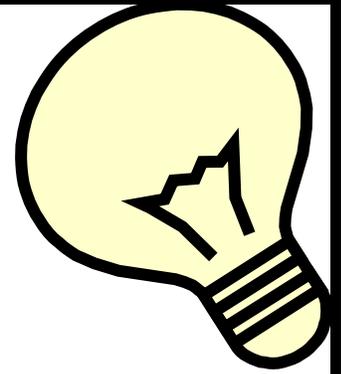


*The*

*Illuminator*

*Shedding Light on the HR World*

*6-2008*



| In this Issue:   | Page |
|--|------|
| Life After Retirement: A Retiree's Perspective                                 | 3    |
| Agencies Making Progress on FOIA Backlogs                                      | 6    |
| DHS Diversity Examined   | 7    |
| Federal Legal Corner: Pay Discrimination Bill Stalls                           | 7    |
| Pay Disparities Hamper Efforts to Deploy Civilians to War Zones                | 8    |
| Public Service Group to Develop New Resources for Federal Interns              | 10   |
| Reinventing Turnover in a Hollowed-Out Public Sector                           | 11   |
| "Honey, I Forgot To Give My Former Wife A Survivor Annuity"                    | 14   |
| Did You Know...? Mailing Address Changes and TSP                               | 15   |
| Job Competitions Fall Short of Agency Goals; OMB Touts Savings                 | 16   |
| GAO to Launch Employee Diversity Reforms in Response to Job Performance Report | 17   |
| "How Does Your Salary Stack Up?"   | 18   |
| Have You Failed to Pay Your Debts? It Could Cost You Your Federal Job          | 22   |
| Many Contract Officers Quitting  | 23   |
| Tax Deadbeats on the Government Payroll  | 28   |
| Questions and Answers  |      |
| L Funds  | 29   |
| Waiving the Five-Year Rule   | 30   |
| Retired Pay's Effect on TSP  | 30   |
| Retirement Dates   | 31   |
| Withdrawal Options   | 31   |

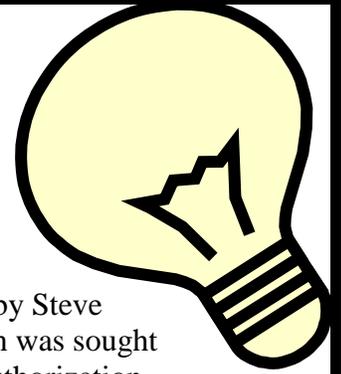
|  |    |
|--|----|
| TSP Withdrawals  | 31 |
| Ticking Clock  | 31 |
| Establishing a Discrimination Case                                     | 33 |
| Coming to a Classroom Near You – The Updated HR for Supervisors Course | 34 |
| What’s Happening to Your Money   | 35 |
| Final Thoughts   | 35 |
| Pay Yourself First   | 36 |
| Drug Testing Positions   | 36 |
| Leave Without Pay  | 38 |
| The NAF Corner   |    |
| Performance Standards and Ratings                                      | 41 |
| The Career Referral Program  | 42 |
| HR for Supervisors Course  | 43 |
| RPA and ART Workshop   | 44 |
| Job Aids Available on the Web  | 44 |
| Sunset of the Army Emergency Contact (Next of Kin) Database            | 44 |
| Fort Benning CPAC Homepage   | 45 |

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, NSPS implementation information, 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, and the ABC-C Newsletter.

# *The Illuminator*

6-2008



**Life After Retirement: A Retiree's Perspective.** This article was written by Steve Oppermann and posted in FEDSmith. It is copyrighted; however, permission was sought and granted to reproduce in its entirety. Subsequent reproduction requires authorization. Any references to "I" pertain to Mr. Oppermann the author.

In Part I, I talked about my decision to take early retirement from the Federal government and about some of the things I have done during the 10 years I have been retired. This article will include more of my saga - "Mistakes were made," as Attorney General Alberto Gonzales said recently in another employment situation - plus some thoughts you might find of use when you are contemplating retirement.

I have identified four areas that I think are, or should be, important considerations in making retirement decisions: finances, health, outside interests & attitude. But I'm going to start with what I think is the most important issue, which is whether or not you are very clear in your own mind about your reasons for retiring.

## Why Are You Retiring?

In my case, as I pointed out in the first article, I was so uncertain about retiring that I didn't sign my retirement papers until the last hour of the last day of the buyout.

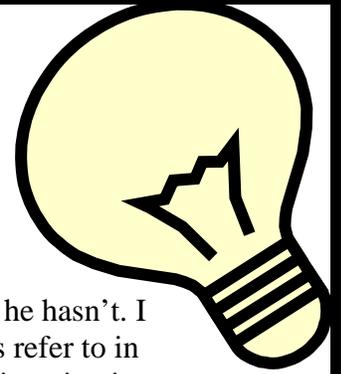
Part of my reason for electing early retirement was uncertainty as to what impact the agency's latest reorganization would have on me. I was in a position that combined the duties of an Employee Relations Officer with those of a Special Assistant for Natural Resources. It was a great job and I had a boss I liked and respected, but the pending reorganization could have changed the reporting relationships and a new office director could easily have questioned the viability of my dual-responsibility position - after the early out/buyout window had closed. In addition, I was eligible for an immediate annuity, so I knew I'd at least be able to pay the mortgage.

I even gave brief thought to the worst-case scenario, which was one in which I would feel compelled to get back into the Federal government. I was pretty sure I could do that, even if it would necessitate a move from Denver to Washington, D.C., although I must admit that I never talked to my family about that possibility (some would call it cowardice; I prefer to think of it as reasonable caution).

I will contrast my uncertainty and lack of financial planning with the experiences of two of my friends. Lou retired from the Federal government the year before I did, and I am positive that he has never second-guessed his decision. He had been in a stressful job as a Human Resources (HR) branch chief and when an early retirement opportunity, with a buyout, came up he jumped at it. Lou had done such a good job of managing his

# *The Illuminator*

6-2008



investments and finances that he knew he wouldn't have to work again - and he hasn't. I think he's one of those people Fortune, Money and other financial magazines refer to in articles as "The Millionaire Next Door." Lou is stress-free and it may be my imagination but he seems to look younger and healthier every year, which I find very aggravating.

My friend John retired from the Federal government the same day I did. Like Lou, I don't think he has ever looked back and wondered if he did the right thing. John managed an agency-wide program and was weary from the brutal hours, frequent red-eye flights and constant stress. He knew he would have to work part-time to support his travel habit, which is similar to ours since the two couples have traveled the world together. In his early days of HR consulting and training, John scheduled vacations around work assignments; today, he only accepts work assignments that don't conflict with his many planned vacations.

If you are contemplating retirement, surely you have a very clear idea of why you are doing so. Or do you? Based on my own experience and in talking to some of my friends and colleagues, I think there are a fair number of people who retire without having carefully thought through their reasons for doing so.

If someone asks you why you are planning to retire and you can't answer that question quickly and completely, you might want to hold off on signing the retirement application. This is an area where I believe "gut feeling" should play a strong role. If that gut feeling is telling you it's time to retire, you might do well to listen to it. If you are emotionally ready to retire, the first thing I would urge you to do is look at your financial situation.

Money, Money, Money, Money...

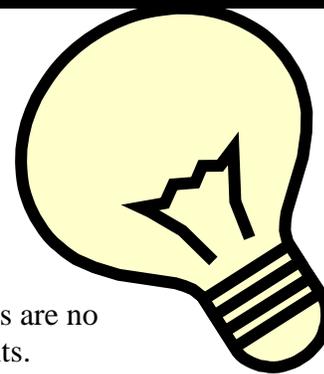
For most of us, finances are critically important to the decision as to when to retire from the Federal government. I did not get sufficient expert advice before I retired, and from what I have read, many people don't. Based on experience gained the hard way, a realistic assessment of your financial situation, preferably by a reputable financial planner, should be one of your first steps. I tended to be overly optimistic about potential income and to underestimate prospective expenses, and I think those are pretty common errors.

I have become more realistic about finances since my retirement, and now start from a "baseline" of guaranteed income, which pretty much consists of my Federal annuity,

in that I am not yet eligible for Social Security and have not tapped into my IRAs or 401(k) plans. I can provide an educated guess as to my consulting income, based on a look back at the last 10 years, but it is no more than a guess, and I recognize that there

# *The Illuminator*

6-2008



may come a day – I’m hoping it isn’t in the immediate future - when agencies are no longer interested in my services or are operating under tight budget constraints.

At that point, if there is a gap between my income and my expenses, I’d better find a way to increase the former or decrease the latter. I think that for many of us it can be very difficult to make substantial spending cuts – at least in areas that are part of our “lifestyle.” I could theoretically live without broad-band cable Internet access, the premium cable TV channels, my separate fax line, and one of the cell phones. However, cutting the next level of “optional” expenses, such as frequently eating at restaurants, taking vacations or buying the occasional new car, would start to affect our lifestyle.

And “fixed” costs, such as a mortgage, property taxes, insurance, and utilities, can be hard to reduce. If it came down to a deficit in my ability to make the mortgage payments, I would rather take even a low-paying job (i.e., “Would you like fries with that, sir?”) than trade the great rate I have on my fixed-rate 15-year loan for a longer-term mortgage with lower monthly payments.

If you own a house, maintaining it properly takes money, but not as much as letting it go, as I keep finding out the hard way. And because stuff happens, such as the night our furnace went out this winter just as the outside temperature reached a toasty zero degrees, it makes sense to have a contingency fund.

Perhaps the scariest costs on the horizon are those for health care. While they could theoretically go down, it is far more likely that they will continue rising, perhaps sharply, as we baby boomers age and tend to need more medical services, which for some will include taking up residence in long-term care facilities.

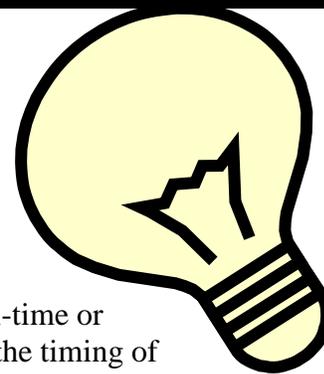
If you have seen a good financial/retirement planner and are confident that you can support your current lifestyle on your annuity (plus any other sure sources of income), you should have the financial freedom to do pretty much as you please.

For example, if you are financially set, you might choose to do volunteer work, and there are myriad organizations that would welcome you with open arms. Virtually any interest that you have can be matched up with one or more reputable volunteer organizations that are probably already in place at or near where you live. My wife and I served on the board of directors of a non-profit that provided mentors for at-risk kids, and we doubled as mentors of 9-year-old twin boys, an incredibly rewarding, if exhausting, experience.

If your financial position is not as strong, you might have to work in a paid position on a part-time basis. There are organizations springing up to place older workers – e.g., 10 Til 2 <<http://www.tentiltwo.com/>> , and The Boomers Group – and part-time work should still leave you time to pursue other interests.

# *The Illuminator*

6-2008



However, if you believe your financial situation will require you to work full-time or close to it to supplement your annuity adequately, you may want to re-think the timing of your retirement. A recent job fair for baby boomers in the Denver area was heavily attended, despite the fact that many of the jobs being filled paid less than \$10 per hour. That tells me if I am currently making \$40 an hour with a Federal agency in this area, I may not be able to fully replace that salary on the outside, unless I have skills that are particularly marketable in other segments of the economy, such as expertise in information technology.

In future articles, I'll address health, outside interests, attitude and what the Federal government is and is not doing to help employees prepare for retirement.

**Agencies Making Progress on FOIA Backlogs.** Agencies are reducing backlogs of requests under the freedom of information act but additional guidance is needed, GAO has said.

Based on an analysis of agency annual FOIA reports and additional statistics GAO said the numbers of FOIA requests received and processed continue to rise, but that the rate of increase has flattened in recent years.

The number of pending requests carried over from year to year has also increased, although the rate of increase has declined, according to GAO-08-344.

It said the increase in pending requests is primarily due to increases in requests directed to DHS, in particular at Citizenship and Immigration Services, which accounted for about 89 percent of DHS's total pending requests.

