subject to restrictions.	Vacation Handbook Statement: Colorado
Connecticut	N/A	N/A	N/A
Delaware	N/A	N/A	N/A
District of Columbia	N/A	Yes	N/A
Florida	N/A	N/A	N/A
Georgia	N/A	N/A	N/A
Hawaii	N/A	N/A	N/A
Idaho	N/A	N/A	N/A
Illinois	Likely yes.	Yes, if employer provides employees with notice and a reasonable opportunity to use vacation days.	Vacation/Paid Time Off (PTO) Handbook Statement: Illinois

Jurisdiction	Cap on Accrual Allowed	Use-It-or-Lose-It Policies Allowed	Employee Handbook Statements
Indiana	N/A	Yes	N/A
Iowa	N/A	N/A	N/A
Kansas	N/A	Yes	N/A
Kentucky	N/A	N/A	N/A
Louisiana	Likely yes.	Yes, unless the employer prevents employees from using vacation.	Vacation / Paid Time Off (PTO) Handbook Statement: Louisiana
Maine	Generally: Likely yes. Earned Paid Leave Law (Effective January 1, 2021): Yes, an employer can cap earned paid leave accrual annually, but it is unclear whether and how the law addresses overall caps.	Generally: Yes	N/A
Maryland	N/A	N/A	N/A
Massachusetts	Yes	Yes, if notice is provided and the employee is given a reasonable opportunity to use vacation days.	Vacation / Paid Time Off (PTO) Handbook Statement: Massachusetts
Michigan	N/A	N/A	N/A
Minnesota	Yes	Yes	N/A
Mississippi	N/A	N/A	N/A
Missouri	N/A	N/A	N/A
Montana	Yes, if the restriction is reasonable.	No	Vacation / Paid Time Off (PTO) Handbook Statement: Montana
Nebraska	N/A	N/A	Vacation / Paid Time Off (PTO) Handbook Statement: Nebraska

Jurisdiction	Cap on Accrual Allowed	Use-It-or-Lose-It Policies Allowed	Employee Handbook Statements
Nevada	Generally: N/A Paid Leave Law: N/A	Generally: N/A Paid Leave Law: Yes, an employer can limit carry-over to 40 hours per benefit year.	N/A
New Hampshire	N/A	N/A	N/A
New Jersey	N/A	N/A	N/A
New Mexico	N/A	N/A	N/A
New York	Likely yes.	Yes	N/A
North Carolina	N/A	Yes, if the policy is in writing and employees are notified of the policy.	N/A
North Dakota	Likely yes.	Yes, if notice is provided and the employee is given a reasonable opportunity to use vacation days.	Vacation/Paid Time Off (PTO) Handbook Statement: North Dakota
Ohio	N/A	Yes	N/A
Oklahoma	N/A	N/A	N/A
Oregon	N/A	N/A	N/A
Pennsylvania	Likely yes.	Likely yes.	N/A
Rhode Island	Likely yes.	Likely yes.	Vacation / Paid Time Off (PTO) Handbook Statement: Rhode Island
South Carolina	N/A	N/A	N/A
South Dakota	N/A	N/A	N/A
Tennessee	Yes	Yes	N/A
Texas	N/A	Yes	N/A

Jurisdiction	Cap on Accrual Allowed	Use-It-or-Lose-It Policies Allowed	Employee Handbook Statements
Utah	N/A	N/A	N/A
Vermont	N/A	N/A	N/A
Virginia	N/A	N/A	N/A
Washington	Likely yes.	Likely yes.	N/A
West Virginia	Likely yes.	Likely yes.	N/A
Wisconsin	N/A	N/A	N/A
Wyoming	N/A	Yes, if employees have a full opportunity to use vacation days and the employer has not refused a request to use vacation.	N/A

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