

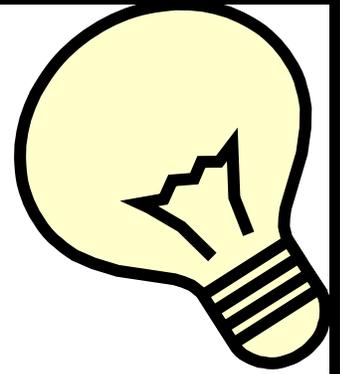
The

Illuminator

Shedding Light on the HR World

2-2011

Article Directory



Page

Retirement, Life/Health Insurance, TSP, Social Security and Such

Exclusive Q and A on Transferring CSRS Voluntary Contributions Program to A Roth IRA or An IRA	3
Ten Worst States for Retirees	5
Will You Receive Extra Social Security Credit as a Federal Employee for Your Prior Military Service?	8
New Tax Breaks and Federal Employees: Who Wins and Who Loses Out?	9
TSP Recalls Erroneous Distribution Payments	11

Employment-Related News

Pay Freeze Could Lead to Employee Departures	12
2011 Financial Numbers for Federal Employees	14
Federal Job Classifications: Competitive vs. Excepted Service	16
Quiz on the Federal Payroll: How Much do you Know about the Federal Government as an Employer?	18

Management-Employee Relations

The Genetic Information Nondiscrimination Act (GINA)	20
Federal Employee Accountability Bill Likely to Pass in House	22
How the Federal Government is Missing the Boat with its Telework Strategy	23

Training, Self-Development, and Personal Improvement

Human Resources (HR) for Supervisors Course	26
RPA and ART Workshop	26
Job Aids Available on the Web	27

This publication is issued to ensure the Fort Benning commanders, managers, supervisors, and employees are kept informed of employment and staffing issues. Monthly issuances will contain updated information on specific employment topics (i.e., compensation, recruiting procedures, travel entitlements, classification issues, the Maneuver Center of Excellence (MCOE) civilian transition, etc.).

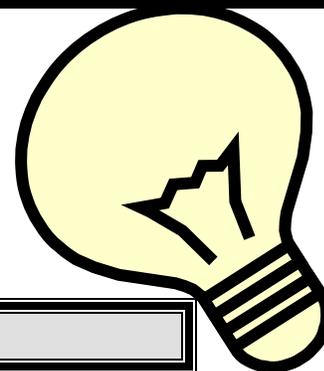
This newsletter is an apercu of articles written by CPAC staff [members] as well as information excerpted from various sources which include, but is not limited to, the Government Executive Newsletter, FedWEEK, the Federal Manager's Daily Report, FEDSmith, and the ABC-C Newsletter.

Some articles taken from FEDSmith were copyrighted. Where so warranted, permission was sought and granted to use them in their entirety. Further use of these articles requires permission from the author(s).

Please log on to our website at <https://www.benning.army.mil/Cpac/Index.htm>. If you have suggestions for improvement or topic recommendations, please contact the CPAC Director at <mailto:blanche.d.robinson@us.army.mil>

The Illuminator

2-2011



Retirement, Life/Health Insurance, TSP, Social Security and Such

Exclusive Q and A on Transferring CSRS Voluntary Contributions Program to A Roth IRA or An IRA. This article is written by Micah Shilanski. Any references to “T” pertain to him as an author.

Do you have questions about the CSRS Voluntary Contributions Program? If so, you are not alone.

The CSRS Voluntary Contributions Program (VCP) is an excellent benefit for CSRS and CSRS Offset federal employees. One of the great ways to use this program is to max-fund an IRA.

But very few people really understand the VCP and how to get the most out of it.

I get questions from federal employees across the country about the Voluntary Contributions program. They want help understanding the VCP and on how to transfer their VCP to an IRA, particularly a Roth IRA. I have received so many questions about how to transfer the VCP to an IRA, that I have written a book detailing the entire process:

[*The Best Kept Secret in CSRS: How You Can Use the CSRS Voluntary Contributions Program to Put Away Money for Retirement.*](#)

In Chapter 5, I answer the most common questions I get about the VCP to IRA Transfer.

Here is an exclusive excerpt from my new book for FedSmith.com Readers:

Question: Do I have to transfer my VCP to a traditional IRA, and then convert to a Roth IRA? Or can I convert my VCP directly to a Roth IRA?

Answer:

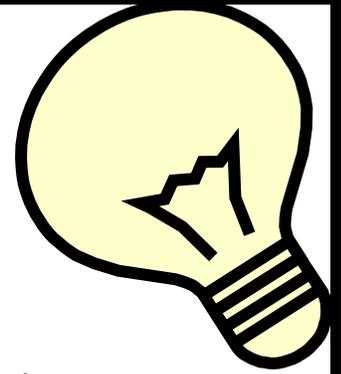
You can choose to move your VCP money directly to a Roth IRA if you want.

Years ago, the VCP withdrawal forms did not mention Roth IRAs, but the forms were updated in 2010. You can now move your VCP contributions and/or your VCP interest directly to a Roth IRA.

Do remember that just because you *can* transfer your VCP money directly to a Roth IRA, doesn't mean that you eligible to do so based on IRS rules.

The Illuminator

2-2011



Be sure to review the section in **Chapter 2, Roth IRA Basics.**

Question: I plan to retire with 35 years of service, with all my career step-increases, COLA's and whatever else, how do I find my base pay for each of my 35 years of service?

Answer: If you want to find out your EXACT base pay, I would recommend contacting your HR for assistance. But before you do that, consider looking at your Medicare Wages on your Social Security statement. This can help you get a good ballpark idea.

And if you want to contribute more than that amount, then it is worth your time to find out your EXACT base pay and contribution limit.

Check out the section in **Chapter 1 on How Do I Find Out How Much I Can Contribute?** for more information.

Question: When is the best time to withdraw and transfer my VCP? At retirement, or before I retire?

Answer: In most cases, I would recommend filing your VCP transfer paperwork ***BEFORE*** you retire.

Most VCP transfers go smoothly. But if you have a problem, it is almost always easier to get things resolved while you are still employed. Also, interest stops accruing on your VCP as soon as you retire.

Some people have experienced a delay in receiving their VCP refund when they processed it with their retirement, and were disappointed to learn that they were not receiving interest during the time OPM was straightening things out. If they had filed their paperwork a few months before retirement and still experienced a delay, at least they would have been earning interest on the money while OPM was getting things in order.

Check out the section in **Chapter 3 on When... When is the Best Time to Transfer Your VCP?** for more information.

Question: How Long Does the Entire Transfer Take?

Answer: It's impossible to predict exactly how long ***your*** transfer will take. What I can tell you is that I've been able to help clients do everything from open a VCP, fund it and complete the transfer in as little as 30 - 40 days.

