

**Background on H.R. 5781
The Federal Employees Paid Parental Leave
Act of 2008**

**Prepared by the Office of Rep. Carolyn B. Maloney
June 18, 2008**

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Talking Points for H.R. 5781, the Federal Employees Paid Parental Leave Act

- Most people would be surprised to learn that the federal government does not currently provide any paid parental leave for its employees. Employees must cobble together accrued annual and sick leave if they want to receive a paycheck while they are out.
- As the nation's largest employer, with over 1.8 million employees all over the country, the federal government should be a leader in family-friendly workplace policy. Right now, we're lagging behind.
- The current practice of saving unused vacation time and sick days may work for the lucky family who never gets sick or takes a vacation, but it is unrealistic for most families.
- The federal government is struggling to recruit and retain a qualified workforce. While we cannot compete with salaries in the private sector, we should be able to provide comparable, if not better, benefits.
- The federal workforce is aging, indicating difficulty hiring younger workers. The average age of federal workers increased from 43.6 years to 46.7 years from 1994-2004. Family-friendly benefits could help attract younger workers.
- Most families no longer have a stay-at-home parent to care for a new child and they can't afford to forgo pay for any length of time.
- A middle class family spends nearly \$11,000 on expenses for an infant such as food, clothing, health care, and child care, according to estimates by the U.S. Department of Agriculture.
- A general lack of infant care requires that working parents take leave to care for their newborn. Government-sponsored day care facilities, for example, typically do not care for infants younger than 10 to 12 weeks old.
- 75 percent of Fortune 100 Companies provide paid leave to new mothers. The median length of leave is six to eight weeks.
- Most Congressional offices offer paid family leave: 80% of House offices offer 7.6 weeks of paid family leave and 96% of Senate offices offer 6.1 weeks of paid leave.
- Turnover is more expensive than providing paid leave. The average cost of turnover is about 20 percent of an employee's annual salary. Four weeks of paid leave is less than 8 percent of an employee's salary.
- New parents who have access to leave when their first child is born are more likely to stay with their employer than those who aren't.

- In addition to reducing turnover, paid parental leave can lead to increased productivity, better morale, and reduced absenteeism.
- There could not be a worse time to ask parents to choose between their job and their new child than during an economic downturn. Losing either parent's salary poses real hardships for working families, especially in the face of thousands of dollars of extra baby expenses and rapidly rising prices for food and gas.
- The lack of paid parental leave puts federal agencies far behind what is common in every other Organization for Economic Cooperation and Development (OECD) nation.

Fact Sheet for HR 5781, the Federal Employees Paid Parental Leave Act of 2008

What H.R. 5781 does

- This bill would provide 4 weeks of paid leave to Federal Employees for the birth or adoption of a child.

Current Practice

- The federal government does not offer any paid time off specifically to care for an infant or newly adopted child
- Right now, federal employees who have a child and want paid time off have the option of using their accrued sick days and vacation time. This means that employees must save up their leave time in the years leading up to having a child.
- Leaving employees to cobble together accrued leave makes it difficult for relatively new employees or those who experience health problems to save up enough time for parental leave.

Who Benefits

- Federal workers in all three branches of government who are eligible for unpaid family leave under the Family and Medical Leave Act (FMLA).
- The Federal Government is the country's largest employer, with over 1.8 million employees. Federal employees can be found across the country, in a wide range of jobs.
- The American worker benefits because the federal government often sets the standard that business will follow. In this case, the federal government is lagging behind large employers. The federal government cannot compete with private-sector salaries, but we should be able to offer comparable or superior benefits.

Why We Need this Bill

- The American workplace has not kept pace with the changing needs of workers and families. Both Ozzie and Harriet go to work now, so most families no longer have a stay-at-home parent to care for a new child and they can't afford to forgo pay for any length of time.
- A middle class family spends nearly \$11,000 on expenses for an infant such as food, clothing, health care, and child care, according to estimates by the U.S. Department of Agriculture.

- A general lack of infant care requires that working parents take leave to care for their newborn. Government-sponsored day care facilities, for example, typically do not care for infants younger than 10 to 12 weeks old.
- Paid leave is good for children. Experts in child development tell us that mothers need time to recover from childbirth and that mothers and fathers alike need time to care for and bond with a new baby. If we as a country truly value families, then we need new policies and investments that support our working families and set our children on a path for success early in life.
- The current leave policy may work for the lucky families who never get sick or never need a vacation. But even the best-prepared new parents face difficult choices when child care needs arise – many are forced to choose between their child and their paycheck.
- The lack of paid parental leave makes it hard for federal agencies to compete with the benefits packages provided by top-tier U.S. firms.
- Paid parental leave will improve recruitment and retention for federal agencies. This is especially important now, because in recent years, younger employees have not been staying in the federal workforce.
- Providing paid parental leave for federal workers is long overdue. In an economic downturn, families cannot afford to have either a mother or a father lose their paycheck or their job, especially since mothers now bring home over one-third of the typical family's income.
- The U.S. is the *only* industrialized country that does not provide income support for all workers with a new child.

Gender Parity

- It is important that this policy cover both men and women. Traditional gender roles in childcare are quickly disappearing, and a gender-neutral policy recognizes that many men are involved caregivers for their children.

Support

- Organizations that support the bill include: The National Partnership for Women and Families, The American Federation of Government Employees (AFGE), the National Treasury Employees Union (NTEU), The American Federation of State, County, and Municipal Employees (AFSCME), Moms Rising, and Federally Employed Women.

Senate Companion Bill

Senators Jim Webb (D-VA) and John Warner (R-VA) introduced the companion bill in the Senate, S. 3140, along with Senators Schumer, Clinton, Durbin, Cardin, Mikulski, Kerry, and Sanders.

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Q&A on the Federal Employees Paid Parental Leave Act

Coverage

Q: Who is covered by FEPLA?

A: All employees of the federal government who are eligible for 12 weeks of unpaid leave under the Family and Medical Leave Act. Employees must have been with their current employer for at least a year, and have logged at least 1,250 hours in the past year.

Q: Who is NOT covered by FEPLA?

A:

- DC government employees
- temporary employees
- part-time employees who work less than 1,250 hours in a year
- postal workers
- The military
- The Federal Aviation Administration
- Panama Canal Commission employees employed in Panama
- presidential appointees
- employees of a corporation controlled by the Farm Credit Administration
- alien employees who work outside the U.S., except a chief of mission as defined by the Foreign Service Act of 1980

Q: Who is covered in the legislative branch?