However, the rate of increase is slightly less than it was in fiscal 2005, GAO said.

It said following an emphasis on backlog reduction in Executive Order 13392 and agency improvement plans, that many agencies have decreased backlogs as of September 2007.

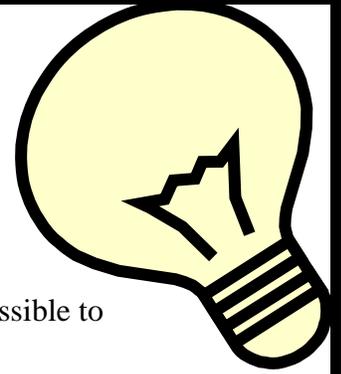
Out of 16 agencies GAO looked at, nine had decreases, five experienced increases, and two posted no material change.

DHS was able to decrease its backlog of overdue requests by 29,972, or about 29 percent, according to the report.

It said progress that many agencies made in reducing backlog suggests that the development and implementation of the FOIA improvement plans have had a positive effect.

# *The Illuminator*

6-2008



However, in the absence of consistent statistics on overdue cases, it is not possible to make a full assessment of government-wide progress in this area, GAO said.

It added that while DoJ guidance directs agencies to set goals for reducing backlogs of overdue requests in future fiscal years, it does not direct agencies to monitor and report overdue requests or to develop plans for meeting the new goals.

**DHS Diversity Examined.** DHS has substantially more Hispanic employees than the government as a whole but fewer women and a lower percentage of minorities at the senior executive level, according to a report prepared by the House Homeland Security Committee. It said that the DHS workforce is 16.5 percent Hispanic, compared with 7.3 percent in the government overall, and 33.7 percent female, compared with 44.6 percent. The DHS averages among African Americans, Asians and other minority groups were about 1-3 percentage points below the government-wide averages. Among career senior execs DHS also has a higher percentage of Hispanics than the government overall, 5.4 vs. 3.4, but lower percentages of African Americans (6.5 vs. 8.5), Asians, (1.8 vs. 2.3), other minority groups (0.7 vs. 1.7), and women (25.3 vs. 28.9). "There are major DHS organizational components that have little or no representation of diversity in their career SES," it said, calling on DHS to increase diversity at its more senior levels.

Meanwhile, a DHS employee survey conducted last year shows continued problems with negative perceptions of agency management. Only 29 percent said that leaders generate high levels of motivation and commitment and only 42 percent said they have a high level of respect for senior leaders, and only about a third are satisfied or very satisfied with the information they receive from management regarding what is going on in the organization and with their level of involvement in decisions that affect their work. Performance management was another issue raised in the department, which has struggled for a number of years to get a pay-for-performance pay system in place. Only 18 percent said that pay raises depend on how well employees perform their jobs, only 25 percent said that promotions are based on merit and only 26 percent said that steps are taken to deal with poor performers, and only 29 percent said that creativity and innovation are rewarded.

**Federal Legal Corner: Pay Discrimination Bill Stalls.** In July, 2007, the U.S. House of Representatives passed the Lilly Ledbetter Fair Pay Act but the bill has now stalled in the Senate. The bill's purpose is to restate the law as it had been interpreted for years before the Supreme Court's decision in *Ledbetter v. Goodyear Tire & Rubber Co.*, 127 S.Ct. 2162, 2176 (2007).

In the case before the Supreme Court, Lilly Ledbetter, a supervisor at Goodyear Tire and Rubber Company, had for years received smaller raises than her male peers. A jury found in favor of Ms. Ledbetter and found that Goodyear violated Title VII of the Civil Rights

# *The Illuminator*

6-2008



Act of 1964. However, the Supreme Court held that Ms. Ledbetter was not entitled to any relief for the ongoing, continuing discrimination by finding that she had not met the 180-day deadline for filing such claims.

The court held that Ms. Ledbetter had had to file a pay discrimination lawsuit within 180 days of Goodyear's first discriminatory raise, and that the fact that the discrimination continued paycheck after paycheck for 18 years was not relevant.

Due to the Ledbetter ruling, workers must file pay discrimination lawsuits within 180 days after the initial discrimination occurred (45 days for federal employees to file informal EEO complaints), and not, as most courts previously allowed, months or years after the initial discrimination because each new paycheck was another discriminatory act. By so ruling, the Supreme Court made it significantly harder for an employee to sue for pay discrimination, in fact encouraging employers to keep salaries and raises even more confidential than they already do, hoping that employees will miss the applicable statute of limitations.

Legislation co-sponsored by Senators Edward Kennedy, D-Mass., and Arlen Specter, R-Pa., would restore equal pay for equal work regardless of race, color, religion, sex, national origin, age or disability. The legislation would not expand legal rights, but return the interpretation of the Title VII statute of limitations to the longstanding rule which treated each and every discriminatory paycheck as a new discrimination, thus restarting the 180 or 45-day clock. Republicans in the Senate prevented consideration of the bill by conducting a filibuster. Supporters of the bill were four votes shy of the required 60 votes that would have overcome the legislative obstruction and allowed lawmakers to take up the act.

\* This information is provided by the attorneys at Passman & Kaplan, P.C., a law firm dedicated to the representation of federal employees worldwide.

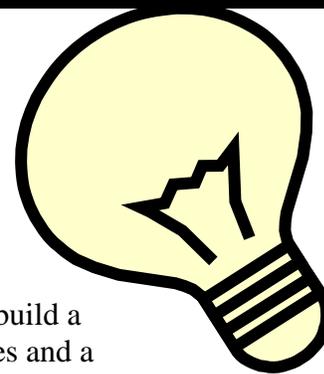
**Pay Disparities Hamper Efforts to Deploy Civilians to War Zones.** Federal agencies are not providing adequate or equitable compensation to workers who volunteer for deployments to Iraq and Afghanistan, according to a new report by a House subcommittee.

The [report](#), issued by the House Armed Services Oversight and Investigations Subcommittee, found that there are both real and perceived differences in compensation and other incentives between federal employees deploying to war zones from different agencies and with different job classifications.

"Just as there is work needed to improve how our federal government organizes and conducts interagency missions, we must ensure that there is a coordinated effort to provide civilian volunteers for deployments with equitable and sufficient incentives and benefits," said Rep. Vic Snyder, D-Ark., chairman of the subcommittee.

# *The Illuminator*

6-2008



President Bush requested \$249 million in his fiscal 2009 budget proposal to build a response corps of more than 2,000 civilian personnel from 15 federal agencies and a civilian reserve corps of about 2,000 experts from state and local governments and the private sector. Snyder said improvements in pay and benefits will be crucial to recruiting qualified personnel to volunteer for the corps.

The subcommittee examined pay policies at various agencies, including the Defense, State and Energy departments. Its report concluded that special pay rates for General Schedule and Federal Wage System employees who perform the same jobs or operate under the same conditions might not be equitable. Discrepancies could be heightened if pending legislation is passed that would enhance incentive and benefits packages for certain classes of federal employees, the subcommittee cautioned.

When personnel from different agencies are deployed to work together on teams in comparable assignments, disparities in compensation and benefits stand out, the report found. The subcommittee recommended that the Office of Personnel Management develop an incentive and benefits package that would apply to all civilians deployed to war zones and submit legislative recommendations to Congress.

"This legislation would not only provide equity to deployed civilians across departments and agencies, but would also serve as a recruiting tool for the administration's contemplated civilian response and reserve corps," the report said.

The report pointed to a recent survey by the American Foreign Service Association that found pay and benefits to be the top factor contributing to a Foreign Service officer's willingness to serve in Iraq. Of nearly 4,300 respondents, 68 percent said extra pay and benefits would motivate them, 59 percent said patriotism, and 48 percent said career advancement.

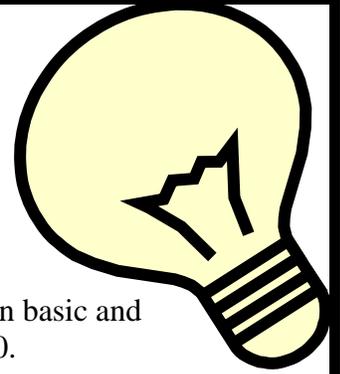
Unlike military personnel, civilian employees generally are not required to serve in war zones, so agencies frequently rely on volunteers. But according to the Congressional Research Service, agencies are failing to meet their staffing targets in Iraq and Afghanistan. At the U.S. Embassy in Iraq, for example, only 668 out of 729 posts were filled as of Feb. 1, 2008.

"As it is for the military, a motivated and qualified all-volunteer force must be preferred to one populated by reluctant draftees," the report said. "Tomorrow's potential civilian volunteers will well note how today's deployed members are supported and compensated for these risky assignments."

A CRS study included in the report showed that State, Defense and Energy employees serving in Iraq and Afghanistan are eligible to receive their basic salary plus 70 percent in

# *The Illuminator*

6-2008



differentials for danger and hardship service. Under law, the annual ceiling on basic and premium pay for all employees deployed to Iraq and Afghanistan is \$212,100.

The subcommittee said it plans to continue studying the benefits, incentives and medical care of deployed civilians this year. CRS will study other federal agencies to determine whether their benefit packages differ from those provided by the State Department, and the Government Accountability Office also will review the implementation of benefit policies for civilians who deploy to combat zones, the report said.

Under the fiscal 2008 Defense Authorization Act, Defense Secretary Robert Gates is required to submit to the committee a review of benefits available to federal employees to determine if they provide enough incentives to volunteer for a deployed position. The report, which was due on March 30, has not yet been submitted.

**Public Service Group to Develop New Resources for Federal Interns.** The Partnership for Public Service will launch a center to connect college students participating in federal internships and will recruit, hire and train a group of students to promote federal service on their campuses, the nonprofit group recently announced. The initiatives will be funded by a \$3 million grant, distributed over three years, from the Robertson Foundation. The foundation, established in 1996 by hedge-fund founder Julian Robertson, has supported the Partnership as a donor and funded the preparations for its State of the Public Service scorecard, scheduled to be published for the first time in 2008. Robertson funds scholarship and leadership training programs at Duke University and the University of North Carolina-Chapel Hill that focus on domestic and international work in government.

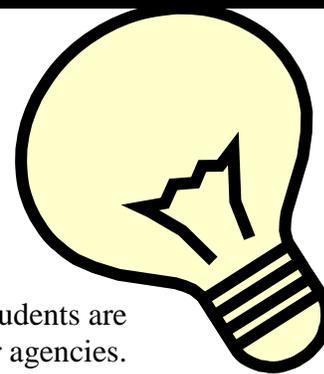
"This is a huge programmatic investment," said Tim McManus, vice president for education and outreach at the Partnership. "It allows us to do things we wouldn't be able to do otherwise."

The funds will help the Partnership hire 10 students to promote public service on their campuses during the 2008-2009 school year. The Partnership posted a job listing for federal service student ambassadors on Monday. The ambassadors would be paid \$2,200 for two semesters and a small remuneration to defray the cost of hosting events. The other programs funded by the Robertson Foundation grant are less fleshed out, McManus said. The Partnership is trying to determine whether the internship center should have a physical location, though McManus said it would provide programming to help create a network for students doing federal internships in and outside of Washington. Partnership staff will be involved with the program in an interim and long-term capacity.

The goal is to give federal interns a sense that they are part of a larger community, in the hopes of providing them an experience like that of interns who work on Capitol Hill or on

# *The Illuminator*

6-2008



political campaigns. McManus said many schools do not track where their students are working, and agencies do not always help their interns connect those at other agencies. The center's programming, McManus said, will be aimed at helping college students understand the full range of possibilities for federal employment.

The center also will help federal agencies improve their internship programs.

"If we look at internships as a pipeline, that only works if the student has a really good experience," McManus said. "We want to make sure we're working with federal agencies as well to make sure they have really strong internships."

The Partnership will use the Robertson Foundation funding to launch training for schools in its Call to Serve network. Topics will range from how to run successful campaigns to stimulate student interest in public service to how to negotiate the applications and security clearance process. Training will begin in the fall, with the goal of reaching students who plan to apply for internships in the summer of 2009.