The Illuminator

2-2011



Now that was my 'record.' I had my client call me when they turned in their SF 2804 to their HR, so I could answer any questions HR had right away. We also used express mail service to send in their withdrawal paperwork.

While that was my 'record', most clients took much longer. Why? Not everyone is in a hurry to do the transfer, and often, they wanted to fund their VCP over a longer period of time. However, when we did experience delays, it was typically when we were trying to open a VCP.

If their HR wasn't familiar with the VCP, it took extra time to contact their HR and explain the program so we could get the client's paperwork processed. The good news for many of my clients is that once I explained the VCP to their HR, any time I had clients in that same agency who later wanted to open a VCP - everything went much faster because the HR was now familiar with the VCP.

So, if you're the first person in your agency to open a VCP (which is not uncommon!) - you will probably spend extra time talking with your human resources office just to get them to process the paperwork to open your VCP.

If you happen to have a great HR department, and they're familiar with the VCP, things can move a lot faster. If your HR is familiar with the VCP, you're on the ball, and you don't encounter any troubles with your transfer, it is not unreasonable to get everything done (open, fund and transfer) within 60 days.

While opening a VCP usually takes extra time, withdrawing the money is often much smoother. Since the withdrawal paperwork is sent directly to OPM, we haven't encountered the same types of delays. I have heard that OPM has occasional backlogs with processing VCP withdrawals, and that withdrawals over \$75,000 are subject to extra review. However, I've done withdrawals over the \$75,000 marker for various clients, and we often see the check sent out within 2 weeks of submitting the form.

Ten Worst States for Retirees. Plenty of folks are aware of the best states for retirees. But what are the 10 worst states in which to spend your golden years?

People of Illinois, California, New York, Rhode Island, New Jersey, Ohio, Wisconsin, Massachusetts, Connecticut and Nevada — you probably already know the answer.

The list, with Illinois leading the pack, comes from website TopRetirements.com. According to John Brady, president of TopRetirements.com, the 10 states earn this dubious distinction largely because of three factors: fiscal health, taxation, climate.

The Illuminator

2-2011



As for fiscal health, six of the 10 worst states for retirees on TopRetirements.com's list were among those just identified by a Pew Center for States report as being in "fiscal peril."

The report, "Beyond California: States in Fiscal Peril," showed that "some of the same pressures that have pushed California toward economic disaster are wreaking havoc in a number of other states, with potentially damaging consequences for the entire country."

Arizona, Florida, Illinois, Michigan, Nevada, New Jersey, Oregon, Rhode Island and Wisconsin joined California as the 10 most troubled states, according to Pew's analysis.

Of note, TopRetirements.com's Brady suggested that retirees and would-be retirees might want to avoid states in fiscal peril because these locales might be expected to face decreasing services and increasing taxation.

States of Disunion

Topping his website's list, Illinois's fiscal health could be the worst of any state, observed Brady. "It even borrowed money to fund its pension obligations," he said. As for California, he said the Golden State — though it does have a warm climate — is expensive and its finances are in disarray. What's more, he added, it has paid some bills with vouchers.

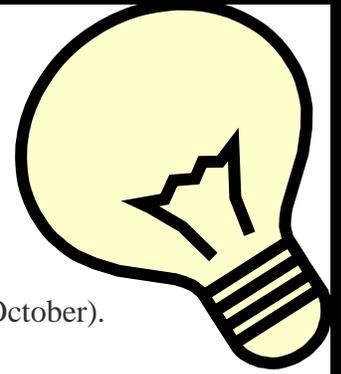
New York wasn't mentioned as being in fiscal trouble by the Pew Center, but it does have "very high taxes, including property taxes." In fact, Brady said New York has the second-highest tax burden and fifth-highest per capita property taxes. Plus, he said, the Empire State has a "dysfunctional state legislature." As if that wasn't bad enough, it's terrifically expensive to live in New York. The only benefit to living in New York, he said, is that pensions are exempt from income tax.

As for Rhode Island, Brady said it's probably the worst-off state in the Northeast from a financial viewpoint. It also has high taxes, though he noted that the state does boast some great places to live.

New Jersey, according to Brady's analysis, has the highest property taxes in the U.S., as well as the highest total tax burden of any state, as reported in a 2008 Tax Foundation report. Plus, New Jersey has serious pension-funding issues, Brady noted. States with the greatest tax burdens after New Jersey were New York, Connecticut, Maryland, Hawaii, California, Ohio, Vermont, Wisconsin and Rhode Island, joined by the District of Columbia.

The Illuminator

2-2011



According to Brady, Ohio has high taxes and high unemployment (9.9% in October). Plus, it has cold winters.

Of the 40 largest cities in the United States, Milwaukee has the coldest winter weather, based on normal daily temperatures, according to Current Results, a website that tracks weather trends. The lakeside Wisconsin city's daily winter mean temperature is 24.1 degrees Fahrenheit. But fellow Great Lakes metropolis Cleveland is the fourth-coldest U.S. city, with a daily winter mean temperature that's not much higher at 28.4 degrees Fahrenheit.

Wisconsin, as noted, is doubly cursed in these rankings as a high-tax state with cold weather. Plus, it has high property taxes. The only good news, at least for those to whom it applies, is that the Badger State doesn't tax military pensions.

In a related survey, USAA and Military.com announced this week that Waco, Texas, tops the first-ever "Best Places for Military Retirement" list. In its report, USAA and Military.com focused on U.S. communities that offer "a high quality of life and help maximize military retiree benefits as service members manage their 'first retirement' from the armed forces and begin planning their 'second retirement' from civilian life." Other places on that list included, in order, Oklahoma City; Austin, Texas; College Station, Texas; Harrisburg, Pa.; San Angelo, Texas; Madison, Wis.; Pittsburgh; New Orleans; and Syracuse, N.Y.

New England had two other states on Brady's list of worst places for retirees: Massachusetts, which has high taxes including high property taxes and a very high cost of living, and Connecticut, which has the third-highest tax burden of any state as well as high property taxes.

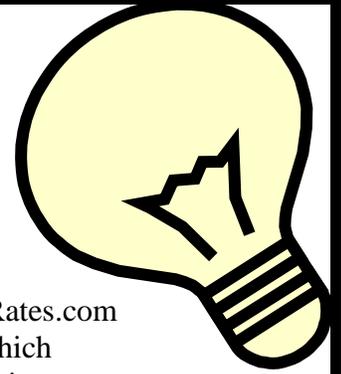
"It has some terrific places to live, but the cost of living is very high," he said of Connecticut. What's worse, the Nutmeg State taxes Social Security.

States with the highest cost of living in the third quarter of 2010 were, in order, Hawaii, Alaska, California, New Jersey, New York, Connecticut, Rhode Island, Maryland, Vermont and New Hampshire, according to a Missouri Economic Research and Information Center analysis. The District of Columbia also makes the list.