A: All employees of the House and Senate (including Members' personal offices and Committee Staff), Capitol Guide Service, Capitol Police, Congressional Budget Office, Office of the Architect of the Capitol, Office of the Attending Physician, Office of Compliance, the Office of Technology Assessment, Library of Congress, and the Government Accountability Office.

Q: In the legislative branch, Member and Committee offices make their own vacation and sick leave policies. Why wouldn't they continue to make their own parental leave policies?

A: Member and Committee offices do not make their own *unpaid* parental leave policy. As a result of the Congressional Accountability Act, FMLA applies to the legislative branch, including Member and Committee offices. This new benefit is based on FMLA leave, so it is natural that it would apply to Member and Committee offices the way FMLA does.

A: If Congress is going to set this standard for the rest of the federal government, they should follow it themselves.

A: This policy is consistent with the length of leave already offered by many House and Senate offices, and some offices exceed the standard proposed in this legislation.

Q: In looking at the bill, GAO and Library of Congress employees are listed separately from the rest of the Legislative Branch. Why?

A: GAO and LOC employees are considered differently for the purpose of leave in the existing laws. They are eligible for FMLA, but it is applied in a different statute, so it is necessary to create a separate section of the bill to ensure that they are eligible for the four weeks of paid parental leave.

Q: Why isn't the postal service covered?

A: Postal employees are excluded from the Title V definition of "employee" and are therefore treated differently for the purpose of benefits than other federal employees. Their union negotiates for their benefits, unlike other federal employee unions.

Q: If and when this bill is implemented, will it be retroactive for people who have recently had children or are currently expecting a new child and did not receive paid leave?

A: No. It will only affect people who take leave six months after the bill is signed into law.

Q: Is a parent eligible to take this leave at any point in their child's life?

A: FMLA leave for the birth or adoption of a child must be taken within one year of the birth or adoption. For a birth, the leave must be taken for the purpose of caring for the child (i.e. if a parent waits to take leave until the child is 6 months old, it must be to care for the child, they cannot take it if the child is in daycare).

Q: In the case of an adoption, is the leave only available to parents who adopt a baby, or are adoptive parents of older children eligible for this leave?

A: This leave is available to parents who adopt a child of any age, within one year of the adoption. No matter how old the child, there is still a period of adjustment for the family.

Q. Why does this bill not cover members of the Armed Forces?

A: The Armed Forces are not covered by FMLA and set their own leave policies. In the Armed Forces, new mothers are provided with six weeks of paid convalescence leave for a normal birth and more leave if they have complications. At this time, Marines receive 10 days of paternity leave. Other military fathers are not provided with leave, but are encouraged to use their accrued vacation. In May, the Senate Armed Services Committee voted to give new fathers 21 days of

paternity leave after their children are born or within 60 days of fathers' return from deployment; this bill is now pending in the Senate.

Q: Do Armed Forces personnel get paid time off when they adopt a new child?

A: Yes, Armed Forces personnel receive three weeks of paid leave when they adopt a child. If both parents are in the Armed Forces, however, the family will not receive a total of six weeks of leave, but only three weeks of paid adoption leave.

Cost

Q: What will this cost the federal government?

A: The Congressional Budget Office estimates that this bill will cost \$190 million in the first full year of implementation. There are no pay-go considerations. The Joint Economic Committee estimates that this is equal to less than one tenth of one percent of total federal payrolls.

A: For the most part, it is not likely that agencies will hire temps to replace workers on leave. Rather, they will need to deal with the management issue of how to cope in the employee's absence.

A: There are a number of important ways that providing paid parental leave will save the federal agencies money that are not included in CBO's cost estimate. The agencies will retain more employees, which will save turnover costs, aid in recruitment, and improve productivity and employee morale. The Joint Economic Committee estimates that it costs nearly three times as much to replace an employee than to provide them with four weeks of paid parental leave. As Daniel Beard, Chief Administrative Officer of the U.S. House of Representatives noted, "I would even argue that this approach saves money. Employee morale is always greater when an employer treats employees with dignity."

Q: How can legislation that costs \$190 million be pay-go neutral? Won't the agencies need more money to implement this?

A: HR 5781 is pay-go neutral: CBO states that "enacting HR 5781 would not affect direct spending or receipts." In their score of the bill, CBO estimates that the \$190 million is the amount that the agencies currently save on salaries when federal employees who have a new child take their unpaid leave, as they are entitled to under FMLA. The Joint Economic Committee estimates that this is equal to about less than one-tenth of one percent of the federal payroll.

Q: Should we be extending benefits for federal workers when we might be in a recession?

A: Having a child is a joyous event, but it can impose economic hardships on families, especially if parents cannot take paid leave. Most families with children have two working parents and mothers typically bring home over a third of a family's income. Losing either parent's salary

poses real hardships for working families, especially in the face of thousands of dollar of extra baby expenses and a time of rapidly rising prices for food and gas. Now, more than ever, families need to keep parents employed and this bill will help to do that.

A: For families, there could not be a worse time to ask parents to choose between their job and their new child than during an economic downturn. Families would lose income at a time when costs are rising and jobs are hard to come by. Those that end up leaving a job because of family responsibilities will find that getting a new job is difficult to do: nearly one-in-five unemployed workers have been actively searching for work for at least six months.

Current Practice

Q: Don't federal employees already have the best compensation packages in the nation?

A: Federal employees may have had the best compensation packages in the 1950s, but not today. In a recent survey, the Chief Administrative Officer of the House found that the federal workforce is not "benefits-rich": the federal defined benefit plan and retiree health insurance are highly ranked, but the federal government falls short on the benefits desired by younger, working families.¹

Q: What parental leave benefits do federal workers have now?

A: Currently, Federal employees do not have any paid leave for the birth or adoption of a child. Federal employees are eligible for 12 weeks of job-protected unpaid leave under the Family and Medical Leave Act (FMLA) once they have met the job tenure requirements (one year with their employer and having logged at least 1,250 hours over the past year), although workers often cannot afford to take advantage of this leave. Currently, the only way for federal workers to receive pay for parental leave is to use accrued paid sick days and vacation time. In contrast, according to the JEC report, 75% of Fortune 100 companies typically offer women at least six weeks of paid maternity leave.

A: Federal contractors can be reimbursed for providing paid parental leave. For example, recipients of research grants through the National Institutes of Health are permitted to provide themselves and their employees up to 30 days of paid parental leave. Surely if such practice is suitable for contractors and grantees, it is reasonable for federal employees as well.

