

Whereas: One out of five people working in the United States have no access to earned sick time, or “paid sick leave”, for short-term illness, health needs and preventive care.¹ They often face an impossible choice when they are sick: stay home and risk their economic security or go to work and risk their coworkers’ health and the public’s health.

As the COVID-19 pandemic has shown, paid sick leave is a crucial contributor to public health by allowing sick workers who are contagious to isolate themselves from their coworkers and the public. One study found a 56% reduction in COVID-19 cases as the result of temporary federally mandated COVID-19 paid sick leave in states that did not previously have paid sick leave laws.² State and local paid sick leave laws have also been shown to reduce influenza-like illness infections without causing negative effects on employment or wages.³

Under the Railroad Unemployment Insurance Act, railroad employees are only entitled to sickness benefits after seven days of illness.⁴ Railroad employees and their unions have expressed concern that these benefits are inadequate, and that employees risk discipline if they need to take unscheduled time off due to sickness.⁵ Workers’ concerns about the need for paid sick leave have been exacerbated by the railroad industry’s adoption of “precision scheduled railroading” that has reduced railroad carrier staffing levels by 30 percent over the past six years.⁶ In 2022, members of various railway unions rejected tentative agreements that did not contain employer provided paid sick leave benefits.⁷ According to the Association of American Railroads, a nationwide rail shutdown due to a labor dispute could cost the U.S. economy more than \$2 billion a day.⁸

We believe adopting a comprehensive, permanent, and public paid sick leave policy would help make the future operating environment more equitable and mitigate reputational, financial, and regulatory risk to the Union Pacific Corporation.

Resolved: Shareholders of the Union Pacific Corporation ask the Board of Directors to adopt and publicly disclose a policy that all employees, part-time and full-time, accrue a reasonable amount of employer-provided paid sick leave as determined by the Board of Directors. 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.healthaffairs.org/doi/10.1377/hlthaff.2020.00863>

³ <https://voxeu.org/article/pros-and-cons-sick-pay>

⁴ <https://rrb.gov/Benefits/UB9>

⁵ <https://www.nytimes.com/2022/10/28/business/railroad-workers-strike-threat.html>

⁶ <https://www.nytimes.com/2022/09/15/business/economy/railroad-workers-strike.html>

⁷ <https://www.npr.org/2022/11/17/1136459343/railroads-rail-workers-strike-negotiations-labor-union>

⁸ <https://www.aar.org/wp-content/uploads/2022/09/AAR-Rail-Shutdown-Report-September-2022.pdf>