



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.

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