Why We Need this Benefit

Q: Why is it important to provide paid leave to Federal Employees? Wouldn't it only help people in Washington, DC?

¹ Daniel Beard, "Investing in the Future of the Federal Workforce: Paid Parental Leave Improves Recruitment and Retention," Testimony before the Joint Economic Committee and the Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, March 6, 2008.

A: The Federal Government is the country's largest employer, with over 1.8 million employees. Federal employees can be found across the country, in a wide range of jobs. Providing paid parental leave would help not only Washington-DC-based employees, but also federal workers nationwide. Only one-in-six (16 percent) of federal employees are employed in the Washington, DC area. (For a list of federal employees by state and Congressional District, visit: http://maloney.house.gov/index.php?option=com_issues&task=view_issue_docs&issue=263&Itemid=35)

A: As the nation's largest employer, the Federal Government should be the leader in family-friendly workplace policy. The federal government should provide benefits that are as good as the "best practices" in the private sector. Research by the JEC has found that Fortune 100 firms offer paid leave that typically lasts six to eight weeks.² This is also consistent with the amount of leave typically offered by Congressional offices.

A: This legislation will help the federal agencies recruit and retain younger workers, which is important because the federal workforce is aging and agencies have been unable to recruit younger workers. In 2004, new federal hires are 2.5 years older than they were a decade ago.³ While the federal workforce has excellent benefits for older workers, benefits for younger workers, with young families are comparatively meager. The federal agencies compete for the best workers against companies who offer paid leave: three-quarters of Fortune 100 companies offer women at least six weeks of paid maternity leave.

Q: Doesn't the current system work well? Is this really necessary?

A: The current system is flawed. It forces healthy, long-term employees to save up their sick days and vacation time so they can use this paid time off to receive wage replacement during their FMLA parental leave. Leaving employees to cobble together accrued leave makes it difficult for relatively new employees or those who experience health problems to save up enough time for parental leave.

A: Further, using all of one's sick and vacation time for parental leave potentially leaves federal employees without paid sick days available when they need them. A new baby typically requires multiple doctor visits and young children are prone to catching colds and flu, but if employees use their paid sick days for parental leave, they are left with few options when they or their family actually gets ill.

A: The lack of a paid leave policy means that federal employees who have been unable to accrue sufficient paid time off for a parental leave are left with only unpaid leave, which they may not

² Joint Economic Committee, *Paid Family Leave at Fortune 100 Companies: A Basic Standard, but Still Not the Gold Standard*, March 2008.

³ United States Office of Personnel Management, *Federal Workforce Overview FY1994-FY2004*, p. 4.

be able to afford to use: research has found that over three-quarters (77.6 percent) of those who do not exercise their right to leave under the FMLA report that one reason they did not take leave was because they could not afford to go without pay.

A: Some employees may be able to accrue enough annual and sick leave to take paid leave for their first child, but then might not have enough to have a second child soon after, because they used most or all of it the first time, or for healthcare for their child, as babies and young children are sick often and require a number of well-visits throughout the first two years of life.

A: Federal Government benefits sometimes need to be updated to keep pace with society. In 1951, Congress enacted the Annual and Sick Leave Act, to set the standard for accumulation of annual and sick leave for federal employees. In 1978 the Civil Service Reform Act set guidelines for employee labor organizations, to better balance management rights and worker protections.

We now need to update the federal benefits package once again to catch up with the growing number of families with two working parents.

A: All of our economic rivals provide paid parental leave, as do nearly all other nations in the world. The OECD countries now provide an average of 18 months of childbirth-related leave, much of it paid.

A: Paid parental leave will reduce turnover and save the federal government money. Turnover costs are more expensive than the cost of paying for four weeks of paid leave.

A: Paid parental leave will help recruitment and retention of younger workers, both pressing problems for the federal government. The federal workforce is aging faster than the workforce overall and recruitment among younger workers has been weak. Benefits prized by younger workers, such as paid parental leave, are offered by private sector employers, but not by the federal government.⁴ The federal government cannot compete with private-sector salaries, but we should be able to offer comparable or superior benefits.

Q: Many federal workers are not of child-bearing age, or some choose not to have children. Do they benefit from this at all? Is this discriminatory against them?

A: While some federal workers will never need to use this benefit, all workers understand the need for time off to address family or health concerns.

⁴ Daniel Beard, "Investing in the Future of the Federal Workforce: Paid Parental Leave Improves Recruitment and Retention," Testimony before the Joint Economic Committee and the Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, March 6, 2008.

A: The benefit is available to all federal employees, whether or not they choose to use it. There are employees who may never need to use a sick day, but that does not mean that offering sick leave to all employees is discriminatory.

A: This policy benefits children, who will contribute to our future productivity, competitiveness, and success.

Gender Parity

Q: Why is this benefit necessary for both mothers and fathers?

A: Providing parental leave to only women reinforces inaccurate, outdated gender stereotypes, and could potentially raise legal equal protection issues. Traditional gender roles are falling by the wayside as many more men are becoming involved caregivers for their children.

A: FMLA parental leave is available to both mothers and fathers. As this bill seeks to substitute pay for part of the unpaid FMLA leave, it follows that it would apply to both men and women as the current law does.

A: Children and mothers benefit from fathers taking time to care for and bond with a new child and tend to a recovering spouse.

Contingency Plans

Q: How will government agencies cope with the increased absences?

A: Government agencies already make adjustments to accommodate employees who take unpaid FMLA leave. They shift responsibilities, and plan ahead, since parental leave is foreseeable. With careful human resource management, agencies should be able to accommodate this leave.

Q: Is there a limit to how many times an employee can use this benefit? If an employee wants to have multiple children, is there a certain period of time that they have to wait?

A: Just like the FMLA, there is no limit on how many times over the course of employment that one person could use this leave. The benefit can only be used once in the span of one year, however.

A: There is no waiting period in between children, other than the stipulation that the leave can only be used once in a year's time. But many employees may choose to combine their paid parental leave with some accrued leave to get the majority of their FMLA leave paid, and therefore may wait to have another child until they have accumulated enough leave.

Statement of Administration Policy

Q. The Administration claims that Federal Workers have adequate options to obtain paid parental leave through accumulated sick and annual leave, leave transfer and bank programs. Is this an accurate statement?

A. Federal employees are only able to accumulate a maximum of 30 days (6 weeks) of annual leave which is not an adequate amount of time for purposes of providing care to a newborn or a newly adopted child.