Ironically, the 10th-worst place to retire is the one state where it's easy to find a cheap place to live: Nevada. As many know, Nevada is presently the home-foreclosure capital of the world. In fact, the Silver State continues to lead the nation in terms of foreclosure filings per household, with one filing for every 79 homes, according to RealtyTrac. Yes, the state is having financial problems, but the good news for retirees living there or contemplating a move there is that it doesn't have an income tax — at least not yet.

The Illuminator

2-2011



Of course, not everyone is smitten with Nevada as a place to retire. Money-Rates.com published in September its list of the 10 worst states for retirees. That site, which examined such factors as crime rates, climate, longevity and economic conditions, including taxes, job opportunities and cost of living, found the worst states for retirees were, in order, Nevada, Michigan, Alaska, South Carolina, Maryland, Tennessee, Ohio, North Carolina, Missouri and Arkansas.

States of Mind

Does any of this mean you shouldn't retire to these poorly ranked states? According to Brady, the answer is no. "Every individual has to consider his or her own criteria for selecting a list of the worst or best states to retire," he said. "The best way to start your individual list of best or worst states is to rank, or at least think about, your most important criteria."

In his study, Brady focused mostly on fiscal health, taxation and climate. But according to Brady, the full list of factors to consider when searching for a state in which to retire includes: taxes; climate and topography; crime; fiscal health of the state; recreation; transportation; health care; cost of living, including housing; education, including college; cultural resources; susceptibility to natural disasters; proximity to friends and family; and fitting in socially, politically and religiously.

And of those, taxes might be the most important. Retirees are affected in different ways by taxes, he said. For instance, the taxation of pensions and Social Security might be better or worse in different states. Ditto, sales taxes.

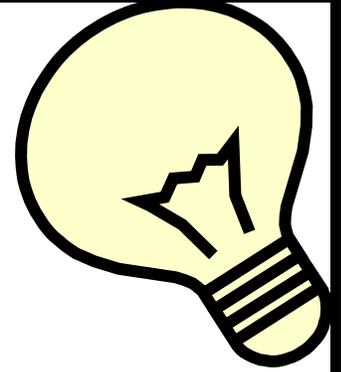
Property taxes can vary widely, as well. For instance, Brady said, property tax can be one of the biggest bills for retirees and it's a category of taxation that's not progressive. You might not have any income, but you will still get taxed on the full value of your house, he said. Of note, some states do have programs to help seniors control their property taxes. Inheritance and estate taxes are also to be considered, though he said such taxes might be viewed as the tax tail wagging the state-of-residence dog.

Choosing the best state in which to retire depends on many individual factors, and in truth, said Brady, "For any two people, the 10-worst-states-for-retirees list might be a good list for one person, but not for [the other]."

Will You Receive Extra Social Security Credit as a Federal Employee for Your Prior Military Service? Were you in the military prior to 2002? Are you going to qualify for Social Security? If you answered "yes" to both questions, there is good news for you! You are going to receive extra earnings credits, which will result in a higher Social Security benefit. Here's how it works:

The Illuminator

2-2011



The information below applies to active duty and active duty for training.

- For service 1957 through 1977, you will be credited with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.
- For service 1978 through 2001, your earnings credits are based on your military pay. For each \$300 in military pay you received, you will be credited with \$100 in extra earnings, up to a maximum of \$1,200 per year.

When are the extra credits applied?

For service from 1957 through 1967, the credits will be added when you apply for Social Security. Be sure to have your DD form 214 ready! For service after 1967, the credits were automatically added to your earnings record at the time you served.

Twelve hundred dollars per year may not sound like much, but remember this: Earnings are indexed to make them comparable to current dollars. For example, for a Social Security retirement starting in 2011, \$1,200 in 1978 earnings will be multiplied by 3.85676, meaning your earnings record will have \$4,628 added.

This information applies to both FERS and CSRS employees. However, for CSRS employees, there is a caveat.

If you start Social Security first, while still working, and then retire from your federal job and start receiving an annuity, you will be unpleasantly surprised. The Social Security Administration will calculate the reduction due to the Windfall Elimination Provision, and they will reduce your benefit accordingly. This cut can be as much as 55%, so be prepared!

(The author developed the software at www.fedbens.us, which includes calculation of the Windfall Elimination Provision.)

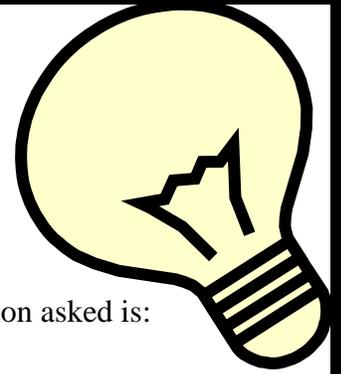
Ref: www.ssa.gov/retire2/military.htm

New Tax Breaks and Federal Employees: Who Wins and Who Loses Out? This article was published in the 21 Dec edition of FEDSmith.

A number of readers have asked in recent days how the tax relief act that was recently passed would impact federal employees who are covered by CSRS. This act, called the "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010" provides that during 2011 the Social Security employee tax rate will be temporarily decreased from 6.2% to 4.2%.

The Illuminator

2-2011



CSRS employees do not pay into Social Security so the most common question asked is: "Will CSRS employees get a tax break as well?"

As was pointed out in a previous article, CSRS employees will not get this tax break.

But some employees wanted official confirmation that they would not get this tax break, perhaps before accepting the reality of the situation.

The argument goes: "It isn't fair that we are not getting a pay raise, we are paying more for health insurance, and we are paying more for gas and food. It is not fair that we are not getting the same tax break just because we are not under the FERS system."

We will leave it to each reader to decide whether this is fair or not. However, the Office of Personnel Management has now confirmed that CSRS employees are not getting this tax break.

In an email that was distributed today entitled "*Temporarily Decrease in the Social Security employee tax rate*," OPM official Raymond J. Kirk wrote:

"The temporary reduction in the Social Security tax rate will not affect the employee retirement contribution rates for employees under the Civil Service Retirement System (CSRS), CSRS-offset, or the Federal Employees' Retirement System. As a result, CSRS-offset and FERS employees will see their payroll deductions decrease by 2% up to the 2011 Social Security maximum taxable income of \$106,800 (unchanged from 2010). There will be no deduction change based on this Act for CSRS employees."

Mr. Kirk is Chief, Benefits Officer Training and Development Group for the Office of Personnel Management.

In the same email, OPM also asked, and answered, these questions that will undoubtedly help some of our readers:

- **What is the effect of the Social Security tax change for employees under CSRS?** Since they do not pay Social Security, this Social Security change does not benefit them and there will be no change in their retirement deductions.
- **What is the effect of the Social Security tax change for employees under CSRS-offset?** Their Social Security tax will be reduced by 2% and there will be no change in their retirement deductions.
- **What is the effect of the Social Security tax change for employees under FERS?** Their Social Security tax will be reduced by 2% and there will be no change in their retirement deductions.

