



NRLCA FACT SHEET

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FERS Sick Leave Reimbursement

Currently, there are 1.2 million employees covered by the Federal Employees Retirement System (FERS). When retiring, these employees receive no compensation for their unused sick leave. Unlike their Civil Service Retirement System (CSRS) counterparts, FERS employees must "use it or lose it". CSRS employees that have unused sick leave can use it as a service credit toward their retirement pensions. For example, if a CSRS employee with 30 years of service retires with one year of accrued unused sick leave, that employee's annuity benefit is based on 31 instead of 30 years of service.

As a result, many believe that FERS employees will use more of their sick leave as they approach retirement (resulting in productivity losses) than their CSRS counterparts. This costs the government about \$68 million a year. FERS employees comprise an increasing percentage of the federal workforce, and by 2014 virtually all federal employees are expected to be in FERS.

Rep. Jim Moran has introduced H.R. 958 during the 111th Congress. The bill would "make unused sick leave creditable, for purposes of the Federal Employees' Retirement System, in the same manner as provided for under the Civil Service Retirement System". H.R. 958 would allow FERS employees, at retirement, to use their unused sick leave credit to add to their annuities, much like CSRS. The bill is intended to cut down on sick leave abuse by retiring FERS employees and provide incentive for accruing sick hours for use during unexpected illness. The program encourages postal employees to save their hours for credit at the time of retirement.

NRLCA Position

The NRLCA urges members of Congress to co-sponsor H.R. 958, which would allow FERS Employees to add any unused sick leave to the number of years they have worked for the purposes of determining their annuity during retirement.

Contact Paul Swartz (Senate) or Kevin Talley (House) if you have any questions or would like more information on this issue.