A. Early in their careers, when they are earning only 13 or 20 days per year, accumulating even 30 days is nearly impossible, yet the early years of one's career coincide with the years when employees are most likely to become parents. For adoptive parents, this leave is often used up in the many trips and appointments that precede adoption.

A. Under current law, federal employees are prohibited from using sick days to pay for part of the 12 weeks FMLA, if the woman had a delivery with no complications. In other words, after the two - five day stay in the hospital, a woman cannot use any sick leave to stay home with her newborn unless she is physically incapacitated, in which case, she's using the sick leave to take care of herself, not her baby.

A. Federal workers in their child-bearing or adopting years earn less, on average, than other federal employees. They are at a moment in their careers when they can least afford to take any time off without pay, and least likely to have accumulated significant savings. It is not all unrealistic to imagine a federal worker starting out a low-graded job with a modest salary going into a downward financial spiral after the birth or adoption of a child and subsequent taking of unpaid leave.

Q. Why is the Administration's proposed short-term disability (STDI) program inadequate for addressing these potential gaps?

A. The federal government does not provide its workforce with any disability insurance.

A. The administration's proposal is to establish an "employees pay all" disability insurance program. This is the same as saying to federal employees: Go out and buy yourself some disability insurance. It is not a substitute for employer-provided paid parental leave.

A. The administration's STDI proposal discriminates against new fathers and adopted parents

A. The FMLA settled the question of whether anyone besides a woman who has just given birth deserves time off from work to care for a child. The administration's STDI proposal is a huge step backwards for federal workers and families.

Q. The Administration claims that 86 percent of federal employees said they were very satisfied or satisfied with paid leave for illness and family care situations (childbirth, adoption, eldercare, etc.). If this is the case, why offer paid parental leave?

A. The Administration's claim that 86% of federal employees are satisfied with current levels of paid leave for illness and family care is highly misleading.

A. Less than one-third of survey respondents of child bearing age (25-49 years) said they were "very satisfied" with current benefits.

A. The question asked in the survey does not address the question of paid parental leave or whether its provision by the government would encourage employees to remain in federal government employment.

A. The leave in this bill is not for illness or to care for a sick family member. It is to spend time with a new child.

A. All the major federal unions support this bill.

Statement of Administration Policy Q&A

Q: Why does the Administration oppose paid leave for federal workers?

A: The Administration claims that HR 5781 is costly, but the bill is pay-go neutral. “Enacting H.R. 5781 would not affect direct spending or receipts,” according to the Congressional Budget Office (CBO). The Congressional Budget Office says that it will cost \$190 million in 2010, the first full year the law will be in effect. The Joint Economic Committee estimates that this is equal to about less than one-tenth of one percent of the federal payroll.⁵

There are a number of important ways that providing paid parental leave will save the federal agencies money that are not included in CBO’s cost estimate. The agencies will retain more employees, which will save turnover costs, and have another important employee benefit to aid them in recruitment of younger or highly qualified staff.

The largest financial gain will be in improved retention. The Joint Economic Committee estimates that it costs nearly three times as much to replace an employee than to provide them with four weeks of paid parental leave.

Research shows that having access to leave can improve productivity and employee morale. These kinds of cost-savings are so important that Daniel Beard, Chief Administrative Officer of the U.S. House of Representatives noted, “I would even argue that this approach saves money. Employee morale is always greater when an employer treats employees with dignity, especially in times of crisis.” He also pointed out that “Salary budgets remain the same whether an employee takes leave or not. The pay for that employee has already been included in the budget. Whether that individual is on paid leave or not doesn't affect the employing authority's bottom line.”

A: The Administration claims that the current policy is adequate for family leave – employees can cobble together their sick and vacation time when they decide to have a family. It is surprising that the nation’s chief personnel manager does not see a distinction between being sick, taking a vacation, and becoming a new parent.

Q: Do federal workers have enough paid leave available to them to draw on for parental leave?

A: Under the current system, federal workers cannot accrue enough leave to take the entire 12 weeks of FMLA as paid leave. Assuming a federal worker takes two weeks of vacation each year, it would take a federal worker about 10 years to accrue enough annual leave to receive 6 weeks of pay – the maximum accrual allowed – during their 12 weeks of FMLA. If a federal

⁵ The numerator is the CBO cost estimate of \$190 million; the denominator is an estimate of total federal payroll of \$260 billion, which we received in phone correspondence with CBO.

worker never took vacation time, it would still take someone over 2 years to save 6 weeks of paid leave.

Q: What evidence does the OPM cite that leave policy is adequate?

A: The OPM says that a 2006 employee survey indicates satisfaction with paid leave, but this survey is flawed. The question put to federal employees in the survey asks about paid leave for personal illness, child birth, adoption, and elder care. Our chief personnel manager lumps each of these distinct life events – requiring different personal and management decisions – into one broad category. Federal workers were not able to give a separate opinion on their satisfaction with their paid leave for illness versus family care situations. Moreover, young workers – those most likely to need parental leave – are underrepresented in the survey, skewing the outcome even more.

Q: How do we know that federal workers need paid parental leave?

A: Labor unions representing federal workers have testified before Congress that this is an important benefit needed by their workers. Also, federal workers have passed along heartbreaking stories: from a woman who had to go back to work with an open wound due to a C-section, to a single mom who couldn't afford to take more than a few weeks of leave – and everything in between.

Talking Points
on the Congressional Budget Office Cost Estimates for H.R. 5781,
the Federal Employees Paid Parental Leave Act of 2008

Prepared by the Majority Staff of the Joint Economic Committee

June 18, 2008

HR 5781 is pay-go neutral: CBO states that “enacting HR 5781 would not affect direct spending or receipts.” In their score of the bill, CBO estimates the total value of the leaves taken in the first full year of implementation will total \$190 million.

The \$190 million is the amount that the agencies currently save on salaries when federal employees who have a new child take their unpaid leave, as they are entitled to under FMLA. The Joint Economic Committee estimates that this is equal to about less than one-tenth of one percent of the federal payroll.

To get the \$190 million figure, CBO tallies up the value of salaries for federal employees who will take advantage of paid parental leave:

- CBO assumes that every year, 17,700 female federal employees give birth or adopt and that each one will take the maximum amount of leave.
- CBO assumes that every year, 23,000 male federal employees have a new child and that they will use half of their available paid parental leave.
- The total value of the mother’s and father’s paychecks while they are on parental leave, given their average salaries, comes to \$120 million in the first full year of implementation. The CBO increases this value to \$190 million by assuming a 50 percent chance that OPM will increase allowable leave to eight week.