McManus said, ultimately, he hoped the Robertson Foundation grant would help the Partnership tie together some of its many programs.

"Wouldn't it be great to work with those call to serve schools to really identify their best students to work with federal networks, and to match them with federal agencies that are part of our efforts to improve employee satisfaction?" McManus said. "This will help create some of the connective tissue between our programs."

**Reinventing Turnover in a Hollowed-Out Public Sector.** With the public sector facing a potential staffing crisis, two scholars have some basic advice for reducing turnover: help public-sector employees like and trust each other more.

Pity the public-sector human resources manager. A half-century ago, America's best and brightest eagerly sought out government jobs, keen to give something back to their country. But today, with trust in government at a low and lousy pay compared to the private sector, attracting and retaining top people has never been harder.

Consider this warning <<http://www.uscourts.gov/newsroom/VolckerRpt.pdf>> , from a 2003 report by the National Commission on the Public Service: "Far too many talented public servants are abandoning the middle levels of government and too many of the best recruits are rethinking their commitment."

What's a beleaguered, under funded public sector to do?

According to one new study

<[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=975270](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=975270)> , the answer is to build some serious internal sense of community. So argue Donald P. Moynihan, professor of

# *The Illuminator*

6-2008



public affairs at the University of Wisconsin, Madison, and Sanjay K. Pandey, professor of public administration at the University of Kansas.

“Employees exist in a web of social relations,” explained Moynihan, “and that affects how they view the workplace and their tendency to stay or leave. If people don’t feel a strong sense of connection with fellow employees, they are more likely to leave.”

While it might sound like common sense, there has been little research on and attention to social networks in the public sector. Instead, much of the research has focused on the economics of labor markets. As a result, comparative pay differences between the public and private sector have tended to bear the brunt of the causal responsibility for why people leave the government.

It wasn’t until the 1990s that social scientists even began to look at social capital generally, and not until the last few years did public administration scholars begin thinking about its role in government employment.

Moynihan and Pandey do not dismiss pay as important. But they also point to a long behavioral-science tradition showing that humans are pretty complicated creatures who care about social relationships and what their peers think. For example, the authors cite the work <http://www.amazon.com/Bureaucracy-Government-Agencies-Basic-Classics/dp/0465007856> of James Q. Wilson, who has analyzed why soldiers fight not for the money but because of peer expectations, to support each other out of solidarity.

They also note that many people who go into government in the first place do not do so for the money. “Many people come to work in the public sector because they see it as a place where they can fulfill an intrinsic desire to either help other people or be involved in the policy process,” Moynihan said.

The authors surveyed more than 300 employees at a dozen public and nonprofit human-services agencies in the Northeast. Moynihan and Pandey asked employees how they felt about their co-workers, how long they had been in the organization and how satisfied they were with the job, among other things. The professors also tried to measure how well employees fit with the organization in general.

The result was strong support for the claim that employees who feel a stronger sense of obligation to their co-workers were much less likely to consider leaving, both in the short term and in the long term, all other things being equal. Similarly, employees who felt that they receive significant co-worker support were much less likely to leave in the short term, all else being equal, although the estimated effect for long-term turnover intention was a little smaller.

# *The Illuminator*

6-2008



In the paper, the scholars propose some simple changes, like more shared responsibilities, mentorship programs, special events and informal get-togethers, to improve internal networks of support and obligation.

“You can start a more employee-oriented culture,” Pandey said. “You can value people. You can create trust. These things invariably come up when people talk about the most desirable workplaces.”

Then there is the physical space of public bureaucracy.

As the National Commission on the Public Service noted, “Drab and tiny workspaces, inadequate room for storage and record-keeping, and aging lighting, heating, and air conditioning systems — too common in the federal government — seem emblematic to many employees of the low value in which they as workers are held.” Compare that to the colorful and open spaces of a Google, whose California campus has become the stuff of legend — an extreme, perhaps, but the scholars do extend their recommendations to creating a more open physical space to facilitate more informal social interactions.

Moynihan and Pandey also tested the hypothesis that employees with larger external networks — professional friends and associates outside their office — would be more likely to leave their jobs. They found less support for this, but they expressed concern that the finding may be because their measures of external networks’ participation in professional activities, such as national meetings and reading professional journals, were not accurate measures. They plan to test this more in the future.

Strengthening internal networks, however, may be easier said than done. After all, for most of the 1990s, the Clinton administration was focused on “reinventing government,” which often meant, among other things, encouraging federal employees to retire or go elsewhere.

As a result, the federal workforce shed 300,000 jobs. This, no doubt, weakened the social networks at many agencies and organizations. And with a large percentage of the federal workforce rapidly approaching retirement age, this may worsen.

Likewise, an increasing reliance on public-private partnerships and third parties has also hollowed out the public sector. It also means that those who remained in the public sector had more connections outside their organization, especially to potentially better-paying private-sector jobs. Moynihan and Pandey write that these trends “seem to undermine the ability of agency leaders to convince employees that they are part of an organization that provides value to society.”

# *The Illuminator*

6-2008



But perhaps there is hope. Pandey is optimistic that even a little attention to reducing turnover could start a positive virtuous cycle: “If you reduce turnover, that’s good for the organization,” he said. “If you pay attention to social networks, you make the organization a good place to work for, and that’s a really powerful advertisement for public-sector work.”

**"Honey, I Forgot To Give My Former Wife A Survivor Annuity"**. This article was written by Ralph Smith and posted in FEDSmith. Permission was sought and granted to use the article in its entirety. Any further reproduction effort should be preceded via an authorization request to the author.

The federal retirement system can be complex and confusing. And getting a divorce can make it even more complex and confusing.

Some readers may think they have sole access to their retirement benefits. That may be true. But, if you are a federal employee who gets divorced, that retirement benefit isn't necessarily all yours to keep.

As an example, here is a listing from OPM on the impact a court order can have on your retirement benefits:

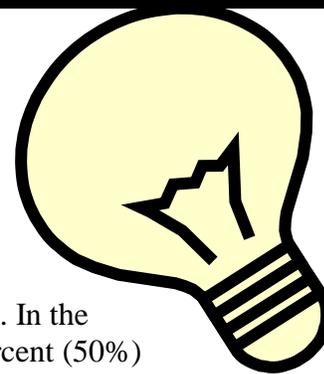
- Divide a Civil Service Retirement System (CSRS) or Federal Employees' Retirement System (FERS) annuity;
- Divide a refund of CSRS or FERS employee retirement contributions;
- Provide a survivor annuity payable upon the death of an employee or retiree;
- Permit a former spouse to continue coverage under the Federal Employees Health Benefits (FEHB) program; and
- Require an employee or retiree to assign his or her Federal Employees' Group Life Insurance (FEGLI) coverage to a former spouse or children. Require an employee to name his or her former spouse or children or beneficiaries under FEGLI.

A new case decision from the Federal Circuit provides an example of how a divorce settlement can impact your retirement benefits. And, perhaps unfortunately, the case also demonstrates why proper legal advice may be in order when working out a divorce settlement. In this case, the former couple apparently worked out the settlement themselves at the time of their divorce.

An employee from the Department of Agriculture retired in 1994. When he retired, he elected to take a smaller annuity payment in order for his wife to continue to receive benefits in the event of his death.

# *The Illuminator*

6-2008



After retiring, he and his wife divorced after having been married since 1965. In the divorce settlement, he provided that his former wife would receive "Fifty percent (50%) of benefits available on the date of the divorce." The divorce settlement did not specifically reference whether his former wife would receive a survivor annuity.

The Office of Personnel Management ruled that this former wife of a federal employee was not entitled to a survivor annuity under the circumstances. She appealed the OPM decision to the Merit Systems Protection Board which upheld OPM's determination.

The issue went to the Federal Circuit Court of Appeals.

The court noted that a former spouse is entitled to a survivor annuity if the former spouse has elected to provide this benefit or if it is approved in a court order or court-approved settlement agreement.

In this case, the retiring federal employee had elected the survivor benefit when he retired and before they were divorced. But, decided the court, there was no specific reference to the survivor benefit in the divorce settlement and OPM and MSPB were correct in deciding the retiree's spouse was not entitled to this benefit.

But the decision was not a complete wash-out for the annuity seeker. The court held that "OPM failed to provide (the retired federal employee) with sufficient notice regarding the option of electing to reinstate a survivor annuity for his former spouse after the divorce."

Since the former fed is still alive, the court concluded that he should be given the option of providing a survivor annuity for his former wife, despite the expiration of applicable time limits, since he had not been notified by OPM of his options in this regard after his divorce.

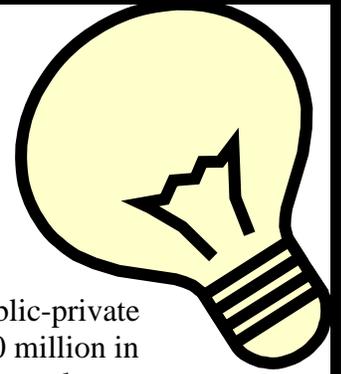
And, as the court noted, if the former fed has remarried, he will have to have his new wife's consent to provide a survivor annuity for his former wife. No doubt, that would make for an interesting conversation over dinner.

Warren v. OPM, 04-3397 (May 16, 2005), Court of Appeals for the Federal Circuit

**Did You Know..? Mailing Address Changes and TSP.** If you are an active employee, you can't update your mailing address on the Thrift Savings Plan (TSP) website. The only way to change your mailing address is through myPay, at <https://mypay.dfas.mil/mypay.aspx>. Once you have logged into myPay, select "Correspondence Address" under the Pay Changes section. When your address has updated at DFAS, the new address will be forwarded to TSP.

# *The Illuminator*

6-2008



**Job Competitions Fall Short of Agency Goals; OMB Touts Savings.** Public-private competitions for federal jobs in fiscal 2007 are expected to yield almost \$400 million in savings during the next five years, the Office of Management and Budget reported recently.

The slightly more than 4,000 jobs put up for competition in fiscal 2007 were a fraction of the 18,000 that agencies had planned to compete. But OMB continues to call its competitive sourcing effort "a real success." Its latest annual report on the initiative showed that for the fourth year in a row, agencies reported average savings of more than \$25,000, or 25 percent, for each position studied. Paul A. Denett, head of OMB's Office of Federal Procurement Policy, said the number of competitions and amount of money saved was particularly significant, given the obstacles to competitive sourcing.

Democratic lawmakers and federal labor unions have strongly opposed the initiative. John Threlkeld, a lobbyist for the American Federation of Government Employees, said, "We are pleased by OMB's complaints about how AFGE-inspired reforms have significantly reduced the number of federal employees subjected to privatization reviews. We're just sorry that we won't be able to hear this particular OMB complain again next year when we reduce that number even further."

OMB Deputy Director for Management Clay Johnson said agencies have carefully tailored their use of competitions to highly commercial activities that the private sector is equipped to perform, such as information technology services, logistics and accounting. In addition to paring down unnecessary positions, competitive sourcing instills in agencies a desire to increase efficiency, Johnson said.

"What agencies are beginning to do now is take this competitive sourcing-type expertise and applying it to noncompetitive sourcing opportunities," he said. "Agencies ... are becoming more and more inclined and capable at determining what it takes to perform a certain function, and how it might be performed less expensively and more effectively."

Federal employees continue to win the majority of public-private competitions, though the percentage dipped in 2007. Employees won 73 percent of the work competed last year, compared to 87 percent in fiscal 2006.

Johnson and Denett said that projected savings from the competitions completed since 2003 total more than \$7 billion. Taxpayers, they said, will receive a return of about \$30 for every dollar spent on competitions, regardless of who ends up performing the work.

Denett cited the Social Security Administration as an example of an agency that has generated significant savings through competitions. He said the agency has validated

# *The Illuminator*

6-2008



almost \$5 million in savings in the past year, which will be applied to addressing its growing disability claims backlog.

Labor unions strongly challenged OMB's savings claims. National Treasury Employees Union officials said OMB does not consider costs incurred by agencies before competitions are announced and uses an underestimated average salary for employees.

