

STATEMENT OF
MR. JOHN RYAN
SENIOR VICE PRESIDENT FOR HUMAN RESOURCES
SCHERING PLOUGH CORPORATION

BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

OVERSIGHT HEARING ON
THE ADMINISTRATION OF THE UNIFORMED
SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT
(USERRA – PL 103-353)
BY THE U.S. DEPARTMENT OF LABOR

WASHINGTON, DC

JULY 24, 2003

Mr. Chairman and Members of the Subcommittee

My name is John Ryan. I am Senior Vice President for Human Resources and a member of the Executive Management Team at the Schering Plough Corporation. Schering-Plough is a U.S. research-based pharmaceutical company headquartered in Kenilworth, New Jersey. I am here to today to tell you about the special effort we make as a company to fully support our employees who have made a commitment to their country to serve in the armed forces reserves.

Our company policy on reservists is something important to me personally. I am proud to say I served as an Army Reservist with the New Jersey 78th Lightning Division for six years. I know first hand how important it is to provide employment support for our country's armed forces, including the hundreds of thousands who serve in our military's reserve units.

As a human resources professional for the past 42 years, I applaud the Subcommittee for drawing attention to how employers' policies toward reservists can:

- Preserve and maintain the career of an employee called to active duty;
- Keep that employee and his/her family whole during their military service; and,
- Benefit the employer by strengthening their ties of loyalty with an employee.

Over the decade since enactment of the Uniformed Services Employment and Reemployment Rights Act (USERRA), we have seen increasing demand for skilled workers at the same time as our nation's Armed Forces have become more reliant on the National Guard and Reservists.

It has been my responsibility to position Schering-Plough to recruit and retain talented, skilled and motivated employees in this more competitive hiring environment. The assurance we make to men and women who have chosen to serve in the Guard or Reserves is one important element of our program to attract and retain qualified employees. We also view it as part of our civic responsibility to support our Nation and the men and women who serve it. We believe employment and reemployment rights are a critical factor in recruiting men and women to serve in Guard and Reserve units that this Nation increasingly relies to meet our national defense needs.

This country is at a critical juncture today in its ability to make good on its commitment to men and women in uniform. According to the Department of Defense, there are 1.2 million men and women in the Reserves and National Guard today, over 220,000 of whom have been called to active duty as a result of the conflict in Iraq. Many of these reserve personnel will be re-deployed home from the service over the next several months and re-enter the workforce, along with an estimated 160,000 military service personnel who separate from military service each year. While all of these

personnel are protected by USERRA, how these protections are implemented can make all the difference for these men and women and their families.

As a company, while we are aware of our obligations under USERRA, we consider them a “floor” for what we provide our employees. The effect of the USERRA requirements are to “freeze time” for the employee called to active duty. For anyone who has been called up, they can tell you this time is anything but frozen.

A recent report by the Department of Defense, entitled “Profile of the Military Community,” points out that a majority of professional soldiers and Ready Reservists have families at home. On average, 60 percent are married and 30 percent have children. For many of these employees, active duty means having to give up a regular paycheck, or even part of a paycheck and trying to secure other forms of health and life insurance to protect their families while they are protecting the rest of us. The right of these employees to return to their job or a similar one, with the same pay and health benefits as when they left is an important one – there is no question about that. We think companies should do more -- in many cases, they do.

Since 1991, Schering Plough has maintained a simple straightforward policy for Guard members and Reservists called to active duty. I have attached a copy of our policy, which, in summary, is to:

- Continue full pay for the duration of service without offset of their Schering Plough pay by their military pay;
- Continue all company-provided and optional employee benefits for the duration of service except for medical or dental services provided them from the military or U.S. Government;
- Project jobs for all employees who are called to active duty, placing them in the same or a comparable position upon returning to work; and,
- Upon re-employment, continue all seniority-based benefits (e.g. vacation, profit sharing and sick pay allowance) as though the employee had been actively employed during the tour of duty.

Our policies come home to us in the very real difference they make for reservist employees when they are called to active duty -- and to their families. A recent article that appeared in G.I. Jobs magazine (which I have attached) profiled one of our employees -- Lt. Col. Larry Adrian – who was called up and served in Iraq in Desert Storm in 1991 and Bosnia in 1995, and is now awaiting a call to provide rehabilitation and humanitarian work in Iraq. As Larry was quoted saying in the article: “Here it was – the capability you could go away without worry about finances...or your family. It was a great relief.”

We are, of course, proud that our pursuit of these policies has been recognized recently by the Reserve Officers Association survey where Schering Plough was ranked first among the “Top Ten Employers for Reservists”. We believe these policies are “the right thing to do” and they make sense for business, too, for a number of reasons.

All of our employees come to Schering-Plough with skills, experiences, and traits that enable them to make valuable contributions to our company. In my experience, our Guard and Reserve members have, on balance, been mature, directed and committed employees. They have often come with a deep sense of loyalty -- to their country and to their employment -- and have learned how to effectively manage their obligations as an employee and as a citizen-soldier.

The Guard and Reserve provide substantial educational and training benefits that can also contribute to an employee's productivity on the job. The Department of Defense invests \$14 billion a year in training and education of service members. When they enter or reenter the job market, these men and women come with marketable skills and a work ethic necessary to meet the demands of a modern economy. This skill development is an added benefit we derive from the commitment we make to our reservist employees.

While the level of support we provide to reservists is easier to sustain in a large organization like ours, some level of support can also work in medium and small enterprises. Companies should be encouraged to publicly affirm their support for their reservists and guard employees by signing the Statement of Support provided by the Department of Defense's Employment Support of the Guard and Reserves (E.S.G.R.). For anyone interested in seeking help in reviewing their employment policies, I encourage them to contact the very talented people at E.S.G.R.

Thank you, Mr. Chairman and Members of the Subcommittee, for allowing me to present the views of the Schering Plough Corporation, as well as my own personal experiences, on how employers of all sizes can benefit from demonstrating their support for Guard members and Reservists.