Federal agencies will have to sort out how to deal with paying this new benefit and whether they will ask for increased appropriations in the future.

Currently, federal employees who have a child bear both the burden of going without pay during their FMLA leave as well as coping with their new family expenses. USDA estimates that a family will spend an additional \$11,000 dollars in the first year of having a new child, on top of any loss in salary during unpaid leave.

The CBO score does not take into account the cost savings of providing paid parental leave. This benefit can reduce turnover; it costs about 20 percent of an employee’s salary to hire and train their replacement, far less than offering an-already trained employee a few weeks of paid leave.

Paid parental leave can also increase productivity. In testimony in support of this bill, Daniel Beard, Chief Administrative Officer of the U.S. House of Representatives concurred, “... this

approach saves money. Employee morale is always greater when an employer treats employees with dignity, especially in times of crisis.”

The Need for Paid Parental Leave – Personal Stories from Federal Workers

A Department of Energy employee had to return to work after she used up all of her saved annual and sick leave despite the fact that her C-Section wound had not healed and she was still on narcotic painkillers.

Here's what she wrote:

“After 36 hours of labor, my daughter was born via emergency c-section. I stayed in the hospital for 3 nights after the surgery (if I had stayed one more night, my medical problems likely would have been detected in the hospital, making the remainder of this story very different). The day after I was discharged, I noticed a lot of bleeding from my C-section wound. I went to my doctor's office, where they determined that the wound was infected, and they re-opened the entire wound to clean it out and drain it. The doctors then did not feel that they could safely re-stitch it, so the wound was left to heal from the inside out, with "wet to dry" dressing changes -- the wound was about 17 cm long and 5 cm deep, stuffed with gauze pads. I had a home nurse visit daily for about 2 months, after which point it was decided that my husband could take over care responsibilities for me. Healing was strangely slow, for reasons that no one could ever explain to me. So, there I was, with my leave dwindling away, wondering when this thing would heal, doped up on Percocet. I delayed my return to work several times, in hopes that I could heal and get off the drugs - but the hours ran out, and I simply couldn't go unpaid. As a result, when the leave I had saved up ran out after 3.5 months, I was forced to return to work with a quite long and deep open wound in my abdomen (and still on narcotic painkillers).”

A Walter Reed Army Medical Center nurse had to use a combination of leave without pay and leave donated by her colleagues to take off the necessary time to heal following her c-section. She would like to have more children, but is not sure how she and her husband could manage any future leave.

Here's what she wrote:

“My daughter was born 10 months ago, while I was working for Walter Reed Army Medical Center as a nurse. Because my baby was in a breech position, I had a planned c-section and needed to take 8-9 weeks off to recover from the surgery. Unfortunately, I only had just under 5 weeks of paid leave saved up. Luckily, for me a few of my coworkers had a lot of use or lose leave which they generously donated to me. But even with their generosity, I still needed to take a few days of leave without pay to take off the 9 weeks I had originally hoped to take following the birth. However, due to the difficulty in finding child care in this area because of the extensive

day care wait lists, I actually had to take another week of leave which forced me into more leave without pay.

The larger problem is ahead of me. My husband and I would like to have several kids. I'm in my early thirties and I have worked for the government (DOD) for 11 years (4 of which were on active duty for the US Army). I currently have a balance of < 10 hours of sick leave due to my 10 month old needing to stay home from day care due to various illnesses acquired in day care. We would like to have another child within the next year or so. There will be no chance that I will have more than a week or 2 worth of leave for another maternity leave. Will my coworkers come through for me again? I can't depend on it. I don't know what we'll do.

It's so frustrating because I know that DOD is one of the largest employers in the U.S. with the largest budget of the government. However, they cannot find the justification or the appropriate money to offer any paid maternity leave. This is where I really get emotional so I will stop.”

In anticipation of the birth of their first child a couple who work at the Government Accountability Office saved both leave and money to help make expected time off easier for the family. However, unexpected home repairs used up their savings, forcing the new parents to take on credit card debt that they still haven't paid off, and requiring the mother to return to work earlier than planned. They would like to have a second child, but are not sure how they could afford it without paid leave.

Here is what the mother wrote:

“I had 5.5 years of federal employment when I had my daughter, who is now 17 months old After a C-section, which required 8 weeks of sick leave, I was also forced to spend down my remaining annual leave before having to take Leave Without Pay for two pay periods. Because we could not afford to go any longer than that without my paycheck, I came back to work when my daughter was 4.5 months old. I have had to totally rebuild my sick and annual leave, and have made only a small impact there since coming back to work one year ago. Not to mention that we want to have a second child in the near future, and I will not have as much leave for the second child as I did for the first.”

Here is what the father added:

“We had expected my wife to have some leave without pay, and we had budgeted for it. Prior to the baby being born, we had no credit card debt. But a month into my wife's maternity leave, we had to replace the heat pump, which cost us about \$6,000. That completely wiped out our cash reserves. Since my wife was only paid for 45-55 hours per pay period, we were forced to live off credit cards during the remainder of her maternity leave and in the first few months after she went back to work. We have not yet cleared all of that debt. Having the 6 weeks of full pay sure

would have come in handy at the time.”

As the sole breadwinner in her family, one Government Accountability Office employee could only afford to take six weeks of maternity leave, some of which was unpaid. She calls her short maternity leave the worst decision of her life.

Here's what she wrote:

Because my husband was in graduate school and I was the sole breadwinner who was new to GAO, I was only able to take six weeks total maternity leave (including my leave, donated leave and unpaid leave) when my daughter was born. It was the worst decision I've ever made, and it really wreaked havoc on my life, my husband and daughter's lives and my mother's life.

One federal employee used up much of her saved sick leave before the birth of her son, as a result of going into pre-term labor that forced her to stay on strict bed rest.

Here's what she wrote:

“When I was pregnant with my son, I carefully saved up my sick and annual leave, calculating how much I would have when he was born. Unexpectedly, I went into pre-term labor a month before he was due. I was in the hospital for 3 days (and then in and out 4 more times before he was actually born) and on strict bed-rest 24/7. This meant that I used up a lot of my sick leave before my son was even born! Although I came back full-time at the time I had originally planned (when he was 3 1/2 months old), I also ended up having to work from home part-time when he was only 2 months old because I felt I needed to do this to try get as many paid hours as I could. That meant that I spent less time with my son (bonding with him, caring for him, getting used to being a new mother) than I would have liked.”