"It does not take a CPA to see that the mathematics here are fundamentally flawed," said NTEU President Colleen Kelley. "Very little has been done to validate agency cost savings numbers, and this report fails to take into account substantial costs, from staff time spent on competitions to loss of experienced employees and declining morale of employees whose jobs are being put on the auction block."

Johnson and Denett said they will continue to push the initiative through the end of the Bush administration and possibly into the next administration. With budgetary conditions likely to remain extremely tight, Denett said he thinks competition is a necessity, not a political position.

"They may change the title, do some tweaking on the edges, but that core element of competition and reorganizing, coming up with most efficient organizations, that's here to stay," Denett said. "As long as people are looking to save money this has to make their list."

The Government Accountability Office will reassess its work evaluations system, begin an agencywide discussion of race and formal diversity training, and expand its efforts to recruit minority employees after an independent report concluded that cultural issues are contributing to disparities in how African-American and Caucasian analysts were rated on their job performance.

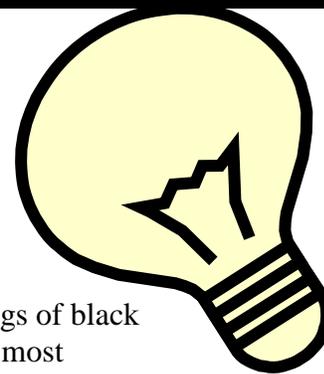
"These first steps will not be enough, and I am committed to do more," said acting Comptroller General Gene Dodaro. "I am committed to ensuring an even playing field for every employee at GAO and making sure every employee has equal opportunities at our agency."

## **GAO to Launch Employee Diversity Reforms in Response to Job Performance**

**Report.** The disparity in rankings came to light when Ronald Stroman, managing director of GAO's Office of Opportunity and Inclusiveness, began releasing performance data sorted by demographics. GAO hired the Ivy Planning Group, an independent consulting and training firm in Rockville, Md., to investigate the discrepancies and their causes.

# *The Illuminator*

6-2008



That report, released on May 1, found that the gulf between the average ratings of black and white analysts across all job bands continued in the 2006 cycle, with the most significant gaps occurring in Bands IIA and IIB. The discrepancy in ratings decreased between 2005 and 2006, but persisted nonetheless, according to the report.

The study suggested that there were a number of structural and cultural factors at GAO that contributed to the issue. The agency's professional development program does not require advisers to act as mentors, and does not include guidance on unwritten rules for success like networking and establishing relationships with colleagues within the workplace.

"African-American analysts often reported that informal feedback received is less actionable [compared with Caucasian analysts' reports]," the Ivy Planning Group said in their report. Caucasian analysts were more likely than African-American analysts to believe they learned the rules through informal guidance."

The report also found that qualifications or experiences that contributed to higher ratings for white analysts had no impact on the evaluations black analysts received. For example, having a doctorate and working on a high-risk project boosted ratings for Caucasians, but did not affect the evaluations of African-Americans.

Both African-American and Caucasian analysts told the Ivy Planning Group that the competencies used in performance assessments were vague and not always weighted to match their actual significance. White analysts, however, were more likely to say that the recruiting process failed blacks; African-Americans faulted the performance ratings system.

The report recommended more frequent and comprehensive evaluations to ensure that analysts have opportunities to discuss and improve their performance before the formal ratings process. It also suggested that GAO clarify the roles of mentors and consider more innovative ways to recruit African-American analysts.

The consulting firm said GAO needed a frank and honest discussion of race to clear the air so reforms could take root. "Before thinking about diversity more broadly, we believe GAO will benefit from addressing the race issue directly in order to mitigate any barriers that may limit communication, coaching and career development," the report said.

**"How Does Your Salary Stack Up?"**. This Annual Survey of "What People Earn," written by Lynn Brenner, ran in the April 13, 2008 Issue of Parade ([www.parade.com](http://www.parade.com)).

Americans are optimistic and resilient by nature. We're upbeat about our personal prospects despite our anxiety about the current economy. Almost two-thirds of

# *The Illuminator*

6-2008



respondents to a national survey say they're hopeful about what 2008 has in store for them, even though a majority of them, like many experts, believe we are already in the midst of a recession.

## Wages Are Down

It's tough out there: Hiring has slowed, unemployment is rising, and most salaries haven't kept pace with the cost of basics such as groceries, gasoline and health care.

The U.S. is losing jobs for the first time since 2004. February's loss of 101,000 jobs was the biggest drop in five years and the third monthly loss in a row.

Both high-end and low-end retailers are reporting slower sales, a sign that consumers at every income level are tightening their belts. As demand falls, many employers have cut their workers' hours. The Labor Department says more than 600,000 people now work part-time because they can't find full-time work. A growing number of Americans have been out of work for more than six months. The unemployment rate is expected to rise from 4.8% to 5.5% this year—and experts say it would be even higher if so many people hadn't given up looking for work.

The nation's median salary last year was \$36,140 (half of all workers made more, half made less). After inflation, that's almost 0.5% below the 2006 median salary. The average 2007 pay increase was less than 4%, and many Americans got smaller raises or none. Meanwhile, the Consumer Price Index rose 4.3%. We now spend almost 5% more for food, 8.6% more for hospital services and a whopping 35% more for gasoline than we did a year ago.

## Health Costs Soar

Health-care costs also are on the rise. Americans whose jobs provide health insurance paid about 11% more for it last year and probably will pay an additional 10% in 2008. Coverage is even more expensive for independent contractors. "I pay about 25% of my monthly income for health insurance for my daughter and myself—by far the least-expensive policy I found," says Michele Elder, 44, a freelance talent manager in Portland, Ore. Still, Elder feels lucky to have it. Indeed, 76% of Americans who are insured told a recent survey they'd rather have \$7500 of health benefits at work than a \$7500 raise.

## Paychecks Won't Stretch

Even people with good jobs feel they're losing ground. "I'm lucky to get a small raise each January, but it's not even close to keeping up with the cost of living," says Randy T.

# *The Illuminator*

6-2008



Bubar, 45, a software developer in Maine who made \$58,000 last year. “I feel I have less money in my pocket at the end of each month after paying the bills.”

## The Job Market Contracts

A major housing downturn and nationwide belt-tightening are having a big impact on the job market. The biggest layoffs have been in construction, manufacturing and financial services. Indeed, experts predict that up to 20% of securities-industry workers may lose their jobs. Bear Stearns—Wall Street’s fifth-largest investment bank—collapsed in March and was sold at a fire-sale price. Many of its 14,000 employees may be laid off.

As consumers spend less, hotels, restaurants and other service companies are experiencing their slowest growth in years, so they’re holding off on hiring.

And older workers aren’t retiring. In the mid-1980s, only 18% of people in their late 60s worked. Today, that figure is 29% and growing .

## Consumers Cut Back

Americans are responding to today’s economic realities by spending more cautiously, borrowing less and trying to save more. “In the past, we used the equity on our home to make major purchases without a second thought,” says Karen Koen, 49, a laboratory scientist in Woodbury, Minn., who earned \$65,000 last year. “Now, we’re focused on getting the mortgage paid off.”

“We’re in self-preservation mode,” says Sean Abid, summing up the American consumer’s new attitude. Abid, 40, earned \$61,400 as a high school guidance counselor in Henderson, Nev. He and his wife have stopped traveling for pleasure and have limited their daughter’s extracurricular activities to gymnastics. “We couldn’t afford swimming and dance classes,” he says.

Deborah Baker, 48, an illustrator at the Army’s support center in Fort Knox, Ky., says she now buys generic grocery items instead of name brands. “I budget just to get from one paycheck to the next,” adds Baker, who earned \$32,000 last year. “I have \$40 for gas and have to cut down excess traveling to make it last two weeks.”

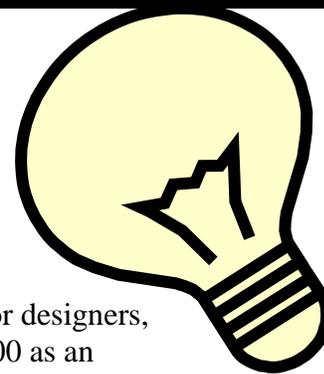
The soaring cost of oil, now around \$100 a barrel, also has driven up the cost of petrochemical-based products—from lipstick, shampoo and shower curtains to polyester clothing and computer parts.

## Where the Jobs Are

Even in a recession, some sectors of the economy are likely to keep growing—among them education, health care, security services and information technology. As

# *The Illuminator*

6-2008



entertainment increasingly is distributed online, there's a growing demand for designers, writers and art directors with tech skills. Dottie Martin, 36, who made \$83,600 as an editor for an entertainment website last year, loves her job. Her words confirm what many we spoke with say—that, in any economy, the best jobs provide emotional as well as financial rewards. “Although I’ve been doing it for almost three years now,” says Martin, “I still pinch myself because it essentially doesn’t seem like work.”

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## **Good Jobs For Right Now**

*In a struggling economy, some jobs are more recession-proof than others*

**Energy.** Jobs related to oil, gas and nuclear power remain essential and in demand. Positions range from scientists to engineers to rig and well workers.

**Security.** The Defense and Homeland Security departments are attempting to fill 83,000 civilian jobs, from auditors to program analysts.

**Accounting.** Managing corporate finances is especially important during lean times. “Job-board sites list more than 325,000 accounting and finance openings right now,” says Rick Moore of Volte Services Group.

**Wireless Support.** With a mobile workforce, companies need professionals who can maintain wireless networks and protect information security.

**Database Administration.** As companies become more reliant on data for research, sales, and marketing, there is an increased need for database administrators.

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## **Good Jobs For The Future**

*Many of the fastest-growing, best-paying jobs are in new media, law and information technology*

### **Information technology**

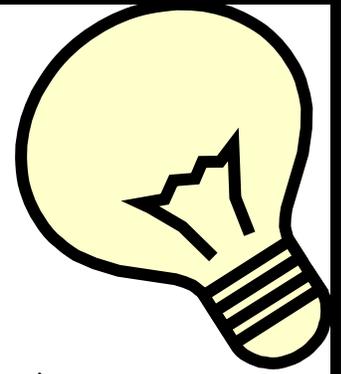
In an economy reliant on technology, professionals who can design, develop and maintain computer systems are crucial. Chief information officers are commanding salaries of more than \$200,000. Systems analysts can make more than \$91,000.

### **Law**

Lawyers are in high demand in areas including intellectual property, corporate law and litigation. First-year attorneys are starting out at \$72,500 in small firms and as high as \$137,000 at large firms. Legal-support workers are finding jobs plentiful and salaries healthy too. Legal librarians make as much as \$69,500 a year, while calendar clerks can earn up to \$46,750.

# *The Illuminator*

6-2008



## **New media**

The rapid growth of the Internet is fueling a boom in online media jobs. A creative director, responsible for website content and presentation, can attract a salary ranging from \$80,000 to \$120,000. On the business side, advertising salespeople are earning up to \$103,500.

**Have You Failed to Pay Your Debts? It Could Cost You Your Federal Job.** If you are a federal employee who owes a substantial amount of money to creditors, can you lose your job? Can an agency force an employee to pay off his debts or risk losing a job as a civil servant?

The answer is generally "yes" depending on a number of factors. Here is a recent case from the MSPB that upholds the ability of an agency to fire an employee who has not paid off his debts. But, read the case carefully, as one Board Member did not see a significant problem with a federal employee failing to pay off old debts when the debts were old, would be discharged by the statute of limitations and were incurred while the person was unemployed and/or in jail. . ([Craig A. Adams v. Department of the Army](#), CH-0752-06-0251-I-1, February 23, 2007)

In this case, the Army took away access to the agency's computer for Craig Adams (the appellant) because he had refused to pay \$50,000 in debt he owed to third parties. The agency concluded his failure to pay the money displayed a lack of integrity and responsibility. He was then fired from his job as a human resources assistant because he could not maintain his access to the agency's computer system which was required to do his job.

