

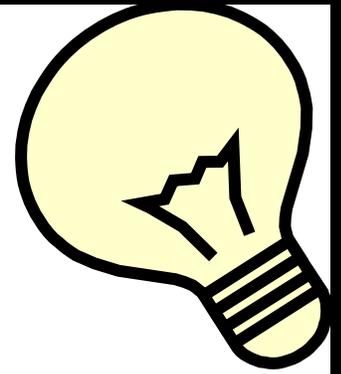
The

Illuminator

Shedding Light on the HR World

6-2010

Article Directory



Page

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

Best Dates to Retire in 2011	3
The Thrift Savings Plan vs. the Roth 401K	8
Comprehensive Planning Needed to Manage Social Security Claims	9
One More Time on Raises vs. COLAs	10
A Big PLUS	10
Outside Chance	11

Employment-Related News

Flexibility in the Federal Workplace	11
Decrease in Hispanic Hires Offset by Higher Retention in 2009	13
Telework in the Federal Government	13
Financially Independent Women	15
Should Federal Workers be asked to take a Pay Cut too?	19
The Leadership Problem Obama's Hiring Initiative Won't Solve	22
Fixing Balance of Worker's and Contractors Isn't a Matter of Math	25
Sidetracking the Gravy Train: Government Can no Longer Afford Gold-Plated Employee Benefits.	27

Management-Employee Relations

Labor Relations Authority begins Regulatory Reform Effort	29
---	----

Training, Self-Development, and Personal Improvement

DoD to Launch New Training for Supervisors	30
--	----

Training Needs Assessments: The Driver Behind Organizational Success	31
Human Resources (HR) for Supervisors Course	33
RPA and ART Workshop	34
Job Aids Available on the Web	34

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, the Maneuver Center of Excellence (MCOE) civilian transition, etc.).

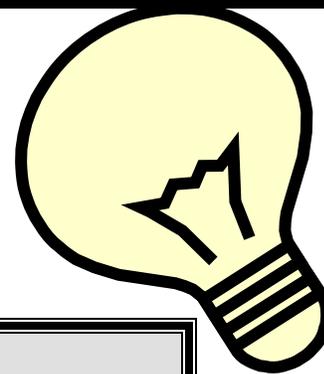
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The Illuminator

6-2010



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

Best Dates to Retire in 2011. This article is written by Tammy Flanagan, National Institute of Transition Planning. Any references to “T” pertain to her as an author.

It's a good idea to start making plans to retire at least a year in advance of when you actually want to go. Here's why:

- You can request a final retirement benefit computation from your benefits office to verify all your federal service is being credited and to make sure you don't owe any money to the retirement fund.
- You'll have time to consider the important decisions you'll make at retirement regarding service credit deposits, survivor benefits and continuation of insurance.
- You can begin to seriously contemplate life after retirement.

In other words, it's not too early to start planning for 2011. So let's take a month-by-month look at next year's best dates.

On the months below, the dates highlighted in blue signify the last day of the month. That's always considered a good day to retire because you become an annuitant the following day. That's true for employees under both the Civil Service Retirement System (and CSRS Offset) and the Federal Employees Retirement System.

Under CSRS, the days highlighted in yellow -- the 1st, 2nd or 3rd of the month -- are sometimes good, because retirement benefits still will kick in the following day. Another important set of days -- the end of the leave periods for most federal employees -- are highlighted in gray.