One federal employee was only able to save 4.5 weeks of leave before the birth of her son. As a result, she had to rely on donated leave and leave without pay for her maternity leave. She also used advanced sick leave to stay home, but this has left her with a sick leave deficit that has made being a working mother particularly difficult.

Here is what she wrote:

“I took a total of 18 weeks off for maternity leave. I had only been with the federal government for about 2 years before I went on maternity leave so I didn't have a lot of paid leave accrued --

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Prepared by the Office of Rep. Carolyn B. Maloney

Questions? Contact Orly Isaacson (orly.isaacson@mail.house.gov) at 225-7944

Questions about economic issues? Contact Heather Boushey (heather_boushey@jec.senate.gov) at 224-2675

Updated: June 18, 2008

plus, I only earn 4 hours per pay period.

I used up all my paid sick and annual leave within 4.5 weeks (and I had been hoarding it from the moment I found out I was pregnant). I was eligible to get a leave donation from my husband (also a government employee), but you can only receive donations up to six weeks post partum so I got about 60 hours (1.5 weeks) from him .

From 6 weeks to 18 weeks, I used a combination of LWOP and advanced sick leave. Advanced leave helped take the financial bite out of LWOP and without the advanced sick leave I would have had to 1) return to work earlier, or 2) use up a lot of savings to stay home.

However, when I returned to work full time, not only did I have no annual leave, but I have a sick leave deficit which will take a long time to dig myself out of. That means if I need to take time off work for doctors appointments or illness I have to use annual leave (still earning only 4 hours per pay period), or I have to work late or on weekends to make up the hours I've missed.”



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 5, 2008

H.R. 5781

Federal Employees Paid Parental Leave Act of 2008

*As ordered reported by the House Committee on Oversight and Government Reform
on April 16, 2008*

SUMMARY

H.R. 5781 would amend title 5 of the United States Code, the Congressional Accountability Act, and the Family and Medical Leave Act of 1993 (FMLA) by creating a new category of leave under FMLA. This new category would provide four weeks of paid leave to federal employees following the birth, adoption, or fostering of a child. In addition, the legislation would permit the Office of Personnel Management (OPM) to increase the amount of paid leave provided to a total of eight weeks, based on the consideration of several factors such as the cost to the federal government and enhanced recruitment and retention of employees.

Under current law, federal employees who have completed at least 12 months of service are entitled to up to 12 weeks of leave without pay after the birth, adoption, or fostering of a child. Upon return from such FMLA leave, an employee must be returned to the same position or to an "equivalent position with equivalent benefits, pay, status, and other terms and conditions of employment." Employees may get paid during that 12-week period if they use annual or sick leave that they have accrued. The leave provided by this bill would be available only within the 12-week FMLA leave period.

CBO estimates that implementing H.R. 5781 would cost \$60 million in 2009, \$190 million in 2010, and a total of \$850 million over the 2009-2013 period, subject to the appropriation of the necessary funds. Enacting H.R. 5781 would not affect direct spending or receipts.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5781 is shown in the following table. The costs of this legislation would fall in all budget functions (except functions 900 and 950).

	By Fiscal Year, in Millions of Dollars				
	2009	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	60	190	195	200	205
Estimated Outlays	55	190	195	200	205

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5781 will be enacted by October 1, 2008, and that the necessary amounts for implementing it will be appropriated each year. Under the legislation, the new category of leave would become available six months after enactment (that is, around April 2009). As a result, the cost of the legislation in 2009 reflects implementation for only half of the year. After 2009, CBO has included in its estimate a 50 percent probability that OPM will use its authority to increase the amount of paid leave available from four weeks to eight weeks. Costs in future years are projected to grow with inflation.

CBO assumes that the potential users of the new leave would be primarily the nearly 690,000 civilian employees who are between the ages of 20 and 44 and have been employed at least 12 months. (This figure excludes employees of the Postal Service because H.R. 5781 amends title 5 of the United States Code, which does not apply to them.)

Estimating an adoption rate based on data from the Department of Health and Human Services and applying birth rate information for the relevant age cohorts from the National Center on Health Statistics to the roughly 305,000 women eligible for the new leave yields about 17,700 women who might give birth or adopt in a given year. Based on average salary information for 2008 from OPM, CBO estimates that four weeks of paid leave—the maximum amount guaranteed by the bill—for female employees would cost between \$2,600 (for those in the youngest age cohort) and \$5,100 (for those in the 40-44 age cohort). Assuming that nearly all of those women took the maximum amount of leave, CBO estimates the value of the leave to be about \$70 million in the first year (if it were available for the entire 12-month period).

Applying those same calculations to the 380,000 men in the affected age groups, CBO estimates that roughly 23,000 men would be eligible for the four weeks of paid leave, at an average cost of between \$2,800 and \$5,800 per employee. Assuming that eligible men would take the leave on average at about one-half the rate of women, CBO estimates that men would use another \$50 million worth of leave in the first year (if it were available for the entire 12-month period), bringing the total to \$120 million in the first year.

Since CBO assumes that the new leave would not be available until half-way through fiscal year 2009, the estimated cost of leave taken in the first year totals \$60 million. Beyond 2009, CBO assumes a full year of availability and has included a 50 percent probability that OPM will increase the amount of paid leave available to employees. As a result, anticipated costs increase to \$190 million in 2010. (The 2010 costs would be \$125 million if the benefit were kept at a maximum of four weeks.)

The effects of this bill on the budget derive from the provision of a new form of paid leave. To the extent that such a new benefit enables people to take advantage of paid leave rather than taking leave without pay, the costs are clear. However, employees who would currently use annual or sick leave upon the birth, adoption, or fostering of a child might choose to use this new form of paid leave and save their accrued leave for a later date. CBO has no basis for estimating the magnitude of such substitution, but the deferral of annual and sick leave also represents a cost either in terms of increased availability of paid leave or cash payments upon separation.

In addition, providing a more generous benefit to employees may enhance the federal government's ability to retain employees after the birth or adoption of a child and thereby lower recruitment and training costs. CBO estimates that such potential savings are likely to be relatively small over the next five years.