The Illuminator

2-2011



TSP Recalls Erroneous Distribution Payments. The Thrift Savings Plan is collecting more than \$58 million in mistaken distributions to plan enrollees, officials recently said during a monthly meeting of the Federal Retirement Thrift Investment Board. More than 9,700 of the plan's 4.4 million participants in December 2010 erroneously received checks for the distribution payments required when investors reach age 70 1/2. TSP notified those affected and asked them to repay the funds. Almost 6,200 checks have been returned, and the agency is in the process of putting the money back into participant accounts.

"This is a situation I'm not pleased about," said TSP Director Greg Long. "Long story short, we made an error."

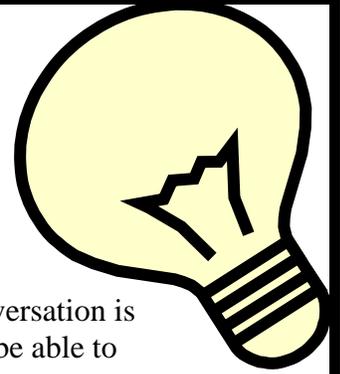
According to Long, the error was the result of a software change accompanying the introduction of spousal beneficiary participant accounts. TSP does not have the capacity to run automated database tests, due to its reliance on institutional knowledge and a complex year-end payment process, he said. The fiscal 2011 budget initially included funding for automated testing tools, but that purchase was delayed to reduce cost. At the meeting, the board approved a \$1.5 million budget addition to pay for those tools, however.

Board members applauded the success of the program to automatically sign up all new civilian hires to contribute 3 percent of their basic pay to the government securities (G) fund, unless they choose to terminate their contributions, or change the amount. According to Renee Wilder, director of research and strategic planning at TSP, 70,779 newly hired federal employees who did not initially elect to participate have been auto-enrolled in the TSP since Aug. 1. An additional 13,526 new hires chose to invest in the TSP. The process is capturing 97.6 percent of new federal workers, Wilder said.

"We're interested in people that likely we would not have had as participants, but among that group we're interested in people who make no active decision and stay in the G Fund permanently," said Long. "We want to get people in that otherwise would not have been in and then later on encourage them to take active participation in their accounts." Military personnel are not eligible for auto-enrollment. The number of active-duty participants in the TSP increased from 551,552 in November to 560,796 in December, boosting the participation rate from 37.7 percent to 38.4 percent. Ready reserve participation jumped from 14.8 percent in November to 15.5 percent last month. The overall participation rate for Federal Employees Retirement System enrollees is 83.2 percent. According to TSP staff, military participants are anticipating the introduction of a Roth option, set for early 2012.

The Illuminator

2-2011



"Among the uniformed services, a potential for the game-changer in the conversation is Roth," said Long. "Once we are able to deliver what they've asked for, we'll be able to have conversations about auto-enrollment."

Board member Dana Bilyeu questioned whether recent measures to limit government spending and freeze federal pay would affect the 3 percent agency match TSP participants receive. According to Tom Trabucco, TSP director of external affairs, there has been a proposal to suspend or change the match as a cost-savings measure, but the idea hasn't garnered support.

Employment-Related News

Pay Freeze Could Lead to Employee Departures. Actions have consequences. One unintended consequence of the two-year pay freeze President Obama asked Congress to impose on federal workers is the impact it may have on higher income employees and those eligible to retire.

The freeze could be the push they need to say good-bye to Uncle Sam and take their talents elsewhere.

"There's already a lot of pay compression at the top of the pay scale," said Max Stier, president and chief executive of the Partnership for Public Service, a nonprofit organization that focuses on federal workforce issues. Their income level may sound good, he added, "but a lot of those people have alternatives that pay a lot more." (The Washington Post and the partnership have a content-sharing relationship.)

Even those who contend, often misleadingly, that federal employees are overpaid must admit that highly trained, highly skilled federal workers - the doctors, lawyers, scientists and others - could command much greater money in the private sector.

Another consequence of the freeze on some better paid civil servants could be an aversion to upward mobility. Employee association leaders warn that the pay freeze could discourage high-level General Schedule workers, those in grades GS14 and 15, from seeking senior-level positions.

"Yes, the freeze will discourage 15s," said Carol A. Bonosaro, president of the Senior Executives Association. "We know they're discouraged already from our survey of 14s and 15s. While they didn't choose pay as the top detractor (to seeking senior positions), one-third wrote comments which specifically mentioned pay."

The Illuminator

2-2011



The increased responsibility of senior-level employees and the less-stringent job protection available to them, coupled with the freeze could make it "not worth it," Bonosaro added.

Salaries for Senior Executive Service members are set within broad national ranges, with individual pay varying according to qualifications and performance, up to a cap that for most this year is \$179,700.

There is confusion on how the freeze would apply to SES performance awards, according to one reader, who said some agency personnel offices are telling employees the freeze blocks SES performance awards, even for those below the cap. The Office of Management and Budget said "SES employees will continue to be eligible for lump-sum performance awards," but not those that increase base pay.

The affect of the freeze on federal executives is important because so many of them are near retirement age. "About 90 percent of federal executives will be eligible for retirement over the next 10 years, and the percentage of federal executives currently eligible for retirement has reached 50 percent of the corps in some agencies," according to a report by the Senior Executives Association and Avue Technologies. "Unresolved challenges in attracting the best and the brightest to these positions would leave a serious leadership vacuum at the top of the civil service."

The pay freeze certainly presents another challenge.

"It pretty much takes away any incentive" for GS15s to seek senior-level positions, said Tom Burger, executive director of the Professional Managers Association, whose members are largely Internal Revenue Service managers.

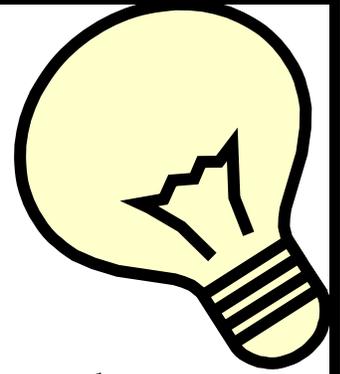
The freeze could encourage older federal workers to retire earlier than they had planned because of the way retirement payments are calculated. They are based on an employee's three highest paid years, generally the last three.

"In some cases your salary today will be your high salary and a two year freeze will make the average whatever the number is now," Burger said. "Seventy-five thousand dollars now, frozen for two more years, means the average is still \$75,000."

Despite these misgivings, Moira K. Mack, an OMB spokeswoman, said the office is "confident that we'll continue to be able to retain and motivate the strong federal management group we need to drive performance and make government work more efficiently and effectively for the American people."