While he owed more than \$50,000, the MSPB decision notes that the Army tried to get him to consolidate his debts and to start paying on the amount he owed. He made a payment of \$200 to one creditor, evidently anticipating that his debts to other creditors – or at least most of them – would be deleted from his credit report as a result of the passage of time. And, despite the advice of an employee assistance counselor to reduce the 15% of his check he was sending to the Thrift Savings Plan each month, he continued to make the payments to his TSP retirement fund instead of paying off the debt.

He appealed the decision. The administrative judge (AJ) at the MSPB reversed the removal action. He was not as fortunate before the entire Board, however, as a majority of the Board members concluded that taking away access to the computer system was a reasonable action by the Army and, since he could not do his job, firing him was also a reasonable decision.

# *The Illuminator*

6-2008



But not all of the Board members agreed with the decision. Board Member Barbara Sapin concluded that Adams only owed about \$40,000 rather than more than \$50,000 cited by the majority decision. Moreover, she reasoned, because he had owed the money for a long time, the statute of limitations would take care of the problem by removing the indebtedness. And, showing a distinct trait of liberal kindness, the fact that the debt had been incurred "when he was unemployed, underemployed, and/or incarcerated" was a mitigating factor and did not mean that he would not meet his financial obligations in the future.

In short, Adams remains fired but has the consolation of knowing that at least one Board member did not think failing to pay a substantial debt reflected on his integrity and should disqualify him from federal service

**Many Contract Officers Quitting.** The government's contracting work force is in turmoil. About one in eight people changed jobs, changed agencies, retired or left government last year, according to a new study. And about a third of those left government before they were eligible to retire.

Attrition in the 28,000-person career field is at "the highest I've ever seen it," said Neal Couture, executive director of the National Contract Management Association (NCMA). "There has not been a lot of study on it, but I've never seen the rapid movement of personnel within and out of federal service [before]."

For many leaving government, Couture said he suspects "they are really leaving over the tremendous amount of opportunity in industry."

"The overall work-force issues are coming home to roost," Couture said. With both industry and government experiencing retirement pressures, "the available talent pool is fought over more than in the past," he said.

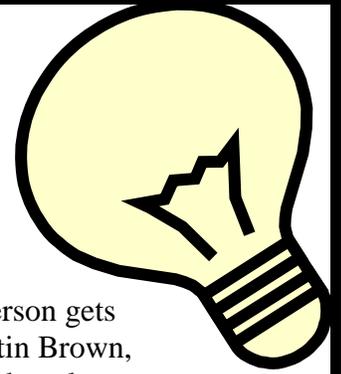
As might be expected, the attrition is worse at the higher levels: 6 percent of entry-level employees, 8 percent of midcareer and 10 percent for senior executives left the government contracting career field last year, according to a report released last week by the Federal Acquisition Institute (FAI) and the Office of Management and Budget.

"Whenever your talent is stretched thin or being accelerated ahead of its time, then any element of performance is at risk," Couture said. "You end up with a lack of ability to execute because lesser experienced people are handling complex tasks."

Workers who are moved up before their time might make mistakes and are less likely to have developed the business judgment and supervisory skills more time might have offered them, he said.

# *The Illuminator*

6-2008



At the same time, productivity is lost while a position lies vacant or a new person gets used to the agency's organization, culture, policies and procedures, said Martin Brown, deputy assistant secretary for acquisition management and policy at the Health and Human Services Department.

"As detailed in the FAI report, new hires in the contracting series are also more likely to have college degrees," Brown noted. "I believe this creates expectations for continuing learning."

At the Defense Department, there is already a centralized acquisition training fund to meet these expectations. Civilian agencies need a similar fund to ensure new hires get the training and certifications they need to minimize the effects of attrition, said Brown, who chairs the Chief Acquisition Officers Council work-force working group.

Now departing government service

The portability of the Federal Employees Retirement System has made contracting officers less hesitant to leave government when a good opportunity arises, Brown said.

As the government contracts for more and more goods and services, the competition for contracting officers to handle the work on both sides of the deal grows, Couture said.

"It's a simple case of supply and demand," Couture explained. "The demand for skilled contracting specialists is as high now as it's ever been, and it is all tied back to the federal budget and the nature of the mission." As that demand continues, the prices private-sector companies are willing to pay will likely go up, he said.

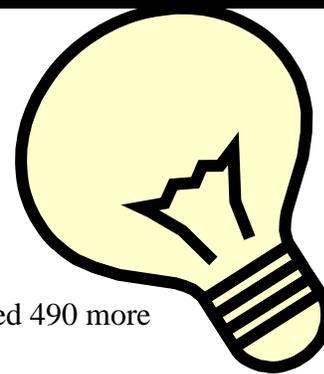
The average pay for a contracting officer in the private sector is nearly \$86,000, according to NCMA's 2007 salary survey. The average government pay for contracting personnel is \$77,000, according to FAI.

Much of the evidence for the salary draw, however, is anecdotal, Couture said. In one recent case Couture is aware of, a federal acquisition intern who had just finished his training decided to go to the private sector after realizing he could do the same work for better pay. Some managers are adjusting to this reality by training three interns to fill one position because they know one intern will be poached by another agency and a second intern will be plucked by industry, he said.

"The talent that is getting picked off is the good stuff," Couture said. "This exacerbates the personnel challenges."

# *The Illuminator*

6-2008



So far, government has been able to stay slightly ahead of the attrition. It hired 490 more people than it lost last year, according to the FAI report.

“Can the government sustain it? Yes, but it’s going to have to relax or change their hiring rules to be much more nimble,” Couture said.

Over the last year, OMB and FAI have encouraged agencies to take advantage of federal acquisition internship programs and special hiring authorities to fill the ranks. OMB’s procurement policy chief, Paul Denett, estimates between 500 and 600 new hires came from internship programs alone.

But what’s clear is how many more people agencies will need to attract and hire in coming years to meet the government’s increasing contracting demands, Denett said. The Office of Personnel Management is working with OMB and agencies to compile data that will give a complete work-force competency snapshot. Civilian agencies “have projected they need to do additional hiring, and we’re telling them to do it,” Denett said.

The Health and Human Services Department, which has seen its contracting workload swell because of new biodefense programs, has taken that message to heart. Last year HHS hired 134 contracting officers — twice as many as it lost to attrition — according to the report. Forty of the new hires were brought on using direct hire authority, said HHS’ Brown.

New government careers

Not all the attrition is the result of talent leaving government. Many contracting officers are staying in government, but switching career paths.

“We’re fortunate they’re staying in government,” said Karen Pica, director of FAI. The next step for FAI is to interview some of those who left to find out why they changed careers, she said.

Tom Wells, the former director of contracting at the Air Force Materiel Command, is one of 444 contracting officers who left contracting for other government jobs last year. After 26 years in contracting, Wells recently took another government job, this time in program management. Two months ago, Wells became the director of the Air Force’s 711th Human Performance Wing at the Air Force Research Laboratory at Wright-Patterson Air Force Base near Dayton, Ohio.

“For me it was a great opportunity and a chance to learn and grow,” said Wells, who is on the board of directors for NCMA. “I was looking for a new challenge.” While Wells enjoyed contracting work, he loves the diversity of his new position, which brings him

# *The Illuminator*

6-2008



into frequent contact with science, technology, medical and research fields at Wright-Patterson.

At his rank, this was one of the few promotional opportunities available to him, he said. According to FAI data, others who changed career fields also did so for the promotion. Many who left the career were GS-12s and GS-13s and received higher-level jobs in the program management area, Pica said.

Wells, who is eligible to retire in two years, said he plans on staying beyond his eligibility date. He said he has not considered working for the private sector, but he knows people who have.

“Industry is experiencing the same retirement impact we are in government and they’re looking to replenish their work force,” Wells said. “They get good raises to go to the private sector.”

It is not clear how many of the retirees or those leaving government before retirement went to the private sector last year, Pica said. But FAI plans on tracking that data for next year’s report, she said.

“The FAI report exposes a much larger, more enduring problem than the well-chronicled retirement tsunami,” said Rep. Tom Davis, R-Va. “It’s not just that people leave the acquisition work force — it’s that good people are leaving.”

And it’s not just pay that’s luring people away from government contracting shops. Other factors, like heavy congressional oversight, are pushing them away, Davis said.

“I have been asking the new majority since January 2007, when the latest acquisition reform efforts began, how it plans to keep good people in government and attract young people,” Davis said. “We’re not going to do it with legislation mandating more reports, more restrictions, more requirements, more audits and more [inspectors general].”

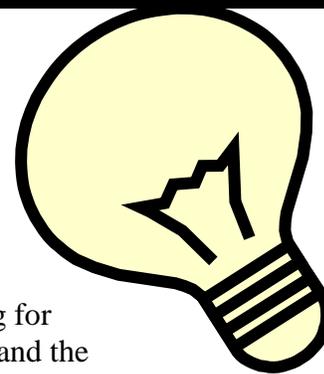
“It won’t happen by vilifying acquisition professionals,” Davis said.

The most popular form of attrition, however, is simply contracting officers staying in their field, but changing government agencies. This is the form of attrition Wells said he has seen the most during his contracting career.

“We’re all at the point where we don’t want to bring in trainees when we lose senior people,” he said. With the competition created by senior-level openings, it’s not surprising people would change agencies to expand their horizons, he said.

# *The Illuminator*

6-2008



Couture agreed. Internally, “they’re not moving just to move, they’re moving for promotions,” Couture said. “The talent is taking advantage of opportunities, and the government entities are competing with one another.”

But the problem is, “it’s happening in an unplanned way — you’re putting people in positions they may not be prepared for,” Couture said. “The movement within government entities is not strategic.”

## Solutions

One way to lessen the upheaval of attrition is to create a common training institute for acquisition personnel and a common acquisition internship program, Couture said. Not only will this ensure all personnel get common training that offers flexibility to work across government, but it would allow agencies to share their training resources, which are often the first things to be cut in a budget crunch, he said.

In addition, agencies should be allowed to use some funds to create incentives tied to retention, such as college tuition reimbursement in exchange for a set term of federal service, Couture said.

Agencies also need to plan strategically to right-size their work forces, OMB’s Denett said.

At the Environmental Protection Agency, managers are taking a strategic approach to human capital management that is not just focused on hiring, but developing the skills necessary for a healthy acquisition work force, said Luis Luna, EPA’s chief acquisition officer.

While EPA was able to keep its attrition and hiring in balance, it doesn’t think of its acquisition work force solely in terms of numbers, Luna said. “We are looking at if the work is being accomplished and that’s what we manage by, not [full time equivalents],” Luna said.

To accomplish this, EPA has enhanced training and cross-training opportunities and created short-term rotations that expose contracting officers to various facets of EPA.

“We want them to have an awareness of how the rest of the agency functions,” Luna said. “At the end of the day, the [contracting officers] and the others in the support end of things are the ones providing the tools for our other employees to do their jobs.”

# *The Illuminator*

6-2008



EPA is also taking steps to improve the efficiency of the work force it has. It is acquiring an electronic acquisition management system that will link up with its financial management systems.

“Instead of having X people to run the system, we will have X minus, and we will redeploy those [other] people,” he said. “What we’re trying to do is manage by the numbers, but manage to the work and figure out ... a better way to use the resources we have and to free up resources.”

**Tax Deadbeats on the Government Payroll.** Federal employees are held to a high standard when it comes to ethics and the public trust. That's also the case when it comes to taxes.

Recently released data from the [Internal Revenue Service](#) show that federal employees owed \$1.23 billion in overdue taxes in October 2007. According to the IRS snapshot, 3.79 percent of federal employees could be labeled tax deadbeats.

A billion-dollar tax debt sounds pretty bad. But the percentage of federal employees who have not paid their taxes on time actually has dropped slightly. For example, in 2005, the delinquency rate was 3.93 percent, and in 2006, 3.81 percent.

The compliance rate for the government is generally better than the rate for all Americans, the IRS said. The agency, though, does not release data that can be compared against information on federal employees, in part because the IRS knows a lot more about the income of people who work or have worked for Uncle Sam and can more easily match payroll, pension and other documents.

