

GOVERNMENT MANAGERS COALITION

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November 2, 2011

The Honorable Joseph Lieberman
Chairman, Homeland Security and
Governmental Affairs Committee
706 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member, Homeland Security and
Governmental Affairs Committee
413 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Lieberman and Ranking Member Collins:

On behalf of the five major federal sector executive and management professional associations comprising the Government Managers Coalition (GMC), we are writing to express our concern with a provision recommended in the letter you recently submitted to the Joint Select Committee on Deficit Reduction regarding the repeal of retirement credit for unused sick leave.

The Government Managers Coalition collectively represents the interests of over 200,000 supervisors, managers and executives throughout the federal government. The focus of the Coalition is to promote good government initiatives that increase workforce efficiencies and provide managers with needed tools to effectively carry out their jobs and the missions of their agencies. Allowing federal employees to receive credit upon retirement from the Federal Employees Retirement System (FERS) for unused sick leave is one such issue.

As you may recall, this law was passed as part of the FY10 National Defense Authorization Act (NDAA). In the past you supported amending the FERS sick leave credit legislation into the FY10 NDAA. Crediting sick leave was a proposal that the GMC had worked for many years to enact into law. When the members of the GMC first conceived of this proposal, our goal was not to provide another benefit to employees; rather, we saw placing a value on sick leave as a managerial tool to help deal with the problem dubbed the "FERS flu." Since FERS employees received no compensation for their unused sick leave, unlike their Civil Service Retirement System (CSRS) counterparts, managers were faced with a situation where many employees took substantial sick leave towards the end of their careers, rather than reporting for work and helping with succession planning.

Prior to passage of the FY10 NDAA, a survey concluded that 85 percent of CSRS employees said they conserved as much sick leave as possible while 75 percent of FERS employees said they would use as much sick leave as possible during their last years of service. This abuse was a management challenge and increasingly cost the federal government lost productivity. Specifically, the Office of Personnel Management estimated that FERS employees who were eligible or nearly eligible to retire cost the government \$68 million a year in lost productivity. This problem would have grown exponentially as nearly all federal employees will be under FERS by 2014.

Currently, as enacted, the FERS sick leave credit is being phased in by fifty percent over four years with full credit starting on January 1, 2014. This law has only been in place for a short time and estimates on

its effectiveness are likely not complete and won't be accurate until the law has been fully implemented. Given the short timeframe that the Joint Committee is working under, we do not believe it would have sufficient time to examine this proposal as your letter recommends. A strong cost-benefit analysis would be required, which we believe will show the benefits outweigh any costs. Furthermore, repealing the proposal, as you suggest, would return federal employees and managers to the endemic sick leave problems that the law is meant to remedy.

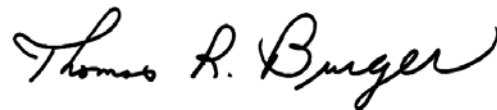
We respectfully urge you to reconsider your proposal to repeal FERS sick leave retirement credit and ask that you oppose any efforts by the super-committee to do so.

Thank you for your time and consideration. We look forward to working with you to ensure a strong, effective and efficient federal workforce that can address the many challenges facing this country.

Sincerely,



DAVID S. CONLEY
President
FAA Managers Association



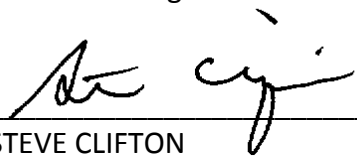
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