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OFFICE OF THE DEPUTY CHIEF OF STAFF, G-1  
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FORT BENNING, GEORGIA 31905**



PECP-SCR-H

2 November 2006

SUBJECT: Fort Benning CPAC Staffing Update 11-2006

1. This publication is issued to ensure Fort Benning Commanders, managers, supervisors, and employees are kept informed of employment and staffing issues. Future updates will contain updated information on specific employment topics (i.e., compensation, recruiting procedures, classification issues, NSPS implementation, etc) and will be issued on a monthly basis.
2. **TSP Investment Limit Rising in 2007.** The maximum amount that actively employed TSP participants can invest in the savings program will rise to \$15,500 in calendar year 2007, up from this year's \$15,000 limit. FERS employees must make sure they structure their biweekly investments so that they can continue investing through the entire calendar year, in order to capture the maximum government contributions. If they hit the dollar limit too soon, their investments will cut off and so will the government's matching contributions. That's not a concern for CSRS investors, who get no government contributions. Meanwhile, the amount of allowable "catch-up" investments will remain unchanged at \$5,000 in 2007. Catch-ups are contributions above the dollar cap allowed for those who are age 50 or above before the end of a calendar year and who have hit the maximum or who are investing enough so that they will do so by the end of the year.
3. **3.3 Percent COLA on High Side.** The 3.3 percent COLA that most federal retirees will receive starting with their January payments is down from the 4.1 percent they received at the start of this year, but still on the high side for recent adjustments. Since 1991, there have been only two increases that were larger, the 2006 COLA and a 3.5 percent COLA in 2001. The COLA, which was determined by a 12-month measuring period that ended with September inflation figures, worked out to be lower than earlier projections largely because of a relaxing of energy prices in September, which caused the inflation measure to drop by 0.6 percentage points during the month.

While about two-thirds of active federal employees are covered by the FERS system, the large majority of retirees are drawing benefits under CSRS, which is the older of the two systems. Those retired under CSRS will get the full adjustment, while those retired under FERS and who are eligible for COLAs; in most cases, not until age 62, will get 2.3 percent on their civil service benefits and 3.3 percent on their Social Security benefits. FERS employees who have a CSRS component to their annuities, typically those who

transferred from CSRS to FERS during one of the open seasons for doing so, will get the full adjustment on the CSRS component. COLAs are pro-rated for those who retired, or will retire, during this calendar year.

The annual COLA announcement always sets off a round of confusion in the federal community involving raises and COLAs. The COLA goes to those who are retired, and is an automatic adjustment linked to a consumer price index. The raise goes to those who are active employees and is determined through the congressional budget process.

For 2007, it appears almost certain that the raise will be either 2.7 or 2.2 percent. The raise is in part linked to the employment cost index, which is a measure of private sector wage growth, not living costs, and that is based on a different measuring period than the CPI figure used for the COLA. The raise and the COLA adjustments do not directly affect each other. However, there is often confusion on that point, in part because many employees refer to their raises as COLAs (and some retirees refer to their COLAs as raises).

**4. Social Security Figures Also Affected.** Several figures important in the Social Security program also are being adjusted for 2007. Earnings subject to the 6.2 percent Social Security withholding tax will rise to \$97,500 from \$94,200 (the 1.45 percent Medicare tax has no cutoff). Employees in FERS and CSRS-offset pay the tax, but while the withholding cuts off for FERS employees at that level, CSRS-offset employees continue to pay it, with the money going into the federal retirement trust fund rather than the Social Security fund. Also, the earnings test applying to Social Security beneficiaries aged 62 through "full retirement age," for 2007, 65 and ten months is increasing to \$12,960 from \$12,480. Those beneficiaries lose \$1 in Social Security benefits for every \$2 in earnings through employment or self-employment above the limit. A separate earnings test applies only to earnings for months in the year an individual reaches full retirement age prior to the individual attaining that age. One dollar in benefits will be withheld for every \$3 in earnings above \$34,440, up from \$33,240. There is no limit on earnings beginning the month an individual attains full retirement age.