The IRS has been checking on federal employees since 1993 as part of a project called the Federal Employee/Retiree Delinquency Initiative, or FERDI. Government employees and retirees are considered delinquent if they have an unresolved federal income liability or have not filed a tax return.

The 2007 data show that 171,549 federal employees owed the \$1.23 billion in overdue taxes. Of those, 69,383 had entered into installment agreements to pay off \$388.6 million of the back taxes.

Almost every corner of the government has its share of tax laggards, including Congress and the [White House](#), the data show.

In the [House of Representatives](#), with more than 10,700 employees, the delinquency rate was 4.03 percent. The Senate, with nearly 6,700 employees, had a delinquency rate of

# *The Illuminator*

6-2008



3.16 percent. At the Executive Office of the President, with 1,700 employees, it was 2.21 percent.

Some of the more notable delinquency rates were in relatively small agencies, where percentages are higher even though only several dozens of employees owe taxes. The delinquency rate was 7.23 percent at the Government Printing Office, 6.67 percent at the Federal Labor Relations Authority, 5.46 percent at the [Smithsonian Institution](#), and 5 percent at the [Merit Systems Protection Board](#).

Some large departments also had a higher proportion of tax laggards than the government-wide delinquency rate. The rate was 4.68 percent for civilian employees of the Army, 4.44 percent at the [Department of Housing and Urban Development](#), and 4.16 percent at the [Department of Health and Human Services](#).

The government's retirees also fall behind on their tax obligations, according to the IRS. More than 132,000 military retirees owed \$1.47 billion in overdue taxes, for a delinquency rate of 4.05 percent. More than 66,000 federal civilian retirees owed \$558.5 million, for a delinquency rate of 2.42 percent.

The grand total owed by federal employees, military personnel and retirees came to \$3.58 billion. Those overdue taxes were owed by 449,531 people out of 9 million government employees and retirees, the IRS calculated.

While those amounts are large, it's important to note that the IRS brought in \$2.69 trillion in taxes in fiscal 2007. The most recent estimate of the "tax gap," the difference between what taxpayers should have paid and what they actually paid on a timely basis, is \$345 billion.

Not surprisingly, IRS employees have one of the best compliance rates. For 2007, the IRS delinquency rate was 0.89 percent, down from 1 percent in 2006 and 2007. IRS employees can be fired for failing to comply with the tax code under the 1998 law that restructured the agency.

## **Questions and Answers:**

### **L Funds**

**Question:** I am a Civil Service Retirement System annuitant and have all Thrift Savings Plan money solely in the 2020 L Fund. I do not plan to make any withdrawals from my TSP account until the target date of the 2020 L Fund. I have previously made contributions since the inception of both the TSP and L Funds. My last rollover to my L Fund was in November 2007. Although I am not a very knowledgeable investor, I am

# *The Illuminator*

6-2008



aware of the L Fund rationale. However, I lost almost \$7,000 in this fund from November 2007 to April 18! Is this 2020 L Fund really able to bounce back from large losses when its design is to become a conservative investment by the target date?

**Answer:** Good question. The fact that the funds get progressively more conservative may impede their ability to recover losses. Another reason to avoid the L Funds.

## **Waiving the Five-Year Rule**

**Question:** My husband is trying to request a waiver of the five-year requirement to carry his Federal Employee Health Benefit coverage into retirement. He has worked for the government for five years but took medical insurance only three years ago. He was diagnosed with front temporal dementia and cannot keep on working. He was planning to work for two more years, but his condition became obvious even to his co-workers. The Office of Personnel Management requested a letter from the doctor, but the doctor requested that I write the letter, and he will later on make the necessary changes. My husband and I do not know exactly what we should say to help us with the waiver. Can you please give us some direction?

**Answer:** I can't tell you what to say. I can direct you to a place that explains the waiver authority and how it is applied. Go to the FEHB handbook at <http://opm.gov/insure/handbook/fehb21.asp>. There you'll find the chapter titled "Annuitants and Compensationers." Scroll down to and click on "Eligibility for Health Benefits after Retirement," then click on "Waiver of 5-year Enrollment Requirement." That section and the one that follows ("How OPM Applies Its Waiver Authority") should help you to decide how to draft your letter.

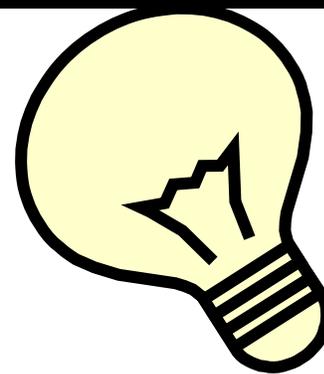
## **Retired Pay's Effect on TSP**

**Question:** I am a Federal Employees Retirement System employee with almost 30 years of service credit due to buying back my military time. Upon retirement, I will be 58 years old, two years shy of collecting military retirement for my National Guard service after leaving the active component. Upon my technician retirement, I know I will receive my tech retirement, Thrift Savings Plan annuity (if selected) and a supplemental pay (related to Social Security). How will receiving my military retirement pay at age 60 affect any of these retirement programs? What adjustments can I expect at age 62 when the supplemental pay stops and Social Security begins?

**Answer:** Military retired pay will not affect your TSP account or any annuity you may buy, except to the extent that your tax rate is connected to the combination of income streams each year.

# *The Illuminator*

6-2008



## **Retirement Dates**

**Question:** As I understand it, currently you can retire up to the third day of the month and be on the annuity roll in that month. When the new RetireEZ is fully implemented, will this still be the case, or will you be able to retire on any day of the month and be on the roll for the remainder of the month?

**Answer:** Retirement dates are governed by law, not by the system used to process them. Under the law, a Civil Service Retirement System employee may retire up to the third day of a month and be on the annuity roll in that month. Federal Employees Retirement System employees may retire at any time during a month and be on the annuity roll in the following month.

## **Withdrawal Options**

**Question:** After retirement, is it possible to withdrawal Thrift Savings Plan funds monthly, quarterly or annually based on a percentage of you balance?

**Answer:** Section IV of Form TSP-70 allows you to choose monthly payments in a fixed dollar amount or to have the monthly payments calculated based upon your life expectancy. Quarterly, annual and fixed-percentage payments are not available.

## **TSP withdrawals**

**Question:** If you separate from service in the year you turn 55 although you haven't actually turned 55 yet, can you take penalty-free Thrift Savings Plan withdrawals?

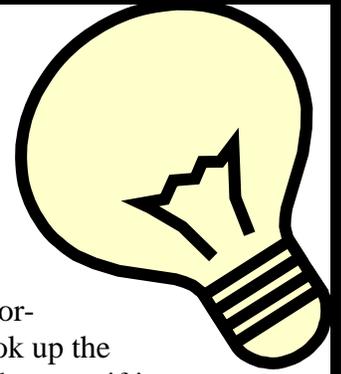
**Answer:** You can begin taking withdrawals immediately after you separate.

**Ticking Clock.** Eight months isn't a lot of time, and Office of Personnel Management Director Linda Springer and Defense Department Chief Human Capital Officer David S.C. Chu seemed well aware of that when they shared a stage at Government Executive's Excellence in Government conference on Monday, 12 May 08. Both Springer and Chu have faced tremendous challenges, such as the impact of the conflicts in Iraq and Afghanistan on military recruiting and the anticipated retirement wave. They also have much to be proud of – re-branding the armed forces and modernizing the federal retirement system.

But with only eight months left in the Bush administration, both Springer and Chu acknowledged that one goal they share -- overhauling the federal government's civilian pay and performance management system -- will not be completed on their watch.

# *The Illuminator*

6-2008



"What we have is antiquated and we are ill-served," said Springer. The pay-for-performance effort, she noted, began even before the Bush administration took up the issue. "Will the effort to continue this reform go on? In my judgment it will, because if it doesn't, we will lose the battle of recruiting talent on this issue. You can have all the tradition of public service and pins and plaques and awards you want, but if you go to the grocery store and put your pins on the [check-out] belt, they'll probably call security."

Chu said the federal government has to learn how to balance its pitch to new employees, being careful not to overemphasize benefits that may no longer be a major draw.

"The Great Depression is a long time in the past," he said. "This generation has seen almost unbroken prosperity. They aren't afraid of changing jobs. They want to be fulfilled. Ironically, the most important job benefit the federal government offers is that you can come here and truly be fulfilled. But a corollary is we can't insult you when you apply by offering you a salary and compensation package that is unattractive."

So what is to be done? Neither Springer nor Chu offered a blanket prescription for the federal government's pay woes, but they agreed on two things: the changes that are under way are irreversible and reform should be government-wide.

"The biggest problem that we will have going forward is a patchwork system," Springer said. "If we end up with a patchwork of different systems, that will create an inequity that will be another hiring challenge."

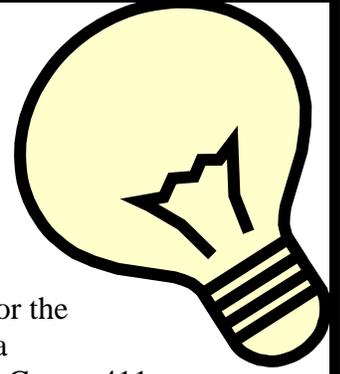
Chu insisted that despite the raft of objections to the Defense Department's new National Security Personnel System, it would remain in place in the next administration.

"I think the most important signal was given by [the newly Democratic] Congress last year," he said. "It could have decided to reverse NSPS. It did not. It did change the union bargaining system. That was a contentious point. But it did not change the underlying nature of the system itself."

Springer and Chu could have mentioned the need to find a way to get federal employee unions and advocacy groups on board with broad pay reforms, or the need to approach pay parity with the private sector in a serious and considered way. But that's a slippery slope: There are many, many challenges to identify and rectify in the federal pay system. Springer and Chu simply don't have enough time left to take on all of them. But they do have a message, and they broadcast it loud and clear on Monday: Pay reform needs to come just as soon as the government can muster the political will, do the necessary research and find common ground with employee representatives.

# *The Illuminator*

6-2008



**Establishing a Discrimination Case.** The United States Court of Appeals for the District of Columbia recently held that the question of whether a plaintiff in a discrimination suit made out a prima facie case under *McDonnell Douglas v. Green*, 411 U.S. 793 (1973), "is almost always irrelevant" when the district court considers an employer's motion for summary judgment or decides a case at trial. See *Brady v. Office of Sergeant at Arms*, Case No. 06-5362 (March 28, 2008).

Typically, under *McDonnell Douglas*, which sets forth the burden of proof for Title VII cases, a plaintiff must establish a prima facie (at first glance) case by showing that he/she was treated worse than someone not in his/her protected class before the burden shifts to the employer to set forth its reason for the challenged action. The D.C. Circuit, however, called the prima case "a largely unnecessary sideshow" that wastes litigant and judicial resources.

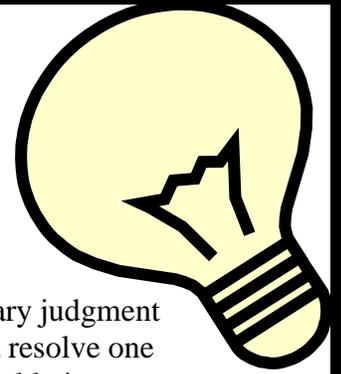
In this case, the district court granted summary judgment to the Office of Sergeant at Arms (House of Representatives) on grounds that the plaintiff could not show that a similarly situated employee outside his racial group was treated differently, and, therefore, had not made out a prima facie case of race discrimination. The plaintiff, a supervisor, was demoted after employees alleged that he sexually harassed them. The plaintiff, however, like many plaintiffs, was unable to find another supervisor, not of his race, who had faced similar charges to whom he could compare himself. The D.C. Circuit disregarded this issue, holding that the lack of a similarly situated comparator was unimportant and that the lower court's focus on the prima facie case was misplaced.

