



AAUW CAPITOL HILL LOBBY CORPS
Federal Employees Paid Parental Leave Act (S. 354)
2/12/09

I. SUMMARY

Message: Please cosponsor the Federal Employees Paid Parental Leave Act (S. 354).

The Federal Employees Paid Parental Leave Act provides federal employees 4 weeks of paid leave for the birth or adoption of a child. Currently federal employees do not have any paid leave for the birth or adoption of a child. Even the best-prepared new parents face difficult choices when child care needs arise and paid parental leave isn't an option – many are forced to choose between their child and their paycheck. Please cosponsor this legislation today and encourage the committee to move this bill.

II. BACKGROUND

Paid Maternity/Paternity/Parental Leave

AAUW has long supported flexible workplace policies to address the family responsibilities of all employees. AAUW's 2007-2009 Public Policy Program supports "greater availability of and access to benefits and policies that create a family-friendly workplace environment," which are critical to women for "equitable access and advancement in employment."¹ AAUW efforts in this area include long-term advocacy from 1983 to 1992 to pass the Family and Medical Leave Act, which was finally signed into law in 1993. Unfortunately, while the Family and Medical Leave Act protects the jobs of workers during a myriad of family circumstances, including care for a new child, there is currently no federal policy for paid parental leave in the United States. Unfortunately, the Economic Policy Institute found that the United States is the only one of 19 countries with comparable per capita income to require or offer no paid parental leave.²

In a 2000 survey conducted by the Department of Labor on current use of the Family Medical Leave Act, 34.4 percent of surveyed employers reported providing full pay to new mothers for maternity leave and 24 percent reported providing paid leave for care for a new child. This pay could have been received through parental leave, vacation and/or sick time, or through temporary disability compensation.³ In 2005, the Families and Work Institute released a study examining employers who offer maternity leave in addition to paid vacation and sick time. The results showed that 46 percent provide paid parental leave for new mothers. Only 13 percent do the same for new fathers, and when that window of maternity leave is at least 6 weeks long, only 7 percent offer pay for new mothers.⁴ The sad reality is that a majority of new parents do not have paid parental leave. Further, this report shows a significant decline since 1998, from 27% to 18%, in the percentage of employers offering full pay during maternity leave as a part of disability compensation.⁵

Finally, the Joint Economic Committee of the House and Senate recently examined parental leave among Fortune 100 companies, a group that has taken efforts to provide the important benefit of paid parental leave to employees. For example, 74% of Fortune 100 companies

provide paid leave for new mothers and 32% do for new fathers.⁶ It is time that the federal government insisted on such a standard for their employees, which will hopefully encourage the expansion of leave options among other employers.

The Family Medical Leave Act

The FMLA is a groundbreaking law, passed in 1993, that helps employees balance the increasing demands of work and family at little or no cost to employers. Specifically, it plays an important role in the family-work balance of new parents. The FMLA provides much needed job security, for up to 12 weeks every year. Specifically, employees may use FMLA leave when they are seriously ill or when they must care for a newborn or adopted child or a seriously ill member of their immediate family.

By making leave available to all eligible workers, the law has enabled both women and men to balance their work and family obligations without sacrificing long-term economic stability. The law also helps combat gender discrimination and insidious stereotypes about gender roles—because both male and female workers can take FMLA leave, the law helps to ensure that women are not penalized or unfairly denied job opportunities simply because of assumptions about their family caregiving responsibilities, especially in relation to the addition of a new child to their family.

The FMLA is a real success story: it ensures that America has productive and successful workers and healthy and secure families. However, in the fifteen years since the law's passage, some clear areas for improvement have emerged. One of the biggest challenges in FMLA coverage clearly arises from its unpaid status. For example, 78 percent of eligible employees who have needed FMLA-covered leave have not been able to take it because they could not afford it.⁷ This includes new parents who have been forced to use accrued and stored vacation and sick time to manage the birth or adoption of a new child because they have been unable to afford to take unpaid leave under the FMLA. Overall, AAUW believes we should be putting our energy into expanding the FMLA to cover more workers, and into making paid family and medical leave and paid sick days available to all.

The Federal Employees Paid Parental Leave Act of 2009

The Federal Employees Paid Parental Leave Act of 2009 will provide paid parental leave of 4 weeks to all federal employees for use upon the birth or adoption of a child. Currently the federal government does not offer any paid time off specifically to care for an infant or newly adopted child. If a federal employee wishes to take any time off around the birth or adoption of a child they must cobble together accrued vacation time and sick time. This is an unrealistic approach, especially for new employees or any employees who have used their sick time. It is important that paid parental leave be an option for all employees.

The federal government is the country's largest employer, with over 2.7 million employees. As the nation's largest employer, the federal government should take the lead in developing and implementing family-friendly workplace policies. It follows, then, that considering the

availability of paid parental leave, especially in Fortune 100 companies, the federal government should catch up.

Further, because the cost of employee turnover is more expensive than providing paid leave, this policy just makes sense. A meta-analysis by the Joint Economic Committee found that the average cost of turnover is about 20 percent of an employee's annual salary.⁸ The leave provided in this bill is less than 8 percent of an employee's salary.