**5. Raise Looks Like 1.7 Plus Locality Amount.** The Federal Salary Council, an advisory body on federal pay, made up of agency and union representatives and pay experts, is working on the assumption that the January 2007 general schedule pay raise will have a 1.7 percent across-the-board component and that the funds for whatever amount is provided on top of that will be divided up as locality pay. A pending appropriations bill would provide a 2.7 percent total raise, although with military personnel in line for 2.2 percent, there's a strong chance the federal employee total will be reduced to 2.2 percent. That would leave the funds for either 1 percentage point or 0.5 percentage points to be split as locality pay. The across the board component is 1.7 percent by default under current law.

The council considered, but made no recommendation on, an alternative way of dividing up the money among localities that would have shifted more of the money away from localities where the gaps are smallest toward those with the largest gaps, although working out to roughly only on the order of a few tenths of a percentage point differences in raises. A working group of the council suggested making that change but the council decided to take no position on the issue after union members objected. That question now goes to a higher level body, the President's Pay Agent, although the ultimate decision is in the hands of President Bush. If the traditional method is used, a 2.2 percent total raise would produce January raises ranging from 2.03 percent in RUS to 2.71 percent in San Francisco. The alternative method would produce raises ranging 1.81 to 3 percent, again assuming a 2.2 percent total. A 2.7 percent total would produce raises ranging from 2.36 to 3.72 percent under the traditional method and from 1.91 to 4.29 percent under the alternative method.

In other action, the salary council decided to leave alone for 2008 the current structure of GS localities, including the borderlines of the 31 metropolitan areas. In doing so, it rejected a request from the Los Angeles federal executive board to split that locality into two parts, a higher-cost segment along the coast and a lower-cost segment inland. The working group said the statistics are not available to calculate separate pay rates in that way and that turnover and other indicators did not support the change. The group also decided to: keep Indianapolis as a separate locality; leave Yolo County, Calif., in the Sacramento locality rather than move it to the San Francisco locality; keep Berkshire County, Mass., in the RUS locality rather than attach it to the Hartford locality; and not make any changes to the New Orleans locality in response to the higher living costs following the hurricane damage there.

6. **Key Interest Rate Set.** The interest rate the government uses for various purposes related to federal retirement programs, including the rate of return on "voluntary contribution" accounts available to CSRS employees, will be 4.875 percent in 2007, up from 4.125 percent in 2006. In addition to serving as the rate of return for voluntary contributions accounts, the figure is used as the rate of interest charged to employees who need to make payments to capture credit for service for which either no retirement deductions were made or for which deductions were withdrawn at a break in service. That includes payment to capture military service credit time in order to avoid the "catch-62" penalty that otherwise can reduce certain annuity payments.

7. **Voluntary Contribution Program Is Not an Urban Myth.** Voluntary contribution accounts are available only to CSRS and CSRS-Offset employees; those employees may invest an amount equal to up to 10 percent of their career federal basic pay in such accounts, where the money earns interest tax-deferred until withdrawn. Withdrawals are allowed either as lump-sums at any time or as annuities at retirement. While the voluntary contributions program has existed for many years, many employees still are

unaware of it, as are many personnel officials. Some employees who have expressed interest in opening such accounts report they have been met with either blank stares or outright statements that no such program exists. Also, there is a degree of confusion with the Thrift Savings Plan; some employees have been told that the TSP superseded the VC program. In fact, the two programs are separate and participation in one does not affect the other. To open a VC account, file form SF 2804 at the address on the form.

8. **MSPB Supports OPM's Denial of Disability Retirement.** The Merit Systems Protection Board recently reversed the initial decision of an MSPB administrative judge who reversed the Office of Personnel Management's (OPM) decision to deny an application for disability retirement benefits. In *Stevenson v. Office of Personnel Management*, 2006 MPSB 289 (Sep. 26, 2006), the majority opinion of the MSPB was that the administrative judge should have considered evidence regarding a cancelled removal action against the employee and the employee's application for disability retirement only after his removal for misconduct made his application for disability retirement less effective.