The court reasoned that by the time the lower court considers an employer's motion for summary judgment, the employer will have asserted a legitimate, non-discriminatory reason for the challenged decision. The court held "[t]hat's important because once the employer asserts a legitimate, non-discriminatory reason, the question whether the employee actually made out a prima facie case is 'no longer relevant' and thus 'disappear[s]' and 'drops out of the picture.'" The court cited to Supreme Court cases that comport with this holding, including *St. Mary's Honor Ctr. v. Hicks*, 509 U.S. 502, 510 (1993); *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 143 (2000); and *U.S. Postal Serv. Bd. of Governors v. Aikens*, 460 U.S. 711, 715 (1983) (where the Supreme Court held that "Where the defendant has done everything that would be required of him if the plaintiff had properly made out a prima facie case, whether the plaintiff really did so is no longer relevant.").

The D.C. Circuit concluded its decision by stating: "Lest there be any lingering uncertainty, we state the rule clearly: In a Title VII disparate-treatment suit where an employee has suffered an adverse employment action and an employer has asserted a legitimate, non-discriminatory reason for the decision, the district court need not-and should not-decide whether the plaintiff actually made out a prima facie case under

# *The Illuminator*

6-2008



McDonnell Douglas. Rather, in considering an employer's motion for summary judgment or judgment as a matter of law in those circumstances, the district court must resolve one central question: Has the employee produced sufficient evidence for a reasonable jury to find that the employer's asserted non-discriminatory reason was not the actual reason and that the employer intentionally discriminated against the employee on the basis of race, color, religion, sex, or national origin?"

Unfortunately for the plaintiff in this case, the D.C Circuit upheld the lower court's decision on summary judgment and determined that the plaintiff did not produce sufficient evidence for a reasonable jury to find that the agency's stated reason was not the actual reason and that the employer intentionally discriminated against him.

This information is provided by the attorneys at Passman & Kaplan, P.C.

**Coming to a Classroom Near You – The Updated HR for Supervisors Course.** The HR for Supervisors Course has been updated to incorporate instruction applicable to the National Security Personnel System (NSPS). The newly revised course, like the current course is 4.5 days long; includes lecture, class discussion and exercises; and, is designed to teach new civilian and military supervisors of appropriated fund civilian employees about their responsibilities for Civilian Human Resource Management. New supervisors who complete this instruction will not need to complete the 2-day NSPS Course for Supervisors unless they determine the need for additional training.

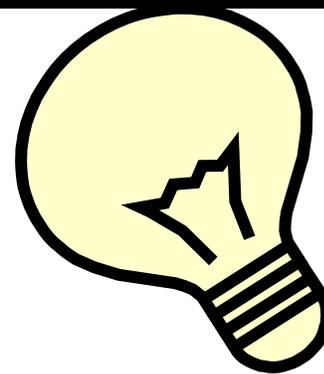
The first iteration of this course will be offered **15-19 September 2008**. Additional course dates will be subsequently disseminated. Specific registration information for the Sep 08 course will be issued not less than 3 weeks from the training start date.

The 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
- Equal Employment Opportunity

# *The Illuminator*

6-2008



## What's Happening to Your Money?

### **People Are Saving Less**

- The Commerce Department reports that Americans are saving at the lowest rate since the Great Depression.
- Personal savings stood at a national level of *negative* \$6.2 million in January.
- About 40% of Americans say they are saving nothing for retirement. One reason: Over the past year, inflation rose 4.3% while salaries rose only 3.4%.
- One in four Americans told the Employee Benefit Research Institute that they have no savings at all.

### **Retirement Is Coming Later and Later**

- The percentage of Americans 55 or older working full-time increased from 54.2% in 1993 to 64.4% in 2005.
- Nearly one in four people between 65 and 74 was still in the labor force in 2006, compared with just one in five in 2000.
- A recent study indicates that 17% of workers have suffered a reduction of retirement benefits offered by their employers in the last two years. Of these, only one-third say they are saving more for their retirement as a result.

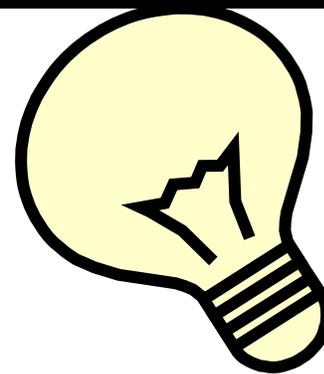
### **Student Debt Is Piling Up**

- Tuition costs have climbed 60% since 2000, and the average graduating senior now owes more than \$20,000, according to the National Center for Education Statistics—twice as much as graduates owed a decade ago.
- Nearly a quarter of recent grads owe in excess of \$25,000.
- While student debt rose 8% from 2005 to 2006, starting salaries rose only 4%.

**Final Thoughts.** Should you pay in advance for a cemetery plot, for the funeral service, or for funeral merchandise such as a casket or headstone? Prepaying can provide peace of mind for you and your loved ones. However, you run the risks of funeral service directors going bankrupt or embezzling escrowed funds set aside to pay for funerals.

# *The Illuminator*

6-2008



If you decide to prepay, you may have several options to choose from:

\* **Trusts.** Some funeral homes establish trusts designed to hold funds for future services and cemetery plots. If this is the case, you should know the financial institution administering the trust and receive an annual statement to ensure that the funds are being handled properly.

\* **Insurance products.** Another approach is to buy a permanent life insurance policy or annuity contract where the funeral home is named as beneficiary. Then the payment to the home won't occur until your death.

\* **Payable-on-death (POD) accounts.** Here, you would set up a POD account at a bank, with the funeral home named as the beneficiary. The funds, designated for funeral expenses, will transfer to the funeral home at your death without going through probate.

**Pay Yourself First.** Parents of college-bound children should not neglect their own retirement funds. You must save during your working years for what could be a long retirement. Meanwhile, there are many options besides parent-funding for college:

\* Grandparents may wish to help pay for grandchildren's higher education.

\* Student loans can be cheaper if a student is the borrower. If parents wish, they can help pay down the debt.

\* Financial aid is widely available in the form of grants, scholarships, and work-study programs.

\* Tax credits can help reduce the burden for parents who pay college costs.

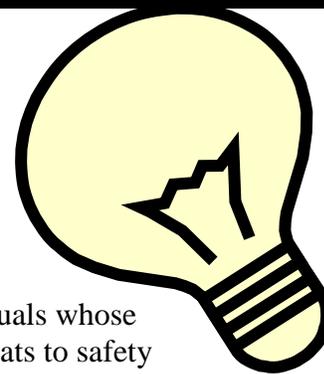
\* Time off from school may allow a child to work for a while and save more towards college costs.

\* Staying home and attending a local college, even for a year or two, could save greatly on housing and food expenses.

**Drug Testing Positions.** The Army Civilian Drug Testing Program was established in accordance with Department of Defense (DoD) directives and the Federal Workplace Drug Testing Programs. The program objectives are to assist in determining fitness for appointment to, or retention in testing designated positions; identify individuals with a substance abuse problem and notify them of the availability of appropriate counseling, referral, rehabilitation services or other medical treatment; and, assist in maintaining

# *The Illuminator*

6-2008



national security and the internal security of the Army by identifying individuals whose drug abuse could cause disruption in operations, destruction of property, threats to safety for themselves or others, or the potential for unwarranted disclosure of classified information through drug related blackmail.

The Army Drug Testing Plan identifies specific positions, known as Testing Designated Positions (TDPs), by title and grade that are subject to random drug testing, reasonable suspicion drug testing, and drug testing when employees are directly involved in on-duty accidents that result in injury or damage to property. Testing Designated Positions are characterized by their critical safety or security responsibilities as they relate to the mission of the DoD component. Army Regulation 600-85, Army Substance Abuse Program (ASAP), identifies Army policy on alcohol and other drug abuse, and assigns responsibilities for implementing the Program.

Upon assignment to a Testing Designated Position (TDP), whether through application procedures or as dictated by new regulations that require positions not previously designated as TDPs to change to TDPs, employees are provided a Notice of Being Subject to Drug Testing. Upon receipt of the notice, employees are given 30 days during which time they will not be subject to random drug testing. External candidates selected for TDPs are tested for drugs prior to appointment and are then subject to random testing in accordance with stipulated procedures.

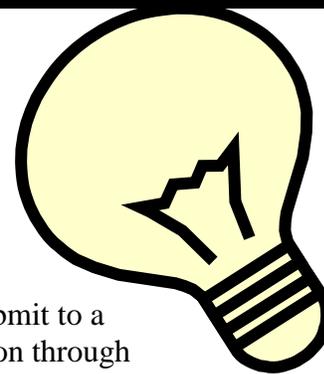
Drug testing includes usage for marijuana, cocaine, amphetamines, LSD, heroine, codeine, morphine, and other illegal drugs\*. Under the process, the Installation Biochemical Testing Coordinator (IBTC) notifies the immediate supervisor regarding employees selected for random testing. The supervisors are then required to notify those employee(s) no more than two hours prior to the scheduled test. The employees report to the designated location to provide a urine specimen within two hours of notification.

If positive results are received from the laboratory and the installation's Medical Review officer concurs with the findings disciplinary action must be taken. Employees with positive results are referred to the installation Employee Assistance Program (EAP) or to an approved program in the civilian community for substance abuse counseling and treatment. Subsequently those employees are immediately removed from their TDP pending investigation and determination of the appropriate disciplinary action.

Discipline may include, but is not limited to suspension of the employee's access to Top Secret (TS) information or position duties; reassignment to a position which does not require TS clearance, vehicle operations, or carrying a weapon; placement of the employee in an enforced leave status; suspension until the employee successfully completes the EAP; or, removal from Federal service.

# *The Illuminator*

6-2008



Disciplinary action will also be initiated against employees who refuse to submit to a drug test when called upon to do so, refuse to receive counseling/rehabilitation through the Employee Assistance Program (EAP), or have a second finding of illegal drug use.

Deferral of testing, while not routine, is granted based upon compelling needs. Reasons for deferral include employees in approved leave status (sick, annual, administrative, or LWOP); employees on pre-approved TDY or about to embark on TDY; or, employees engaged in urgent, mission-related requirements (this basis for deferment will be rare. It requires the approval of the immediate supervisor(s) and the Agency head). Employees granted deferral may be subject to an unannounced drug test within the following 60 days from date of deferment.

Supervisors should consult with their servicing CPAC specialist for additional information on TDPs or for discussion of appropriate disciplinary actions when there is reasonable suspicion that an employee is engaged in or appears to be under the influence of alcohol or other drugs while on duty.

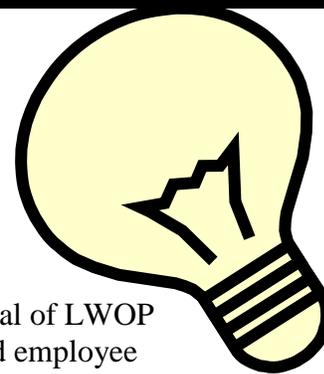
\* Testing for the use of alcohol is precipitated as a result of reasonable suspicion or an on-duty accident resulting in injury or damage to property.

**Leave-without-pay (LWOP).** Leave-without-pay (LWOP) is a temporary non-pay status and an authorized absence from duty that, in most cases, is granted upon an employee's request. LWOP and extensions thereto are at the discretion of the employee's supervisor; however, there are instances that by law, LWOP *must* be granted [if requested by the employee]. Otherwise, mission requirements, internal Agency policy, and workload circumstances [in the absence of the employee] should be considered when granting LWOP requests to ensure the interests of the Government are best served. By law, LWOP must be granted to:

- Disabled veterans (EO 5396) for medical treatment for a service-connected disability;
- Members of the Reserves or National Guard for military training duties; and,
- Employees who are eligible for and invoke the Family Medical Leave Act *unless* the employee opts to use accrued leave. The Family and Medical Leave Act of 1993 (FMLA) (Public Law 103-3, February 5, 1993), provides covered employees with an entitlement to a total of up to 12 weeks of unpaid leave (LWOP) during any 12-month period for certain family and medical needs.