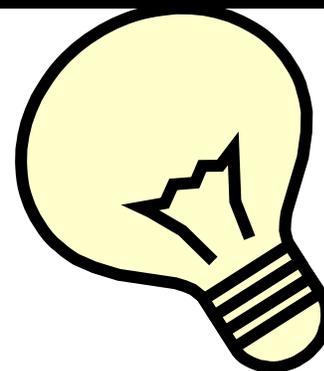
Just to be clear, here's a key:

-  **End of a leave period**
-  **End of the month**
-  **Beginning of the month**

Let's get to the calendar:

The Illuminator

6-2010



December 2010/January 2011

12/26	12/27	12/28	12/29	12/30	12/31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

For those retiring at the end of 2010, you can't beat Friday, Dec. 31. You don't even have to go to work that day, because it's a federal holiday. It's also at the end of the 2010 leave year. As long as you have completed your 80 hours of work period, you will have earned your final leave accrual. Technically, the leave year ends on Jan. 1, 2011, but that isn't a good date to retire under FERS, because you wouldn't receive a January retirement check. Under CSRS it would be OK, except your retirement check for January would be computed at 29/30 of the full payment. Why lose 1/30 of your retirement check if you don't have to?

If you are cashing out more than the amount allowed for the maximum leave carryover (240 hours for most federal employees), then Jan. 2 or Jan. 3 are not good dates, because they're the beginning dates of the 2011 leave year, and you would be limited to no more than 240 hours of annual leave going into 2011.

If you're not worried about leave carryover, then Jan. 31 wouldn't be a bad date. It would provide a little credit toward your high-three computation at the 2011 pay rate and allow you to spend some 2011 flexible spending account dollars before you retire. But the expenses would have to be incurred before your final day of employment.

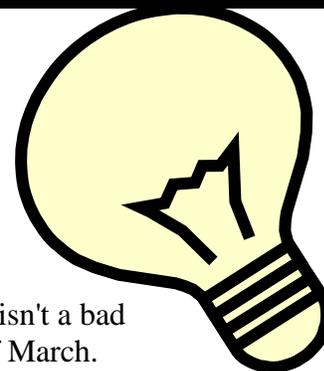
February 2011

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
16	28					

Feb. 1 - 3 wouldn't be bad days for a CSRS employee. You'd be in a full pay status for those days and your first retirement check would be for 27/30 of the February payment (payable on March 1). Even though you wouldn't get to the end of a leave period, you would get three more days of service. If you added that to your unused sick leave, then

The Illuminator

6-2010



you might get another month of service to compute your retirement. Feb. 28 isn't a bad date, either. Your first retirement payment would be April 1 for the month of March.

March 2011

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
16	28	29	30	31		

Same advice as February. The first three days are good for CSRS and the last day of the month is always good to consider. Springtime retirements allow employees to contribute to their Thrift Savings Plan accounts for a few months before retirement, and make use of their flexible spending accounts.

April 2011

					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Who wouldn't want to retire on April Fool's Day? If you're under CSRS, you can become an annuitant on April 2 and your first retirement payment will be computed for 29/30 of April, payable on May 1. If you're under FERS, choose March 31 or April 30 instead. They're not as memorable, but at least you'll get your first month's retirement payment.

May 2011

1	2	3	4	5	6	7
8	9	10	11	12	13	13
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

May 2 or 3 aren't bad dates for CSRS employees who want to add a few more days of full salary to their final paycheck, along with two or three more days of creditable service.

The Illuminator

6-2010



May 31 also works. Since May 30 is the Memorial Day holiday, you would report to work on Tuesday to pack up and say goodbye.

June 2011

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

June 3 is a particularly sweet day for those under CSRS. It's a Friday, it's the end of the leave period and it's within the first three days of the month. The only thing that could be better is if it were a federal holiday. For FERS employees, May 31 or June 30 would be your days.

July 2011

					1	2
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10	11	12	13	14	15	16
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31						

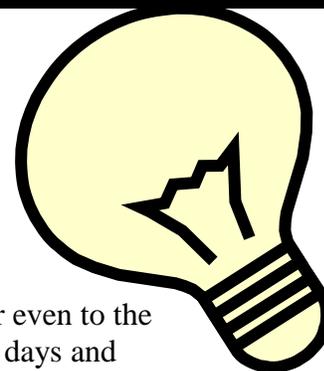
The federal holiday falls on Monday, July 4, so that doesn't work out to be a good date. Friday, July 1 isn't bad for CSRS employees for the same reason Friday, June 3 is a good date. If you need a day or two of additional service to make up another month in your retirement computation, then consider July 2 or 3. Otherwise, stick with July 1. For FERS employees, it's June 30 or July 31.