James C. Stevenson was a GS-5 forestry technician with the Department of Agriculture (USDA) and was removed November 2, 2002, on two misconduct charges. During the appeal of his removal, Mr. Stevenson asserted that he was unable to perform a substantial portion of his job duties, specifically those duties which involved walking for long periods of time at a high altitude on uneven ground, and firefighting. After appealing his removal, Mr. Stevenson entered into a settlement agreement with the USDA. Per the settlement agreement, the USDA agreed to cancel the removal action for misconduct, to remove any record of the misconduct removal from Mr. Stevenson's personnel files, and to instead substitute a removal for medical inability to perform the essential duties of his position. This settlement agreement was accepted into the record for enforcement in an initial decision by the MSPB.

After executing the settlement agreement, Mr. Stevenson applied for disability retirement, based on chronic obstructive pulmonary disease, pulmonary fibrosis, and congestive heart failure. In his application for disability retirement, Mr. Stevenson claimed that he was unable to perform 50 percent of his major duties because he was unable to hike for numerous hours of each day over uneven surfaces at high altitudes and was unable to perform firefighting duties. In denying his application for disability retirement, OPM held that Mr. Stevenson was unable to establish that he had a disabling medical condition, and ruled that there was no nexus between his misconduct removal and his medical conditions. Mr. Stevenson requested reconsideration of this decision and filed a petition for enforcement of his prior settlement agreement. In the proceedings regarding the enforcement of the prior settlement agreement, Mr. Stevenson entered into a new settlement agreement in which the USDA agreed to send a letter to OPM indicating its position that Mr. Stevenson was unable to perform his job duties because he was restricted from exposure to forest fire smoke and that it could not accommodate his medical condition.

Mr. Stevenson's request for reconsideration was denied on the basis that his alleged misconduct was his principal service deficiency and that he had not submitted sufficient medical evidence to show that he was unable to perform the duties of his position. Mr. Stevenson appealed OPM's final decision to the MSPB, where the administrative judge held that the USDA erred when it submitted information to OPM regarding Mr. Stevenson's misconduct removal and that the appropriate remedy was for the MSPB to disregard any information regarding that removal. OPM filed a petition for review arguing that (1) the administrative judge erred in not considering the cancelled removal action; and (2) that the medical evidence did not show that Mr. Stevenson's medical condition did not prevent him from performing useful and efficient service, and that the USDA could have accommodated his disability.

The Board has previously held that OPM has the authority to disregard a personnel action that was taken pursuant to a settlement agreement to which OPM is not a party, when the personnel action was an evasive device designed to allow an employee to qualify for retirement benefits for which he would otherwise not be eligible to receive. The Board then stated that if OPM was authorized to look behind a settlement agreement when determining disability retirement claims, then it follows that when reviewing OPM decisions, the Board should be able to look behind settlement agreements as well. The Board then concluded that, in looking behind the settlement agreement in Mr. Stevenson's case, the misconduct allegation was a relevant factor that detracted from the force of his disability retirement application.

To be eligible for disability retirement under FERS, an employee must have completed at least 18 months of creditable civilian service, must be unable, because of disease or injury, to render useful and efficient service in his position, and must not have declined a reasonable offer of reassignment to a vacant position in the agency at the same or greater grade or pay level. OPM regulations also require that the medical condition be expected to continue for at least one year from the date the application is filed and that the accommodation of the medical condition be unreasonable.

Although she recognized that Mr. Stevenson's health could have been improved enough to perform hiking, the administrative judge held that Mr. Stevenson was nonetheless disabled because he was unable to be exposed to smoke and that firefighting was one of his duties. OPM argued that Mr. Stevenson should be precluded from receiving a disability retirement annuity because he repeatedly failed to follow medical advice to lose weight and stop smoking and that failure to follow reasonable medical advice provides strong support for OPM's denial of disability retirement. As this decision illustrates, OPM is reviewing disability retirement applications more closely in recent years. This information is provided by the attorneys at Passman & Kaplan, P.C.