The Illuminator

2-2011



Contractors, too

Federal employees aren't the only people who do work for the federal government who could be affected by efforts to balance the nation's books. Federal contractors may be too. At least that will be the recommendation when the National Commission on Fiscal Responsibility and Reform issues its full report. When the commission, led by co-chairmen Alan K. Simpson, former Republican senator from Wyoming, and Erskine Bowles, a Clinton administration White House chief of staff, issued what was called its final report earlier this month, it made no mention of cutting contractor expenses, as did an earlier draft document.

But that was misleading. It turns out the final report was not the complete report. Explains commission spokesman Frederick J. Baldassaro: "The commission's final illustrative list of savings has yet to be published, but when it is, it will closely mirror the recommendations attached in the co-chairs' draft proposal released on November 10, which included options to reduce the size of the federal workforce and to cut the number of federal contractors

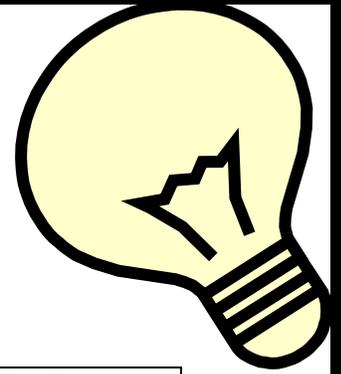
The draft called for eliminating 250,000 non-defense contractors and 4 percent of defense-related contracting positions.

2011 Financial Numbers for Federal Employees. Every year various agencies update numbers (generally dollar amounts) for benefits that will impact federal employees and retirees. Not every agency has issued all their 2011 updates, but many of them have. Here are some of them. Many of them represent no change from last year. Here is financial information that will be useful to those in the federal community.

- Maximum taxable earnings for Social Security - \$106,800
- Quarter of coverage (credit) under Social Security - \$1,120
- Earnings test for under full retirement age for Social Security and FERS Special Retirement - \$14,160
- Earnings test for full retirement age for Social Security - \$37,680
- Medicare Part A deductible - \$1,132
- Medicare Part A co-pay for 61 to 90 days - \$283
- Medicare Part A co-pay for lifetime reserve days (60) - \$566
- Medicare Part B deductible - \$162

The Illuminator

2-2011



Medicare Part B premiums:

Single Filing Status	Joint Filing Status	You Pay
\$85,000 or less and receiving SS benefits in 2009	\$170,000 or less and receiving SS benefits in 2009	\$96.40
\$85,000 or less and receiving SS benefits in 2010 but not in 2009	\$170,000 or less and receiving SS benefits in 2010 but not in 2009	\$110.50
\$85,000 or less and not receiving SS benefits in either 2009 or 2010	\$170,000 or less and not receiving SS benefits in either 2009 or 2010	\$115.40
\$85,001 to \$107,000	\$170,001 to \$214,000	\$161.50
\$107,001 to \$160,000	\$214,001 to \$320,000	\$230.70
\$160,001 to \$214,000	\$320,001 to \$428,000	\$299.90
Above \$214,000	Above \$428,000	\$369.10

- Interest rate for civilian deposits and re-deposits for CSRS and FERS (calendar year 2011) – 2.75%
- Interest rate for military deposits for CSRS and FERS (fiscal year 2011) – 2.844%

Phase out on deductibility of contributions to a Traditional IRA (applies to those covered by a retirement plan at work):

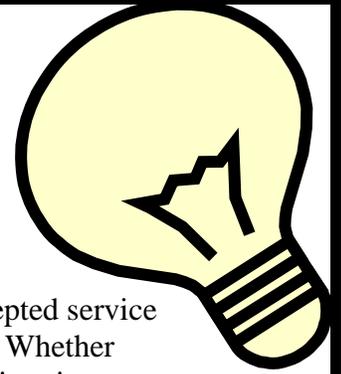
Single Filing Status	Joint Filing Status with Spouse Also Belonging to a Retirement Plan at Work	Joint Filing Status with Spouse Not Belonging to a Retirement Plan at Work
Fully deductible below \$56,000	Fully deductible below \$90,000	Fully deductible below \$169,000
Partially deductible between \$56,000 and \$66,000	Partially deductible between \$90,000 and \$110,000	Partially deductible between \$169,000 and \$179,000
Not deductible over \$66,000	Not deductible over \$110,000	Not deductible over \$179,000

Phase out on ability to contribute to a Roth IRA:

Single Filing Status	Joint Filing Status
Full contribution below \$107,000	Full contribution below \$169,000
Partial contribution between \$107,000 and \$122,000	Partial contribution between \$169,000 and \$179,000
No contribution over \$122,000	No contribution over \$179,000

The Illuminator

2-2011



Federal Job Classifications: Competitive vs. Excepted Service. The excepted service and the competitive service are two different classifications for federal jobs. Whether you are already a federal employee, or are applying for a federal job for the first time, either of these could present some significant advantages and disadvantages in your career. But what is the difference, and what do these differences mean to you?

What is the Excepted Service?

If you are in the excepted service, it means that you didn't have to undergo the same hiring process as federal employees in the competitive service. Simply put, the competitive service has to follow the U.S. Office of Personnel Management's hiring rules, pay scales, and so on. Agencies or positions in the excepted service don't. In addition, Veteran's Preference -- which means if there is a veteran who meets the qualifications of the job, he or she gets priority over other equally qualified candidates -- applies to competitive service jobs, but not to the excepted service.

This has many implications for federal employees. If you have a job in the competitive service, you have already gone through the OPM's hiring process, including the thorough hiring examination. Once you have done it once, you don't have to do it again, even if you want to transfer to another job in the competitive service.

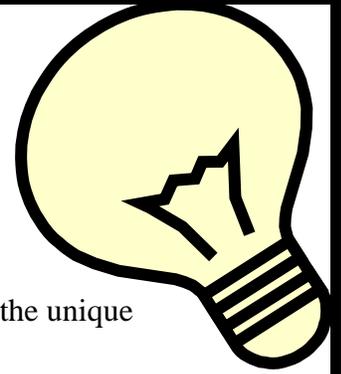
If you have a job in the excepted service, on the other hand, you may not have the same mobility. Some excepted service agencies have an agreement that allows employees to transfer to the competitive service without undergoing the hiring examination, but not all of them do. Usually, in order to have this sort of agreement, an excepted service agency must have a similar merit scale to what the competitive service uses.

Just because excepted service jobs use different a hiring process than the thorough OPM hiring exam, doesn't mean they are necessarily easier jobs to get. Many excepted service jobs have much more difficult hiring standards, such as the Central Intelligence Agency (CIA), which has an extensive background check that can take as long as a year to complete. Because of the strict requirements and the sensitive nature of the job, the agency has to be excepted from OPM hiring standards.

Although calling it the excepted service makes these jobs sound like an exception, and therefore fewer than those in the competitive service, in fact the excepted service makes up about half of all federal jobs. Thirty-one percent of federal jobs are with the U.S. Post Office, the biggest excepted service agency, and about 20 percent are with other agencies within the excepted service. Individual positions can also fall under the excepted service,

The Illuminator

2-2011



even if the agency the position is in is part of the competitive service, due to the unique requirements of the job.