Finally, the legislation would require the Government Accountability Office to prepare a report within one year of enactment on the feasibility and desirability of providing an insurance benefit to federal employees that provides partial or total wage replacement for periods of family leave. Based on the cost of similar reports, CBO estimates that preparing and distributing the report would cost about \$500,000 over the 2008-2009 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5781 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Barry Blom (226-2880)

Impact on State, Local, and Tribal Governments: Elizabeth Cove (225-3220)

Impact on Private Sector: Paige Piper/Bach (226-2960)

ESTIMATE APPROVED BY:

Peter H. Fontaine

Assistant Director for Budget Analysis



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

May 5, 2008

Honorable Henry A. Waxman
Chairman
Committee on Oversight and
Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As you requested, the Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5781, the Federal Employees Paid Parental Leave Act of 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Barry Blom, who can be reached at 226-2880.

Sincerely,

for Robert A. Sunshine

Peter R. Orszag

Enclosure

cc: Honorable Tom Davis
Ranking Republican Member



Memorandum

April 29, 2008

TO: Hon. Carolyn B. Maloney
Attention: Elizabeth Down

FROM: Jon O. Shimabukuro
Legislative Attorney
American Law Division

SUBJECT: H.R. 5781, the Federal Employees Paid Parental Leave Act of 2008

This memorandum discusses H.R. 5781, the Federal Employees Paid Parental Leave Act of 2008 (“FEPPLA”), introduced by Rep. Carolyn B. Maloney on April 14, 2008 and amended by the House Committee on Oversight and Government Reform on April 16, 2008.¹ FEPPLA would amend section 6382 of title 5, U.S. Code, the Congressional Accountability Act (“CAA”), and the Family and Medical Leave Act (“FMLA”) to provide four workweeks of paid parental leave to most federal and congressional employees. This memorandum reviews the changes proposed by FEPPLA and pays particular attention to the employees who would be affected by the legislation.

Under existing law, most federal and congressional employees are entitled to a total of 12 workweeks of unpaid leave during any 12-month period because of the birth of a child, the placement of a child for adoption or foster care, to care for specified family members with a serious health condition, or because of an employee’s own serious health condition.² FEPPLA would allow a covered employee to substitute up to four workweeks of paid parental leave for any of the unpaid leave permitted for the birth of a child or the placement of a child for adoption or foster care.³ The measure would not allow such a substitution because of a serious health condition.

Under FEPPLA, an employee would not be required to use all or any portion of accrued annual or sick leave before being allowed to use the paid parental leave provided by the

¹ This memorandum is a revised version of an April 7, 2008 memorandum prepared for Rep. Carolyn B. Maloney.

² See, e.g., 5 U.S.C. § 6382(a)(1); 2 U.S.C. § 1312(a)(1).

³ FEPPLA would also enable the Director of the Office of Personnel Management to promulgate regulations to increase the amount of paid parental leave available under section 6382 of title 5, U.S. Code, to a total of not more than eight workweeks based on the consideration of specified factors. See H.R. 5781, 110th Cong. § 2(a)(3) (2008).

measure. However, paid parental leave provided under FEPLA would not accumulate for subsequent use if it was not used before the end of the 12-month period.

Paid Parental Leave Under Title 5, U.S. Code

Section 2(a) of FEPLA would amend section 6382 of title 5, U.S. Code, to provide paid parental leave to most federal employees. Section 6382, which discusses generally the availability of family and medical leave, was added to title 5 as part of the FMLA.⁴ 5 U.S.C. § 6381(1) defines the term “employee” for purposes of section 6382. In providing a definition for the term, 5 U.S.C. § 6381(1) references two other definitions sections of the U.S. Code: 5 U.S.C. § 6301(2) and 5 U.S.C. § 2105. Most federal employees appear to be contemplated by 5 U.S.C. § 2105. For example, 5 U.S.C. § 2105(a) states:

For the purpose of [title 5 of the U.S. code], ‘employee’, except as otherwise provided by this section or when specifically modified, means an officer and an individual who is –

- (1) appointed in the civil service by one of the following acting in an official capacity –
 - (A) the President;
 - (B) a Member or Members of Congress, or the Congress;
 - (C) a member of a uniformed service;
 - (D) an individual who is an employee under this section;
 - (E) the head of a Government controlled corporation; or
 - (F) an adjutant general designated by the Secretary concerned under section 709(c) of title 32;
- (2) engaged in the performance of a Federal function under authority of law or an Executive act; and
- (3) subject to the supervision of an individual named by paragraph (1) of this subsection while engaged in the performance of the duties of his position.

Some federal employees, however, are not considered to be “employees” for purposes of section 6382. These individuals are identified in 5 U.S.C. § 6301(2) and 5 U.S.C. § 6381(1)(A). The group of excluded employees includes the following: any individual employed by the government of the District of Columbia; any individual employed on a temporary or intermittent basis; any employee of the Government Accountability Office (“GAO”) or the Library of Congress (“Library”); any part-time employee who does not have an established regular tour of duty during the administrative workweek; any employee of the Panama Canal Commission when employed on the Isthmus of Panama; any employee of either House of Congress or of the two Houses; any employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors; any alien employee who occupies a position outside the United States, except as provided by 5 U.S.C. § 6310; any chief of mission, as defined in section 102(a)(3) of the Foreign Service Act of 1980; and any officer in the legislative or judicial branch who is appointed by the President.⁵

⁴ See Pub. L. No. 103-3, § 201(a), 107 Stat. 6, 19 (1993).

⁵ Eligibility for benefits is also subject to specified length of service requirements. Under 5 U.S.C. § 6381(1)(B), an employee must have completed at least 12 months of service as an employee to be eligible for benefits.

Although congressional employees and employees of GAO and the Library are excluded from coverage under section 6382, they remain eligible for family and medical leave benefits pursuant to the CAA and the FMLA. Sections 3 and 4 of FEPPLA would address this distinction, and provide paid parental leave to these employees by amending the CAA and the FMLA.

Paid Parental Leave for Congressional Employees

Section 3(a) of FEPPLA would amend section 202 of the CAA to provide paid parental leave to congressional employees. In general, the CAA applies twelve employment statutes, including the FMLA, to congressional employees.⁶ Section 202(a)(1) indicates that the rights and protections established by the FMLA will apply to covered employees.⁷ Section 101(3) of the CAA defines the term “covered employee” for purposes of section 202(a)(1).⁸ Section 101(3) states that the term includes any employee of the following: the House of Representatives; the Senate; the Capitol Guide Service; the Capitol Police; the Congressional Budget Office; the Office of the Architect of the Capitol; the Office of the Attending Physician; the Office of Compliance; and the Office of Technology Assessment.⁹ If enacted, FEPPLA would permit covered employees to substitute up to four workweeks of paid parental leave for any of the unpaid leave permitted for the birth or placement of a child.

