

Employers Let Workers Trade in PTO for Cash, Student Loan Payments

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Employers have a “balancing act” of providing flexibility but also making sure employees are actually taking time off, an expert at Goldman Sachs Ayco told HR Dive.

Student loan borrowers and advocates gather for the People’s Rally To Cancel Student Debt on Feb. 28, 2023, in Washington, D.C. Workers, often in hybrid and remote roles, are taking less PTO and want flexibility, according to one source. Jemal Countess via Getty Images

By letting workers convert unused PTO into cash, student loans or 401(k) contributions, more employers are giving workers choice. Goldman Sachs Ayco’s 2025 Benefits and Compensation Trends report, published earlier this year, showed some employers even permit workers to convert their time into health savings account contributions; into charitable giving, including donating time off to co-workers; and into 529 plan, or qualified tuition, programs.

“This really kind of fits in with the overall trend we’ve seen the last few years about large employers specifically really trying to provide as much flexibility in their PTO programs as possible,” said Kris Battistoni, vice president, compensation and benefits solutions at Goldman Sachs Ayco.

Jonathan Barber, vice president and head of compensation and benefits solutions at Goldman Sachs Ayco, called the benefits situation a “perfect storm.” Workers, often in hybrid and remote roles, are taking less PTO and want flexibility, and companies are willing to offer flexibility using dollars they’ve already set aside, Barber said.

“We’re seeing that across the board with employee benefits,” Barber said.

However, it’s not a free-for-all, they warned. The benefits and compensation trends report shows that most companies limit how many hours can be converted annually; the limit typically is 40 hours per year.

Employers have a “balancing act,” Battistoni said, of providing flexibility but also making sure employees are actually taking time off.

There are some things employers need to keep in mind when implementing a conversion program, Barber warned. Employee paid leave laws vary by state and even sometimes by municipality, so they need to ensure workers still get the legally required amount of vacation and sick time, he said.

While the PTO conversion trend is emerging, the number of companies offering such options is still in the single digits percentage-wise, said Battistoni, who called PTO “the next frontier” for flexibility in benefits.

"The purchase programs are probably more popular than the conversion programs at this point," Battistoni said. "I think we'll see an increase in both."

The company's trends report shows that about 25% of its corporate partners offer PTO purchase programs, which allow workers to buy and sell vacation days, typically up to five days.

"We might be in the single digits now, but that's certainly not going to be the case, probably two, three, four years down the road," Battistoni said of PTO conversion programs.