How Do Positions or Agencies Become Excepted?

Positions and agencies in the excepted service are usually there for one of a few different reasons. As already discussed, jobs are often in the excepted service because the hiring requirements have to be stricter, such as in the case of the CIA. Agencies that require a very narrow specialty, such as the Nuclear Regulatory Commission (NRC), may also be in the excepted service, which allows them to offer better pay scales and benefits in order to attract highly specialized professionals.

A third group of excepted service jobs are there because a person's qualifications for the job can't be judged as well as in other fields. A few examples are attorneys, special agents, and chaplains. And finally, if the position deals with confidential information, such as a cabinet advisor or secretary, it typically falls into the excepted service.

In order to become part of the excepted service, however, an agency or a position has to be defined as such by statute, by the President, or by OPM. Excepted service positions are further classified into Schedules A, B, and C, as well as non-career executive assignments.

Should I Take the Job?

Competitive service versus excepted service can limit your career options somewhat. For instance, if you already have a federal job, you may not be able to transfer easily if you are in the excepted service. Competitive service employees, on the other hand, can transfer to another federal job without having to undergo the OPM hiring exam again, as can employees in certain excepted service agencies, such as the NRC.

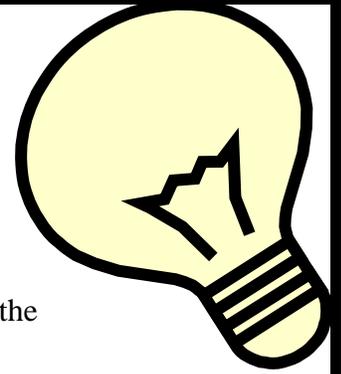
If you are applying for a federal job for the first time, you might want to consider this as a significant disadvantage of taking a job in the excepted service. Before taking the job, find out if the agency has an interchange agreement that would allow you to more easily move into a competitive service position at a later date.

One other disadvantage is the lengthy hiring process of some agencies or positions in the excepted service. The CIA is a good example, as its background check can take as long as a year.

However, there are some advantages to taking a job in the excepted service, whether or not you are already a federal employee. For instance, some excepted service agencies, such as the NRC, offer better pay scales and benefits packages than the competitive

The Illuminator

2-2011



service. It is definitely worth comparing these factors to comparable jobs in the competitive service.

In addition, first-timers may find it easier to "break into" a federal job in the excepted service. Whereas competitive service position openings often hire internally, only considering applicants who already work in the competitive service, excepted service positions are more often open to all applicants. Also, even though you cannot transfer as easily from the excepted service, you may still find it easier to move into a competitive service job later on, since you will be more likely to have the correct qualifications.

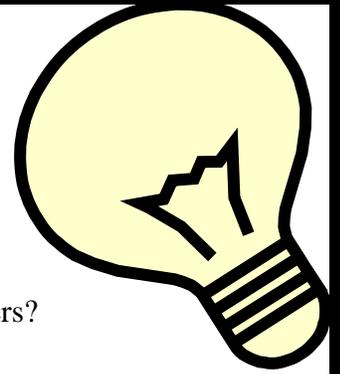
It's impossible to say whether the competitive or excepted service is right for you, since this varies for everyone and every individual situation. The first step toward making this decision, however, is understanding the differences between the two, as well as the advantages and disadvantages offered by both.

Quiz on the Federal Payroll. How much do you know about the Federal Government as an employer? Take this quiz and find out!

1. Approximately how many federal civilian workers are there?
 1. 1 million
 2. 2 million
 3. 6 million
 4. 12 million
2. Which part of the federal government employs the most civilian workers?
 1. Executive departments
 2. Legislative branch
 3. Judicial branch
 4. Independent agencies
3. Which executive department has the largest annual budget?
 1. Defense
 2. State
 3. Veterans Affairs
 4. Health and Human Services

The Illuminator

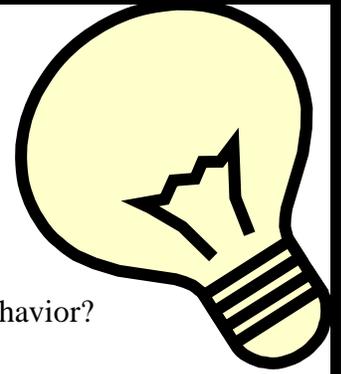
2-2011



4. Which executive department employs the most federal civilian workers?
 1. Treasury
 2. Defense
 3. Justice
 4. Homeland Security
5. True or false: Approximately 85 percent of federal employees work in the Washington, D.C., metropolitan area.
 1. True
 2. False
6. What is the average annual salary of a civilian federal employee?
 1. \$51,000
 2. \$74,000
 3. \$132,000
 4. \$202,000
7. How much of a pay increase did federal employees receive this year?
 1. 1.9 percent
 2. 3.2 percent
 3. 6.1 percent
 4. 8.3 percent
8. According to President Obama, how much money will be saved over two years by freezing federal workers' pay?
 1. \$1 billion
 2. \$5 billion
 3. \$15 billion
 4. \$30 billion
9. True or false: The federal government is the largest employer in the country.
 1. True
 2. False

The Illuminator

2-2011



10. What law bans federal workers from engaging in partisan political behavior?

1. Tucker Act
2. Wunderlich Act
3. Hatch Act
4. Pendleton Act

Answers can be found on page 27

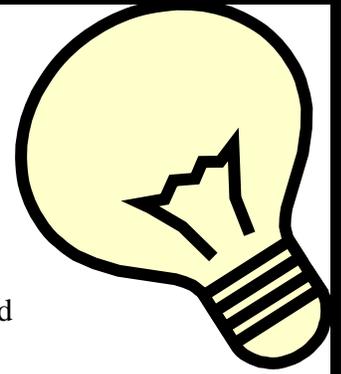
Management-Employee Relations

The Genetic Information Nondiscrimination Act (GINA). On May 21, 2008, the Genetic Information Nondiscrimination Act was signed into law by then President George Bush. Under Title II of GINA, it is illegal to discriminate against employees or applicants because of genetic information. Title II of GINA prohibits the use of genetic information in making employment decisions, restricts employers and other entities covered by Title II (employment agencies, labor organizations and joint labor-management training and apprenticeship programs - referred to as "covered entities") from requesting, requiring or purchasing genetic information, and strictly limits the disclosure of genetic information. Specifically, among other restrictions, the law prohibits insurance companies and employers from discriminating on the basis of information obtained from genetic tests. It forbids insurance companies from discriminating through reduced coverage or pricing; employers from making adverse employment decisions based on a person's genetic code; requesting or requiring employees to have genetic tests in order to evaluate an employee's ability to perform their job; or classifying employees in such a manner as to deprive them of advancement or training opportunities. Additionally, insurers and employers are not allowed under the law to request or demand a genetic test.