August 2011

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

The Illuminator

6-2010



For those under CSRS, Aug. 1-3 won't get you to the end of a leave period or even to the end of a week. But they are workdays, so you'll be paid your salary for those days and your retirement benefit will begin on Aug. 4. Your first check will be for 27/30 of August, payable on Sept. 1. FERS retirees should focus on July 31 or Aug. 31.

September 2011

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Sept. 2 isn't bad for CSRS retirees. Sept. 30 looks pretty good, too. Sept. 5 is the Labor Day holiday, so you can squeeze one more of those in before you go.

October 2011

						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

I'd recommend leaving at the end of September rather than Oct. 3, unless you need the extra three days of service in your CSRS retirement computation. If you leave as of Oct. 3, you'll lose three days of retirement pay and gain only one day of full salary. For FERS, it's either Sept. 30 or wait to go out on Halloween.

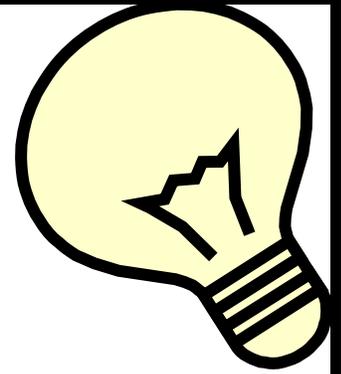
November 2011

		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

See comments after February and August. The advice for November is the same.

The Illuminator

6-2010



December 2011/January 2012

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Friday, Dec. 2, is a good date for CSRS employees who want to retire toward the end of the year, but not all the way at the end of December. There's a good chance you'll receive your lump-sum leave payment in 2012, which might be preferable for tax planning purposes. It's the end of a leave period, so you'll accrue leave. But if I had to decide, I'd stay until Dec. 31 and get two more leave accruals and one more holiday. Plus, if you retire on Dec. 31, you'll get your lump-sum leave payment computed at the 2012 salary rate.

The Thrift Savings Plan vs. the Roth 401K. Both the thrift savings plan and the Roth 401(k) are popular types of retirement plans. While they do have some similar features, they are unique plans that can benefit retirement savers in different ways. Here are the basics of the thrift savings plan and the Roth 401(k) and how they compare to each other.

Eligibility

Among the biggest differences between these two types of retirement plans are the eligibility requirements. With the thrift savings plan, you have to be a government employee in order to be eligible. With a Roth 401(k), you have to be employed by a company that offers this option as a retirement plan.

Tax Advantages

Another big difference between these two types of plans is in the way that taxes are handled. Each of these plans will offer you a definite tax advantage when you contribute. However, they work very differently from one another. With the thrift savings plan, employees will be able to make contributions with pretax dollars. This means that the money is deducted directly from their paycheck and the government does not impose any taxes on the money. The money is then invested into securities and is allowed to grow tax-free as well. There are no taxes incurred until you retire and start to take withdrawals on the money.

The Roth 401(k) handles taxes in the opposite manner. You fund the Roth 401(k) with after-tax dollars. The money in the account is allowed to grow tax-free as well. Then,

The Illuminator

6-2010



whenever you start to take withdrawals upon retirement, you do not pay any taxes whatsoever.

Contributions

Both of these plans have the same annual contribution limit for employees. You can contribute up to \$16,500 per year or \$22,000 per year if you are over the age of 50. Although technically they have the same contribution limit, the Roth 401(k) will allow you to put away more money for your retirement. With the thrift savings plan, you are allowed to put away \$16,500 of pretax money. This means that once you retire, of that \$16,500 a portion of it will be deducted for taxes. With the Roth 401(k), you can put away \$16,500 of after-tax money. This means that you are actually setting aside more than \$16,500 to get to that figure after taxes are paid. When you retire, the entire \$16,500 will be yours to keep.