III. TALKING POINTS

- **Offering paid parental leave will help the federal government recruit and retain dedicated and talented workers.**
 - A meta-analysis by the Joint Economic Committee found that the average cost of turnover is about 20% of an employee's annual salary. The leave provided in this bill is less than 8 percent of an employee's salary.
 - 74% of Fortune 100 companies provide paid leave for new mothers and 32% do for new fathers.⁹ It is time for the federal government to catch up.
- **Currently federal workers do not receive paid leave for the birth or adoption of a new child.**
 - Federal employees are eligible for 12 weeks of job-protected unpaid leave under the Family and Medical Leave Act. Over three-quarters of employees who have not exercised their right to leave under the FMLA indicated that they could not afford to go without pay.
 - The only way to receive pay for parental leave is for federal workers to use accrued paid sick days and vacation time. This is difficult for relatively new employees who may not have accrued much time, as well as for employees who experience health problems.
- **Paid parental leave is critical for all families.**
- **The Federal Employees Paid Parental Leave Act is an important first step toward establishing the federal government as a model employer and making paid leave available to all workers.**

IV. WHAT THIS BILL WOULD ACCOMPLISH

Benefits

S. 354 will authorize 4 weeks of paid leave to federal employees for the birth or adoption of a child.

Eligibility

Federal employees who are eligible for 12 weeks of unpaid leave under the Family and Medical Leave Act – this means that the employee must have been with their current employers for at least a year and have logged at least 1,250 hours in the past year – would be eligible for 4 weeks of paid leave under this legislation.

Financing

S. 354 does not finance the new paid parental leave program. There is a Congressional Budget Office estimate that the program will cost \$190 million in the first full year of implementation.

- Questions about funding should be directed to Adam Schiff in Sen. Webb's office.
- A meta-analysis by the Joint Economic Committee found that the average cost of turnover is about 20% of an employee's annual salary. The leave provided in this bill is less than 8 percent of an employee's salary.
- Government agencies already make adjustments to accommodate employees who take unpaid (or paid vacation and sick) leave upon the birth or adoption of a new child.

V. STATUS

Introduced on 1/29/09 by Sen. Jim Webb [D-VA] and referred to the Committee on Homeland Security and Governmental Affairs. S. 354 has 12 cosponsors. The House companion bill (H.R. 626) was introduced by Rep. Carolyn Maloney (D-NY) and has 19 cosponsors.

[Sen Cardin, Benjamin L.](#) [MD] - 1/29/2009
[Sen Casey, Robert P., Jr.](#) [PA] - 1/29/2009
[Sen Gillibrand, Kirsten E.](#) [NY] - 1/29/2009
[Sen Inouye, Daniel K.](#) [HI] - 2/2/2009
[Sen Kerry, John F.](#) [MA] - 1/29/2009
[Sen Lautenberg, Frank R.](#) [NJ] - 1/29/2009
[Sen Lieberman, Joseph I.](#) [CT] - 1/29/2009
[Sen McCaskill, Claire](#) [MO] - 1/29/2009
[Sen Menendez, Robert](#) [NJ] - 1/29/2009
[Sen Mikulski, Barbara A.](#) [MD] - 1/29/2009
[Sen Sanders, Bernard](#) [VT] - 1/29/2009
[Sen Stabenow, Debbie](#) [MI] - 1/29/2009

VI. TARGETS

VII. WHO TO ASK FOR :

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¹ American Association of University Women. (July 2007). *2007 – 09 AAUW Public Policy Program*. Retrieved December 6, 2007, from http://www.aauw.org/advocacy/issue_advocacy/upload/2007-09-PPP-brochure.pdf

² Shierholz, Heidi and Emily Garr. (May 7, 2008). *Economic Snapshots: Paid maternity leave still on the wishlist for*

many US mothers. Economic Policy Institute. Retrieved June 17, 2008 from http://www.epi.org/content.cfm/webfeatures_snapshots_20080507.

³ Balancing the Needs of Families and Employers: The Family and Medical Leave Surveys 2000 Update. <http://www.dol.gov/ESA/whd/fmla/fmla/>.

⁴ Bond, James, Ellen Galinsky, Stacy Kim, and Erin Brownfield. (October 2005). *2005 National Study of Employers. Families and Work Institute*. Retrieved June 17, 2008 from <http://familiesandwork.org/site/research/reports/2005nse.pdf>.

⁵ Bond, James, Ellen Galinsky, Stacy Kim, and Erin Brownfield. (October 2005). *2005 National Study of Employers. Families and Work Institute*. Retrieved June 17, 2008 from <http://familiesandwork.org/site/research/reports/2005nse.pdf>.

⁶ Joint Economic Committee, Majority Staff. *Paid Family Leave at Fortune 100 Companies: A Basic Standard but Still not the Gold Standard*. Retrieved June 17, 2008 from http://www.jec.senate.gov/index.cfm?FuseAction=Files.View&FileStore_id=62cb8dba-3f30-4d56-a966-9601dc92a50a.

⁷ U.S. Department of Labor, Bureau of Labor Statistics. *The 2000 THE FMLA Survey Report*. Table A1-2.17. http://www.dol.gov/esa/whd/the_FMLA/the_FMLA/APPX-A-1-TABLES.htm Accessed January 12, 2007.

⁸ Joint Economic Committee, U.S. Congress. (Forthcoming). <http://jec.senate.gov/index.cfm?FuseAction=Home.Home>.

⁹ Joint Economic Committee, Majority Staff. *Paid Family Leave at Fortune 100 Companies: A Basic Standard but Still not the Gold Standard*. Retrieved June 17, 2008 from http://www.jec.senate.gov/index.cfm?FuseAction=Files.View&FileStore_id=62cb8dba-3f30-4d56-a966-9601dc92a50a.