

## **FACT SHEET ON THE FEDERAL EMPLOYEES PAID PARENTAL LEAVE ACT OF 2009**

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### **Background:**

Although all federal employees currently are entitled to 12 weeks of unpaid leave guaranteed to them by the Family and Medical Leave Act, few are able to afford taking unpaid leave. The federal government does not offer any paid time off specifically to care for an infant or newly adopted child, putting the United States in the extreme minority of industrialized countries.

Under current law, 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. Asking 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. 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 also 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, with 40 percent of the federal workforce expected to retire over the next ten years.

### **The Federal Employees Paid Parental Leave Act of 2009 would:**

Provide that, of the 12 weeks of unpaid leave guaranteed by the Family and Medical Leave Act, federal employees be allowed to substitute 4 weeks of paid leave, as well as any accrued annual or sick leave, for the birth or adoption of a child.

### **Who Benefits:**

Federal workers in all three branches who are eligible for unpaid family leave under the Family and Medical Leave Act. The federal government is the country's largest employer, with over 2.7 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. Once we get up to par, we will set a standard for the rest of the private sector.

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.

The bill is endorsed by the American Federation of Government Employees; National Treasury Employees Union; National Fatherhood Initiative; American Federation of State, County, and Municipal Employees; Moms Rising; Partnership for Women and Families; Partnership For Public Service; American Association of University Women; Federally Employed Women and other organizations.

### **House Counterpart Bill:**

Congresswoman Carolyn Maloney (D-NY) offered the counterpart bill (H.R. 626) on January 22, 2009. Last year, the House passed an identical bill by a bipartisan vote of 278-146.

**Score:** The Congressional Budget Office estimates the five-year score is \$850 million.

## Question & Answers

### The Federal Employees Paid Parental Leave Act of 2008 (S. 3140)

#### Coverage

***Q: Who is covered by FEPLA (Federal Employees Paid Parental Leave Act)?***

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 one year and have logged 1,250 hours (full-time employment) in the past year.

***Q: Who is NOT covered by FEPLA?***

A: -DC government employees  
-temporary employees  
-part-time employees  
-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: 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 House and Senate offices and many 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 eight weeks of paid parental leave.

***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 presumably a period of adjustment for the family.

### **Cost**

***Q: What will this cost the federal government?***

A: CBO estimated that implementing this bill would cost \$60 million in 2009, \$190 million in 2010, and a total of \$850 million from 2009-2013. Enacting this bill would not affect direct spending or receipts.

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.

### **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.<sup>1</sup>

***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, Fortune 100 companies, typically offer women at least six weeks of paid maternity leave.

### **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?***

A: Only one-in-six (16 percent) of federal employees are employed in the Washington, DC area. The Federal Government is the country's largest employer, with over 2.7 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.

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 Joint Economic Committee has found that Fortune 100 firms offer paid

leave and it typically lasts six to eight weeks.<sup>ii</sup> This is also consistent with the amount of leave typically offered by Congressional offices.

***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. Asking 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 be able to afford to use: research has found 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: All of the United States' economic rivals provide paid parental leave, as do nearly all other nations in the world. The European Union requires that member countries offer 14 weeks of paid maternity leave and most offer more than the required amount. The Organization for Economic Co-operation and Development 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 eight weeks of paid leave.<sup>iii</sup>

A: Paid parental leave will help recruitment and retention of younger workers, both pressing problems for the federal government. According to the Office of Personnel Management's Budget Justification for fiscal year 2009, more than half of the federal government's employees will become eligible for retirement in the next ten years and approximately 40 percent of the federal workforce is expected to retire. 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.<sup>iv</sup> The federal government cannot compete with private-sector salaries, but we should be able to offer comparable or superior benefits.

**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 any increase in 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.

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<sup>i</sup> 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.

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

<sup>iii</sup> A meta-analysis being conducted by the JEC is finding that turnover costs are about 15 to 20 percent of annual salary at least slightly—if not more—above the cost of paying for eight weeks of paid leave.

<sup>iv</sup> 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.