Withdrawals

Each of these retirement options has a provision for making early withdrawals. With the thrift savings plan, you can make an in-service withdrawal of up to \$1000. When you do this, there will not be any penalties or fees imposed. With the Roth 401(k), you will be able to withdraw the money that you have contributed at any point without penalty. However, if you take out any of the money that was earned from investments, you will pay a 10 percent early withdrawal penalty on the money.

Comprehensive Planning Needed to Manage Social Security Claims. Comprehensive planning is needed to manage the Social Security Administration's large and expanding disability claims workload, GAO told a House Ways and Means panel recently.

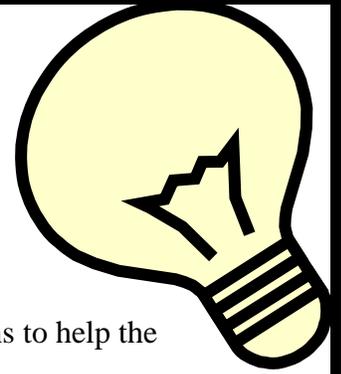
GAO reported last September that the agency's backlog reduction plan could help but that in order to eliminate the backlog by the 2013 target date SSA would have to achieve all of its key workforce and performance goals, which are beyond anything the agency has yet been able to accomplish.

Still, since last fall SSA has reduced the number of pending cases in its hearings-level backlog to its target of 466,000.

In March, SSA reported that pending cases were down to 697,437 from 760,000 in fiscal 2008, and SSA said it plans to relieve pressure on hearing offices by reinstating the Disability Determination Services reconsideration process in 10 states where it had previously been eliminated as a pilot project, according to GAO-10-667T.

The Illuminator

6-2010



It said SSA also announced that it would open two new centralized operations to help the hearing offices with administrative tasks.

At the end of fiscal 2009, about 780,000 initial claims were pending at state DDS offices and the agency projects that number will exceed 1 million by the end of fiscal 2010.

In its 2011 annual performance plan, SSA outlined several other remedies, including hiring, increasing overtime, and simplifying policies, GAO said.

It added that changes to any one operation in the disability program can affect workflow in unexpected ways at other stages, and given its many growing pressure points, effective management of the disability claims process will require comprehensive and integrated planning.

One More Time on Raises vs. COLAs. There still appears to be confusion regarding the relationship between pay raises and COLAs, reflected in questions phrased essentially as "why did employees get a COLA this year but retirees didn't?" or "why are employees in line for a bigger COLA in January than retirees?" The two increases are separate, are determined in different ways, and have no direct connection with each other. COLAs are paid to retirees, not active employees, and are determined by a cost of living formula whose final tabulation comes out each October. No COLA was paid in January of this year because inflation for the measuring period through last September was negative. Unless inflation increases substantially through this September, retirees will either receive no COLA in January 2011 or a very small one. The pay raise goes to active employees, not retirees, and is linked to an employment cost index measure of labor costs—not living costs—and is set during the annual budget process. Thus, while many employees call the raise a COLA, it isn't one. The only COLA paid to active employees is a special salary boost in lieu of locality pay that goes to workers in non-foreign areas outside the contiguous states, and even that is being phased out in favor of locality pay.

A Big PLUS. Parents and graduate students can take out PLUS federal education loans. With PLUS loans, borrowers can receive the difference between the cost of attending a given school and the amount of financial aid. If Paul Martin attends a college where the total cost is \$30,000, for example, and gets a \$10,000 financial aid package, his parents can borrow up to \$20,000 with a federal PLUS loan.

As of July 1, 2010, all PLUS loans will come from the federal government, at a 7.9 percent fixed rate. Unlike federal loans made to undergraduates, PLUS loans require borrowers to pass a credit test:

* Borrowers may not have a current delinquency of 90 or more days.

The Illuminator

6-2010



* Also, borrowers must not have had any adverse items such as a bankruptcy discharge or a foreclosure on their credit history within the previous five years.