Paid Parental Leave for GAO and Library of Congress Employees

Section 202(c)(1)(A) of the CAA amended the FMLA to include GAO and the Library within the statute’s definition for the term “employer.”¹⁰ Although public agencies have always been included within the FMLA’s definition of “employer,” the amendment addressed specifically the application of the statute to the two agencies. During consideration of the CAA, Sen. Chuck Grassley, the measure’s sponsor, explained that the CAA “clarifies existing coverage in certain respects . . .”¹¹

The availability of family and medical leave for GAO and Library employees under the FMLA may be distinguished from the availability of such leave for congressional employees by virtue of specific provisions in the CAA. GAO and Library employees may also be distinguished from most other federal employees who are eligible for family and medical leave pursuant to section 6382 of title 5, U.S. Code. As indicated previously, GAO and Library employees are not covered by that section.

⁶ For additional information on the CAA, see Office of Compliance, *Basic Information on the Office of Compliance and the Congressional Accountability Act (CAA)*, available at <http://www.compliance.gov/organization/caabackgroundfactsheet.pdf>

⁷ 2 U.S.C. § 1312(a)(1).

⁸ 2 U.S.C. § 1301(3).

⁹ The Office of Technology Assessment ceased operations on Sept. 29, 2005. See U.S. Gov’t Printing Office, OTA Archive, available at <http://www.gpo.gov/ota/> (last visited Apr. 28, 2008). Eligibility for benefits is also subject to specified length of service requirements. Section 202(a)(2)(B) of the CAA, 2 U.S.C. § 1312(a)(2)(B), provides that a covered employee must have been employed for 12 months and for at least 1,250 hours of employment during the previous 12 months to be eligible for benefits.

¹⁰ See 29 U.S.C. § 2611(4)(A)(iv).

¹¹ 141 Cong. Rec. 654 (1995).

Section 4 of FEPLA would amend section 102(d) of the FMLA to provide paid parental leave to GAO and Library employees under similar terms as such leave is available for federal employees under section 6382 and for congressional employees under the CAA. Thus, FEPLA would permit these employees to substitute up to four workweeks of paid parental leave for any of the unpaid leave permitted for the birth or placement of a child.

Study

Finally, section 5(a) of FEPLA would direct GAO to study and submit to Congress a written report on the “feasibility and desirability” of offering an insurance benefit to federal employees that would provide wage replacement during periods related to a serious health condition. At a minimum, the report would have to include a brief description of any plans or arrangements under which similar benefits are currently provided to employees in the private sector, in state or local governments, or in other countries.

In describing the period for which an insurance benefit could be available, FEPLA uses the term “period of qualified leave.” Section 5(b) provides a definition for that term:

. . . the term ‘period of qualified leave’, as used with respect to a Federal employee, means any period of leave under section 6382 of title 5, United States Code, which would otherwise be leave without pay, and which is available by reason of –

- (1) the need to care for the spouse or a son, daughter, or parent of the employee having a serious health condition; or
- (2) a serious health condition affecting the employee that renders such employee unable to perform the functions of the employee’s position.

Given the exclusion of congressional employees and employees of GAO and the Library from coverage under section 6382, it is uncertain whether the availability of an insurance benefit for these employees would be studied by GAO. As noted, these employees are not considered “employees” for purposes of section 6382.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 17, 2008
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5781 – Federal Employees Paid Parental Leave Act of 2008

(Rep. Maloney (D) NY and 21 cosponsors)

The Federal workforce is the government's most critical asset, working each and every day to solve the Nation's most challenging problems. It is important for the Federal government to support its workers with appropriate benefits. In fact, Federal leave policies and programs compare favorably with benefits offered by private sector companies. This is reinforced by a 2006 Federal Human Capital Survey in which 86 percent of federal employees said they were very satisfied or satisfied with paid leave for illness and family care situations (childbirth, adoption, eldercare, etc.). Therefore, the Administration strongly opposes House passage of H.R. 5781 because it would provide a costly, unnecessary, new paid leave entitlement. H.R. 5781 would provide Federal employees with a new entitlement to four weeks of paid leave (in addition to employees' accrued annual or sick leave) in connection with the birth or adoption of a child. H.R. 5781 would significantly increase costs for agencies to fund the new entitlement. Therefore, if H.R. 5781 were presented to the President, his senior advisors would recommend that he veto the bill.

On average, Federal employees aged 20 to 45 already have a combined paid leave balance of over seven weeks. In addition to the 10 paid federal holidays, a new Federal employee will accrue 13 days of vacation and 13 sick days – or more than five weeks of paid leave in their first year, and as those employees spend more time in the government, there is no limit to the number of sick days they can accrue. Current law also permits Federal employees to substitute any accrued annual leave for all or part of the Family and Medical Leave Act 12-week entitlement. Federal employees may substitute accrued sick leave as well, if sick leave would otherwise be appropriate (for example, during the mother's recovery from childbirth and for routine medical or well-baby appointments). Federal employees may also use up to 12 weeks of accrued sick leave in a year to care for a family member with a serious health condition. Pregnancy and childbirth are included in the definition of "serious health condition" for this purpose.

The Federal government also offers additional leave and flexibility options to qualifying employees, such as leave-sharing programs, flexible work schedules, and telework programs, which can help employees to balance their work and family responsibilities.

While Federal employees can already take advantage of generous leave benefits and flexibility options, the Administration recognizes that some employees, particularly those who need to use large amounts of leave early in their careers, may not have accumulated sufficient sick and annual leave to help them during pregnancy or during recovery from childbirth, an accident, or an illness. Accordingly, the Administration has proposed a short-term disability insurance (STDI) program that addresses these potential gaps while avoiding increased costs to taxpayers.

Under the STDI program, all Federal employees, including recent hires, would have the option to purchase affordable STDI coverage on a voluntary basis to provide income support during their temporary inability to perform normal occupational duties because of a non-work related disability. This type of coverage would complement existing Federal leave and flexibility programs and would provide income support during recovery from disabilities not addressed by H.R. 5781, such as an employee's recovery from an illness or accident. The Administration urges Congress to act on this proposal and quickly pass STDI legislation.

Given the significant benefits already available to Federal employees and the more comprehensive option proposed by the Administration to fill the short-term disability gap, the Administration does not support passage of H.R. 5781.

* * * * *