Genetic information includes information about an individual's genetic tests and the genetic tests of an individual's family members, as well as information about the manifestation of a disease or disorder in an individual's family members (i.e. family medical history). Family medical history is included in the definition of genetic information because it is often used to determine whether someone has an increased risk of getting a disease, disorder, or condition in the future. Genetic information also includes an individual's request for, or receipt of, genetic services, or the participation in clinical research that includes genetic services by the individual or a family member of the individual, and the genetic information of a fetus carried by and individual or by a pregnant woman who is a family member of the individual and the genetic information of

The Illuminator

2-2011



any embryo legally held by the individual or family member using an assisted reproductive technology.

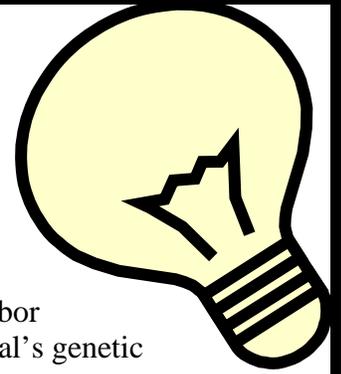
Under certain circumstances an employer may have access to genetic information. There are six narrow exceptions to this prohibition

- Inadvertent acquisitions of genetic information do not violate GINA, such as in situations where a manager or supervisor overhears someone talking about a family member's illness.
- Genetic information (such as family medical history) may be obtained as part of health or genetic services, including wellness programs, offered by the employer on a voluntary basis, if certain specific requirements are met.
- Family medical history may be acquired as part of the certification process for FMLA leave (or leave under similar state or local laws or pursuant to an employer policy), where an employee is asking for leave to care for a family member with a serious health condition.
- Genetic information may be acquired through commercially and publicly available documents like newspapers, as long as the employer is not searching those sources with the intent of finding genetic information or accessing sources from which they are likely to acquire genetic information (as websites and on-line discussion groups that focus on issues such as genetic testing of individuals and genetic discrimination).
- Genetic information may be acquired through a genetic monitoring program that monitors the biological effects of toxic substances in the workplace where the monitoring is required by law or, under carefully defined conditions, where the program is voluntary.
- Acquisition of genetic information of employees by employers who engage in DNA testing for law enforcement purposes as a forensic lab or for purposes of human remains identification is permitted, but the genetic information may only be used for analysis of DNA markers for quality control to detect sample contamination.

Any genetic information that an employer, employment agency, labor organization possesses about an individual must be treated as the confidential medical record of the individual and must be maintained in separate forms and in separate files. An individual's genetic information may not be disclosed except at the individual's written request in

The Illuminator

2-2011



response to a court order. To maintain compliance with laws an employer, labor organization, or joint-labor management committee may provide an individual's genetic information to the Federal, State, or local authorities.

For additional information, please contact your CPAC L/MER Specialist.

Federal Employee Accountability Bill Likely to Pass in House. Rep. Phil Gingrey, Georgia Republican, is spearheading legislation that would stop federal employees from doing union activities while on the clock. Gingrey's bill, the Federal Employee Accountability Act of 2011, would stop federal employees from doing arbitration, collective bargaining and compiling lists of grievances for their bosses during working hours.

"The purpose of it is to put responsibility in government and save money," Gingrey said in an interview with The Daily Caller, before pointing out that this legislation's roots were in his YouCut idea proposal from the 111th Congress. "This YouCut proposition that I made in regard to this union abuse, and I clearly think it is an abuse of taxpayer dollars, we put it now in the form of legislation."

The Office of Personnel Management, a government agency that tracks federal employee efficiency, among other things, reported that federal employees used 2,893,922 official work hours for union work in 2008. No report has been compiled for federal employees' use of official time for union activity since President Barack Obama took office.

Gingrey said his legislation would save taxpayers \$600 million over five years, or \$1.2 billion over a decade.

The National Federation of Federal Employees (NFFE), a federal employee union which claims its membership is more than 100,000 and is clearly opposed to Gingrey's proposal, thinks allowing federal workers to use official time to handle union-related issues is efficient.

"Official time for representational duties allows employee representatives to handle sensitive workplace issues faster than the normal administrative process would allow, resolving issues more efficiently for the American taxpayer," William Dougan, NFFE national president, said in an e-mail to TheDC. "Strong employee-employer communication is a necessary precondition for good government. Official time allows both employees and employee representatives to work constructively with management toward a more efficient and accountable federal workplace."

The Illuminator

2-2011



But Gingrey maintains his bill is not anti-union. He said this is more about saving taxpayer money than about fighting unions, and allowing federal employees to collective bargain and arbitrate on taxpayers' dimes isn't something he wants to continue.

"I think the time has come when the American people understand that federal employees need to work an 8-hour day just like everybody else," Gingrey said. "If they happen to be a union officer, or indeed just a grieved union member, they take that grievance and that collective bargaining to their employer, i.e. the federal government, but they do it on their own time."

Gingrey said he's almost certain the bill will pass the House as Republicans throughout the lower chamber have expressed their support for it. But he's worried about the Senate where unions have a strong influence on both Republicans and Democrats.

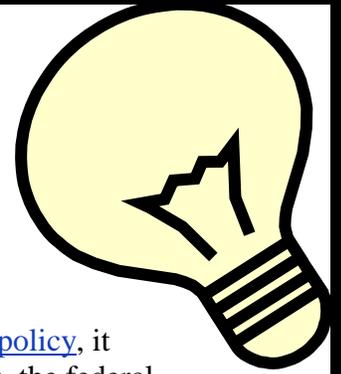
"You can pass it in the House but, because of the very strong lobby of the unions and the influence that they have over both Republicans and Democrats in the Senate is going to make it a heavier lift," Gingrey told TheDC. "That doesn't shy me away from giving it 110 percent effort because it's worth the effort."

How the Federal Government is Missing the Boat with its Telework Strategy. This article was written by John Klossner. It was posted in Federal Computer Weekly. Any references to "I" refer to the author.



The Illuminator

2-2011



In reading the most recent foray by the federal government into [teleworking policy](#), it occurs to me that this is becoming an annual event. For the past several years, the federal government has been trying to figure out some way to standardize teleworking for agencies and their employees. It's starting to feel like a New Year's resolution, with agencies on the treadmill, their list posted in front of them: "Lose a trillion budget dollars, get the entire country to eat carrots, create a coherent teleworking policy..."

In reading about this year's resolution one item in particular caught my attention -- "Currently, 102,900 of the 1.9 million federal employees regularly work remotely. Of the total workforce, 62 percent are eligible to telework. To encourage the practice, the Obama administration has set a goal of having 150,000 government employees teleworking on a regular basis by 2011."