9. **C Fund Leads in September**. The TSP's large company common stock (C) fund led in returns in September, posting a 2.58 percent gain compared with 0.88 percent for the small company stock (S) fund, 0.82 percent for the bond (F) fund, 0.35 percent for

the government securities (G) fund and 0.15 percent for the international stock (I) fund. The 12-month returns of those funds are, respectively, 10.78, 8.77, 3.68, 4.90 and 19.23 percent. The lifecycle income funds gained in September were: income, 0.73; 2010; 1.01; 2020, 1.17; 2030, 1.33; and 2040, 1.41 for 12-month returns, respectively, of 6.5, 8.72, 10.07, 10.72 and 11.52 percent.

**10. Federal Employee Health Benefit (FEHB) Program.** The FEHB Open Season for eligible Civil Service Federal employees begins on 13 November 2006, and ends on 11 December 2006. During this Open Season, employees may enroll and an enrolled employee may change the enrollment from self only to self and family, from one plan or option to another, or make any combination of these changes. Your election will become effective 7 January 2007.

Employees may review FEHB brochures for coverage's and costs on the OPM website at: <http://opm.gov/insure/health/index.asp>. Department of the Army Federal employees who wish to participate in the FEHB Open Season must process their actions on the Army Benefits Center-Civilian (ABC-C) Website at: <https://www.abc.army.mil>. Non-Army Federal employees should contact their local Human Resources Office for guidance on how to participate in the Open Season

**11. Dental/Vision Program.** OPM has put out guidance on the upcoming Federal and Dental Vision Insurance Program (FEDVIP), which will have its initial open season running concurrent with the upcoming FEHB open season starting 13 November. The guidance notes that while both are insurance plans with generally the same persons eligible for enrollment, FEDVIP will differ from FEHB in several important ways. For example, while by law FEHB can offer only either self-only or self-and-family coverage, FEDVIP will offer a self-plus-one option (the "one" would have to be someone who would be eligible for FEHB family coverage and excludes domestic partners, for example). Individuals eligible to enroll in both programs will be allowed to choose to enroll in FEHB only, FEDVIP only, both, or neither--and within FEDVIP, vision care, dental care, or both. Enrollees can also choose different enrollment types for each program; enrolling for example, in self-and-family coverage under FEHB, but self-only coverage under FEDVIP.

As in FEHB, premiums for FEDVIP plans will be deducted from pay for active employees on a pre-tax basis, but unlike in FEHB, this "premium conversion" arrangement will be mandatory (retirees are not eligible for this favored tax treatment under either program). Also, in general, enrollees will be able to cancel FEDVIP coverage only during the annual open seasons but eligible persons will be able to enroll or change enrollment outside of open seasons when experiencing certain "qualifying life events" such as marriage.

Among other special features of FEDVIP described in the guidance are the requirements for the differing types of enrollment, how the enrollment process will work,

how benefits will be coordinated with other health insurance, such as the dental and vision coverage available through some FEHB plans, and the procedures for contesting disputed claims.

12. **Human Resources (HR) for Supervisors**. The HR for Supervisors Course is mandatory for all Department of Army civilian (DAC) and military supervisors of appropriated fund (APF) civilian employees who supervise at least 3 appropriated fund DAC employees. The course is 40 hours long and is intended to help the supervisor in performing his/her HR management duties. In addition to teaching the participants about HR regulations and processes, the course introduces them to the automated HR tools. Completion of this course can enhance the supervisor's confidence and performance. The course includes the following modules:

- Overview of army CHR (includes coverage of Merit System Principles and Prohibited Personnel Practices)
- Position Classification (includes an introduction to CHR automated tools such as CPOL, ART, Gatekeeper and FASCLASS)
- Staffing
- Human Resource Development
- Management Employee Relations
- Labor Relations
- Equal Employment Opportunity

The course includes lectures, class discussion, and exercises. There is a pre and post test administered at the beginning and end of the course. The course does not address supervision of Non-appropriated Fund (NAF) or contractor employees. The next course, scheduled for **4-8 December 2006, will be conducted from 0800 to 1630** at the Fort Benning CPAC, classroom #225, building # 6. Please see the schedule below for other course start dates. The point of contact for this course is Ms Stephanie Carpenter, Fort Benning CPAC, 545-2681.

