

Q&A on the Federal Employees Paid Parental Leave Act (H.R. 626)

Coverage

Q: Who is covered by FEPPLA?

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 FEPPLA?

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
- non-citizen 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 under existing law. 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 beginning six months or more 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: The same regulations that apply to FMLA leave apply to the four weeks of paid leave FEPPPLA would provide as well. 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 2009, 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 the cost of employees taking 4 weeks of paid leave will be approximately \$140 million in the first full year of implementation.¹ 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 paid parental leave will save 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 \$140 million for four weeks of paid leave be pay-go neutral? Won't the agencies need more money to implement this?

A: H.R. 626 is pay-go neutral: CBO states that enacting the bill "would not affect direct spending or receipts." In their score of the bill, CBO estimates that the \$140 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.

¹ The Congressional Budget Office (CBO) cost estimate for H.R. 626 assumes a 50% chance that the Office of Personnel Management (OPM) would increase the amount of paid leave from four to eight weeks. CBO estimates the costs of eight weeks of paid leave to be \$209 million.

Q: Should we be extending benefits for federal workers when the economy is in a recession?

A: Paid leave insures that the birth of a child does not further destabilize families who are struggling to make ends meet. During a recession, working families need all the help they can get. 11.6 million Americans are unemployed today, which means that every paycheck counts more than ever. Millions of dual-earner couples were struggling to stay afloat on two incomes before the economic crisis, and massive job losses mean that many of those families are now scrambling to pay the bills on just one income. Without paid leave, the birth of a child means that many working families are left with no income at all. By extending benefits to federal workers, we can diminish the risk of real economic hardship for the 1.8 million employees of America's largest employer – the federal government.

A: New parents spend an average of \$11,000 in the first two years of a child's life, according to a study by the U.S. Department of Agriculture. By insuring that families' incomes remain steady while a parent is at home caring for a new child, paid leave insures that new parents' consumption remains steady, too. This consumption drives economic growth, which is precisely what our economy needs to recover.

A: In a down economy, workers who take parental leave without pay are at risk of serious financial hardship. These workers may qualify for federal or state benefits such as TANF or SNAP (formerly Food Stamps), which places an additional burden on systems that are already strained by ballooning caseloads. New recipients of means-tested income support programs cost taxpayers money, and create additional pressure on budgets that are already maxed-out. By providing paid leave benefits, the federal government can avoid further straining programs that are struggling to serve a growing population of unemployed Americans.

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.²

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

² 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: 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 a Joint Economic Committee 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?

A: The Federal Government is the country's largest employer, with over 1.8 million employees. In the current economic crisis, it is also one of the most important sources of secure jobs. Federal employees can be found across the country, in a wide range of occupations. 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. Thus, paid leave would help workers in every state during these difficult economic times. (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 6 to 8 weeks.³ 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 were 2.5 years older than they

³ Joint Economic Committee, *Paid Family Leave at Fortune 100 Companies: A Basic Standard, but Still Not the Gold Standard*, March 2008.

were a decade ago.⁴ 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 6 weeks of paid maternity leave.

A: Economic downturns are the worst time for a worker to lose a job. Federal employees who leave work because of inflexible family leave policies are unlikely to find new jobs quickly in the current economic crisis. Rising unemployment means that many former dual-income families are struggling to get by on just one salary. At times like these, it is more important than ever that the federal government support its workers by ensuring that they can take care of their financial, medical, and other basic needs as well as those of their families.

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. Requiring that employees cobble together accrued leave makes it difficult for many to save up enough time for parental leave, a problem that is particularly salient for relatively new employees, younger employees, and those who experience health problems.

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

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

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

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 4 weeks of paid leave.

A: Paid parental leave will help with the 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 of 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.⁵ 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.

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.

⁵ 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: 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 a 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 additional leave.