Using my rusty math skills to roughly round these figures out, let me get this straight: 62 percent of the fed workforce is eligible to telework, and the administration's goal is to have 7 percent? Not to mention that from that 62 percent potential, only 5 percent is currently teleworking. "Encourage the practice?" Isn't that like needing to lose 10 pounds and encouraging people to give up cinnamon sprinkles on their mocha latte with whipped cream? If the people in charge of the space program had thought this way, they would have encouraged getting a man on the moon by having aspirants go to the top of the Sears Building.

This tiptoeing around telework is slowly taking the shape of following and not leading. In [this story](#) about the potential savings from telework, it's noted that in a recent survey of government employees, "22 percent said they were teleworking without formal agreements, doing at least some of their jobs from home or elsewhere away from the office." ("Without formal agreements?" Is teleworking the new "don't ask, don't tell?"). Since these respondents said they were doing "at least some of their jobs" away from a central office -- and I'd be willing to guess that the majority of teleworking fed employees do so part time -- it's probably a safe bet the number of federal teleworkers already exceeds the stated goal for 2011.

I tried looking for some statistics about the amount of teleworkers in the world at large. While reports on teleworking in the private sector give a wide spectrum of figures -- often being used to support the argument of the particular author -- the one constant is that the amount of people working outside of a central office has been rising and will continue to rise. The federal government's lagging behind this change in work habits can only harm their efforts on several fronts.

Among them is recruitment. How do federal agencies, with their aspirations of having 7 percent of their workforce teleworking, hope to attract talent from a generation that has been working anywhere *but* a central office for their entire lives? Will the feds just dance around telework policy until the generation that has spent their careers working from the

The Illuminator

2-2011



office retires? I would hope we could be more proactive on this issue, rather than waiting for the cubicles to slowly empty.

And I'll be the first to admit that teleworking is not for everyone. Besides the security and communication concerns, what can start out as an attempt to better balance one's work and personal life can sometimes lead to an uncomfortable integration of the two without clear borders between your personal and professional lives. It takes considerable discipline to telework, and I find numerous anecdotes of people glad to return to the protected environs of the office.

Unfortunately, the feds' approach to teleworking is echoing their timeliness on other technology issues -- "we'll get right to work on teleworking standards as soon as we finish those fax machine regs" -- leaving the workforce to figure out a way to make their federal employee lives reflect the world they live in outside the office, with confusing results. This is reinforced by the numerous anecdotes I find commenting on management-employee relations, with managers saying that they don't trust their employees to work outside the office and employees saying they don't trust their managers to administer telework policy fairly, awarding the privilege based on favoritism or withholding it as punishment

With such animosity you'd think that the two sides would be happy to work farther apart from each other.

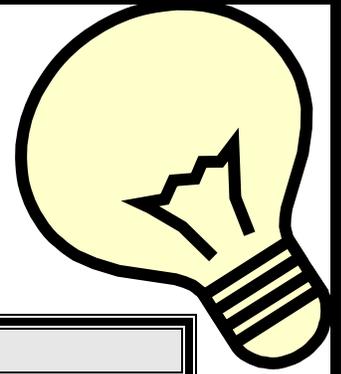
Oh, well, there's always next year.



"MY MANAGER IS HAVING TROUBLE
EMBRACING THE NEW TELEWORK POLICY."

The Illuminator

2-2011



Training, Self-Development, and Personal Improvement

Human Resources (HR) for Supervisors Course. The HR for Supervisors Course encompasses instruction applicable to the Legacy (i.e. GS) System. The course is 4.5 days long, includes lecture, class discussion, exercises; and, is designed to teach new civilian and military supervisors of appropriated fund civilian employees about their responsibilities for Civilian Human Resource Management. This instruction does *not* cover supervision of non-appropriated fund (NAF) or contract employees.

Instruction includes the following modules:

- Introduction of Army CHR which includes coverage of Merit System Principles and Prohibited Personnel Practices, CHRM Life Cycle Functions, Operation Center and CPAC Responsibilities
- Planning
- Structuring – Position Classification
- Acquiring – Staffing and Pay Administration
- Developing – Human Resources Development
- Sustaining – Performance Management, Management Employee Relations, Labor Relations

Training dates for the next iterations of this course are below. Registration information will be disseminated electronically three weeks before each class start date.

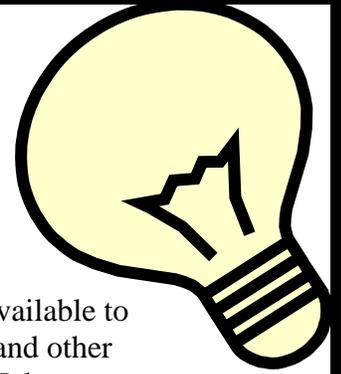
Next course offerings:

14-18 Mar 11
13-17 Jun 11
19-22 Sep 11
5-9 Dec 11

RPA and ART Workshop. The Fort Benning CPAC HR specialists are available to conduct RPA and ART desk-side walkthroughs and/or workshops to assist HR liaisons, managers/supervisors, and new DCPDS account holders with accessing and using DCPDS, ART, initiating RPAs, 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.

The Illuminator

2-2011



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 servicing HR specialist to arrange a time so we can come to your office to help you.

Answers to Quiz on the Federal Payroll:

1. Approximately how many federal civilian workers are there?

B. 2 million

2. Which part of the federal government employs the most civilian workers?

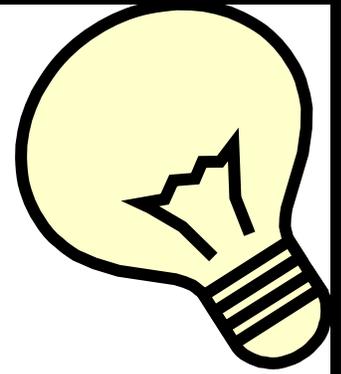
A. Executive departments

3. Which executive department has the largest annual budget?

D. Health and Human Services

The Illuminator

2-2011



4. Which executive department employs the most federal civilian workers?

B. Defense

5. True or false: Approximately 85 percent of federal employees work in the Washington, D.C., metropolitan area.

False. 85 percent of federal employees work *outside* the Washington, D.C., metropolitan area.

6. What is the average annual salary of a civilian federal employee?

B. \$74,000

7. How much of a pay increase did federal employees receive this year?

A. 1.9 percent

8. According to President Obama, how much money will be saved over two years by freezing federal workers' pay?

B. \$5 billion

9. True or false: The federal government is the largest employer in the country.

True

10. What law bans federal workers from engaging in partisan political behavior?

C. Hatch Act

BLANCHE D. ROBINSON
Human Resources Officer
Fort Benning CPAC
Phone: 545-1203 (ComL); 835-1203 (DSN)
E-Mail:
[*blanche.d.robinson@us.army.mil*](mailto:blanche.d.robinson@us.army.mil)