# *The Illuminator*

6-2008



There are many circumstances under which LWOP may be granted. Approval of LWOP could be appropriate when a career/career-conditional employee (or excepted employee with competitive status) is leaving their position as a result of the Permanent Change of Station (PCS) of their spouse; or, when an employee has insufficient annual/sick leave or compensatory time to cover an approved absence.

Some employees also have an entitlement to LWOP in the following situations:

- The Uniformed Services Employment and Reemployment Rights Act of 1994 (Pub.L. 103-353) provides employees with an entitlement to LWOP-US when employment with an employer is interrupted by a period of service in the uniformed service.
- LWOP while receiving benefits from the Office of Workers' Compensation Employees. Employees may not be in a pay status while receiving workers' compensation payments from the Department of Labor.

Leave without Pay affects employee entitlement to or eligibility for certain Federal benefits as outlined below:

**Life Insurance:** Life Insurance (FEGLI) coverage continues for 12 consecutive months in a non-pay status without cost to the employee or to the agency. The non-pay status may be continuous, or it may be broken by a return to duty for periods of less than 4 consecutive months.

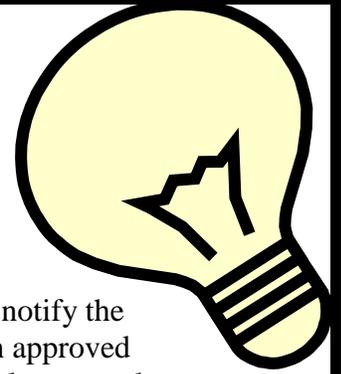
**Health Benefits:** Enrollment continues for no more than 365 days in a non-pay status. The non-pay status may be continuous or broken by periods of less than 4 consecutive months in a pay status. The Government contribution continues while employees are in a non-pay status. The employee may choose between paying the agency directly for his or her contributions on a current basis or having the premiums accumulate and withheld from his or her pay upon returning to duty.

**Retirement Benefits:** A total of 6 months in a non-pay status in any calendar year is creditable service. Coverage continues at no cost to the employee while in a non-pay status. When employees are in a non-pay status for only a portion of a pay period, their contributions are adjusted in proportion to their basic pay.

**Leave Accrual:** When the number of LWOP status hours in a full-time employee's leave year equals his or her biweekly tour of duty (i.e., 80, 112, 144 hours), the employee's no longer earns annual/sick leave. This also applies to part-time employees; however, since these employee accrue annual and sick leave at different rates, this same stipulation applies on a on a pro-rata basis.

# *The Illuminator*

## 6-2008



**Thrift Savings Plan (TSP):** Of particular importance is the requirement to notify the National Finance Center (NFC) when an employee with a TSP loan enters an approved non-pay status. If NFC is not notified, a taxable distribution may result. Employees and supervisory personnel should refer to TSP Bulletin No. 01-22, dated May 3, 2001 and the TSP Fact Sheet - Effect of Non-pay Status on TSP Participation. Both issuances are available at [www.tsp.gov](http://www.tsp.gov)

**Service Computation Date:** Up to 6 months in non-pay status is creditable for service computation dates (SCD). Thereafter, the employees' SCD must be adjusted by the amount of non-pay time in excess of 6 months per calendar year.

**Within-Grade Increases:** General schedule and federal wage system employees are allotted a specific amount of time in a non-pay status before the waiting period is extended for the next within-grade increase.

General Schedule Within-grade Increases:

### Waiting Period

### Non-pay Time Allowed

For steps 2/3/4- 52 weeks  
For steps 5/6/7- 104 weeks  
For steps 8/9/10-156 weeks

2 workweeks (80 hrs for FT employees)  
4 workweeks (160 hrs for FT employees)  
6 workweeks (240 hrs for FT employees)

Federal Wage System Within-grade Increases:

### Waiting Period

### Non-pay Time Allowed

For step 2 - 26 weeks  
For step 3 - 78 weeks  
For steps 4/5 - 104 weeks

1 workweek (40 hours for FT employees)  
3 workweeks (120 hrs for FT employees)  
4 workweeks (160 hrs for FT employees)

**Career tenure:** The first 30 calendar days of each non-pay period is creditable service.

**Completion of probation:** A total of 22 workdays in a non-pay status is creditable service.

**Time-in-grade requirements (requirements for promotion):** Any non-pay status is creditable service.

**Severance pay:** Non-pay status time is fully creditable for the 12-month continuous employment period to qualify for severance pay. However, for purposes of computing an

# *The Illuminator*

6-2008



employee's actual severance payment, any time in a non-pay status is not creditable for leave accrual must be excluded from his or her creditable service.

**Military duty or workers' compensation:** Non-pay status for employees who are performing military duty or being paid workers' compensation counts as a continuation of Federal employment for all purposes upon the employee's return to duty.

Please contact your servicing HR Specialist for additional information on leave without pay.

## **The NAF Corner:**

**Performance Standards and Ratings.** All flexible pay band system employees and those serving under regular appointments are covered under the NAF annual evaluation system. Accordingly, an annual performance appraisal, based on supervisory evaluation of employee work performance as compared to realistic performance standards must be accomplished for each employee in the categories above. Performance standards are normally developed when a new employee is initially assigned to a position or at the beginning of the rating period, but may also and *should be* established when revised performance requirements are mandated because of a major change in assigned duties.

Performance standards describe the actual work elements to be performed during the appraisal period. They describe major job components upon which an employee is rated for success. Job standards and responsibilities are descriptive and relate to what needs to be done. Written as clearly and objectively as possible, standards should be of such impact that failure to accomplish one or more of them could result in the employee's removal from the position. Performance standards may include but are not limited to quality of work, timeliness, achievement of individual or organizational goals; and, relationships with other employees. Work performance that exceeds established performance standards may serve as the basis for recognition of employees with performance awards.

First-line supervisors develop performance standards; acquaint employees of those standards; and periodically advise employees as to how well they are attaining the stated standards. When necessary, supervisors are also responsible for providing employees with information necessary to improve failing performance.

Annual ratings are documented via DA Form 3612, Non-appropriated Fund Employee Performance Rating. The original is used to notify the employee of his/her annual performance rating. A copy of the form, signed by the employee, the rater, and the approving official, should be placed in the official personnel folder (OPF). A copy is

# *The Illuminator*

6-2008



also retained by the supervisor. Annual performance ratings remain in effect until superseded by the next successive annual rating.

The five official performance ratings that may be assigned as well as the qualifying criteria are:

**Outstanding** - Authorized when all aspects of an employee's performance or goals and objectives are exceeded.

**Excellent** - Should be assigned when the majority of the aspects of an employee's performance or goals and objectives are exceeded.

**Satisfactory** – Appropriate when employee performance meets, but does not exceed the aspects of performance or goals and objectives to the degree required for a rating of excellent.

**Minimally Satisfactory** – A minimum satisfactory rating is authorized when the employee marginally meets the aspects of performance or goals and objectives and is often below the satisfactory level. When a minimally satisfactory rating has been determined, the employee will be counseled on duty requirements and given the opportunity and necessary training to improve performance.

Unsatisfactory – Assigned when the employee's performance fails to meet the aspects of performance or goals and objectives for satisfactory performance. This level may only be assigned after the supervisor has provided the employee written warning concerning his/her work performance that fails to meet the performance standards or goals and objectives. Action will be immediately taken to reassign or separate the employee.

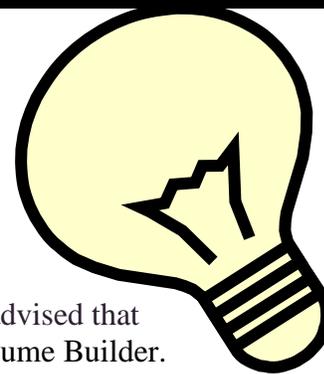
For additional information on the NAF performance appraisal system and/or performance objective development, please contact your HR Professional.

**The Career Referral Program.** The Career Referral Program, managed and operated by the Career Management Office, Human Resources Directorate, U.S. Army Family & MWR Command (FMWRC), recruits and fills Army-wide FMWR position vacancies at pay band level NF-4 and above throughout the world. The Program offers greater career opportunities through the use of promotion, transfer, and reassignment options. Managerial, professional, technical, and administrative positions are just a few areas targeted for growth and development under the Program. Positions are recruited and filled through either open continuous or special announcements.

Employee and applicants interested in applying for vacancies may prepare and submit resumes via the MWR Resume Builder located at [www.mwrjobs.army.mil](http://www.mwrjobs.army.mil) or by using

# *The Illuminator*

6-2008



the hyperlink in the lower section of the vacancy announcement. Please be advised that the online MWR Resume Builder is separate and distinct from the Army Resume Builder. There is no linkage; therefore, applicants wishing to prepare and submit a resume for an MWR position must do so through the MWR resume builder.

In order to prepare the resume, first time users must establish an account. An e-mail address is identified as the User ID, and a password is created. Select “Resume Builder” and follow the directions provided to create a resume. Applicants should be sure to Save and SUBMIT when finished. If the prompt “SUBMIT RESUME” is not selected, the resume will not be transmitted. Once transmitted, the applicant will receive an e-mail indicating receipt of the resume.

For more information relating to the Career Referral Program, please contact your servicing NAF Human Resources Office at (706) 545-1610.

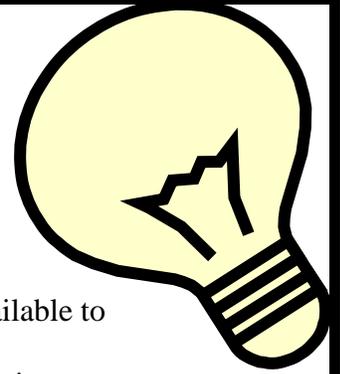
**Human Resources (HR) for Supervisors Course.** The last iteration of this version of the HR for Supervisors Course, which exclusively addresses General Schedule and Wage Grade employees, will be conducted **2-6 Jun 08**. The 40-hour course is highly recommended for all Department of Army civilian (DAC) and military supervisors who supervise at least 3 appropriated fund DAC employees. In addition to teaching the participants about HR regulations and processes, the course introduces them to the automated HR tools. Completion of this training can enhance the supervisor’s confidence and performance. The course, which incorporates lectures, class discussion, and exercise, includes the following modules:

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

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 contract employees. Course registration information will be disseminated not less than 3 weeks from course start date.

# *The Illuminator*

5-2008



**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 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.

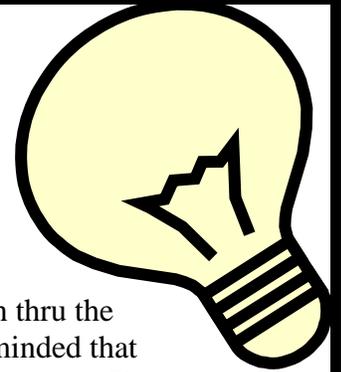
**Job Aids Available on the Web.** Lotus ScreenCams (how-to-movies) are available to assist DCPDS users with DCPDS, Army Regional Tools (ART), Oracle 11i and other automation tools. ScreenCam movies ART Logon, Ghostview, Gatekeeper, Inbox Default, Initiating an RPA, Logging On, Navigator, RPA Overview 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.

**Sunset of the Army Emergency Contact (Next of Contact) Database.** The Army Emergency Contact Database (ECD), currently accessible through the CPOL Portal, was inactivated 7 May 2008. All ECD records that had been entered via the CPOL homepage were migrated to the MyBiz ECD. ECD Records *initially* created in MyBiz remain intact.

# *The Illuminator*

5-2008



Managers and supervisors are now able to access employee ECD information thru the CSU or through a request coordinated through the CPAC. Managers are reminded that their civilian employees should have their current emergency contact information on file. In addition, supervisors and managers are required to conduct periodic validations with employees to ensure the accuracy of their data.

The message below will be displayed for 90 days when the Emergency Contact Data link is clicked in the CPOL Portal.

\*\*\*\*\*

ATTENTION: You can now enter this information through My Biz. Access My Biz by clicking on "Go" on the Employee Data section of this page. After you've logged into My Biz, click on Update My Information, Emergency Contact Information Tab follow instructions to Add or Modify data.

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

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