**DATE**

19-23 March 2007

11-15 June 2007

17-21 September 2007

13. **RPA and ART Training**. The Fort Benning CPAC HR Specialists are available to conduct RPA and ART desk-side walkthroughs and/or workshops to assist managers/supervisors and new DCPDS account holders with accessing and using DCPDS, ART, initiating RPAs, creating Gatekeeper Checklists, forwarding and tracking RPAs, generating reports and printing SF 50s. Training can be accomplished via individualized sessions or activity specific workshops upon request. If you desire training of this nature, please contact your servicing HR specialist to arrange for scheduling.

14. **Job Aids Available on the Web.** Lotus ScreenCams (how-to-movies) are available to assist DCPDS users with DCPDS, Army Regional Tools (ART), Oracle 11i and other automation tools. ScreenCam movies ART Logon, Ghostview, Gatekeeper, Inbox Default, Initiating an RPA, Logging On, Navigator, RPA Overview and RPA Routing are available on the web at: <http://www.chra.army.mil/>. Click on HR Toolkit and then click on the name of the movie to download or play it. Managers/supervisors and administrative personnel responsible for initiating RPAs are encouraged to review this site and check out these new tools. ART Users Guide has been updated and provides descriptions of and instructions for using tools available in ART, including such tools as Employee Data, Inbox Statistics (timeliness and status information about personnel actions), Organization Structure (information about positions in various organizational elements), and many more tools. It is intended for use by managers, resource management officials, administrative officers, and commanders as well as CPAC and CPOC staff members. There is both an on-line and downloadable Word version (suitable for printing).

In addition, to the ART Users Guide, there is a Defense Civilian Personnel Data System (DCPDS) Desk Guide which provides how-to information about tasks and functions that end users might need to perform in DCPDS, such as initiating a Request for Personnel Action (RPA) and creating a Gatekeeper Checklist. The ART Users Guide and the Desk Guide can be accessed from the CHRA web page at: <http://www.chra.army.mil/>, by clicking on HR Toolkit. In addition to these tools the Fort Benning CPAC staff is available to assist you in accessing DCPDS, ART, initiating RPAs, creating a Gatekeeper Checklist, forwarding and tracking RPAs, generating reports and printing an SF 50. If you have any questions or need assistance, please contact your CPAC HR servicing specialist to arrange a time so we can come to your office to help you. Contact your servicing HR specialist for assistance and/or additional information.

15. **Emergency Contact (Next of Kin) Database.** Information on the Emergency Contact Database is located on the Civilian Personnel on Line (CPOL) website <http://www.cpol.army.mil/>. It can be accessed from the CPOL homepage by clicking on the link for "Emergency Guidance and Resources," and then clicking on "Emergency Contact Database" Managers need to keep reminding their civilian employees of the need to have their current emergency contact information on file in the Emergency Contact Data Base. In addition, supervisors and managers are required to conduct periodic validations, with employees, to ensure the accuracy of their data. If assistance is needed, please contact project e-mail account at [echelp@asamra.hoffman.army.mil](mailto:echelp@asamra.hoffman.army.mil).

16. **Fort Benning Federal Employees Health, Dental, and Vision Open Season Fair.** The Fort Benning CPAC will host an Open Season Health Fair Thursday, November 16, 2006, in the hallway of building 6. Representatives from several health, dental, and vision carriers will be on-site and available to answer questions. Even though Open Season will run from November 13 thru December 11, 2006, this is your opportunity to speak with representatives face-to-face. If you have questions reference this event, contact Ms. Felicia Griffin at 545-2777.

17. **Fort Benning CPAC Homepage.** Please log on to our website at <https://www.benning.army.mil/Cpac/Index.htm>. If you have any suggestions on ways to improve or recommendations for information to add, please contact the undersigned at 545-1203.

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