In prior years, parents have been denied PLUS loans more than 40 percent of the time by private lenders. When loans came directly from the federal government, loans were rejected about 20 percent of the time. Starting this July, when private lenders no longer can make PLUS loans, these loans may be easier to obtain than they have been in the past.

Outside Chance. If you convert a traditional IRA to a Roth IRA, you should try to pay the resulting income tax with money from outside your IRA. That will increase the amount accumulating in the Roth account, where all withdrawals will be tax-free after five years and after age 59 1/2.

One place to look for the necessary funds is in your cash reserves: your bank accounts and money market funds. Advisors generally suggest holding three to six months' worth of cash for emergencies.

Suppose Randy Franklin usually spends around \$8,000 a month. He has a total of \$120,000 in bank accounts. However, at \$8,000 a month, Randy probably needs no more than \$48,000 in a cash reserve.

Thus, Randy can pull \$72,000 out his bank accounts. If he converts \$220,000 worth of traditional IRA money to a Roth IRA, and his effective tax rate is 33 percent, his cash withdrawal will just about cover the income tax due.

Employment-Related News

Flexibility in the Federal Workplace. One of the hardest challenges facing today's current federal workforce is the ability to remain flexible in a continuously changing environment. Whether you work in administration, security or another related field, the various factors within an agency will always require a federal employee to adapt and adjust to the changing agency, policy, program, procedures, supervision and oversight factors. Change factors can be in part controllable or out of reach such as the different economic periods in our society.

Policy Change

Perhaps you may be a part of decisions in changing policy, or perhaps you are subject to policy change from agency hierarchy in a headquarters location or local policy change from upper management in your chain of command.

The Illuminator

6-2010



When your organization and division is continually subject to policy change, from uniform policy to administrative procedure, this will create stress that can manifest itself in work performance and interoffice relationships with peers and supervision. Changes require alternate approaches, which are often necessary, when assessing work elements or personnel issues. Policy transformation requires the employee to rethink daily, weekly, monthly and quarterly approach to incumbent responsibilities.

Hierarchy Shift Change

The only constant when assessing upper level government hierarchy is the inevitability of change. Each year agency leadership has the potential for transition and as is usually the case, does on an even more frequent basis. Titles such as "administrators" or "deputies" or the other various leadership designations change ownership from one individual to the next. One of the key words here is "individuals" each individual brings to the table thought processes, work experiences and philosophies of what the agency or organization require. However, even the best of intentions cannot possibly foresee the consequences of decisions without adequate prudence and planning. Change has often been synonymous with the words "direction" or "path." Change can be dependent on who is currently at the helm of the ship.

Environmental Shift Change

A broad based term for the unknown, the variables which cannot be anticipated or estimated. Take for instance the security industry. Threats evolve. We learn this as an infant taking in our surroundings. What causes us pain and how do we react to the threat? There are those that desire to cause us harm, to attack us. The threat can come in the form of an individual who is biased for one reason or another or from entire groups of people that would revel at our destruction.

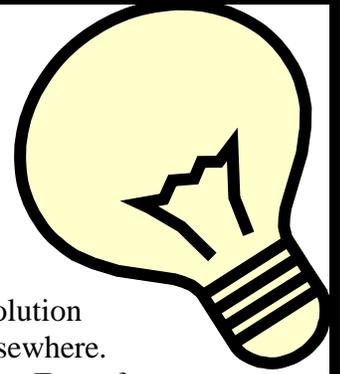
There are multiple levels of threat mitigation from participating in the legal system; utilizing negotiation techniques and in other circumstances utilizing armed response to global threats. Change can be a part of a "domino effect" whereby situations are globally linked without control and change societies in vast ways. Key to remember is that change will often manifest itself from areas least expected.

How to Succeed and Remain Flexible

To those of you working for the Federal Government, many tip their hats to you. "Formidable" is only a string of letters with an associated and society designated meaning. One of the key elements in maintaining flexibility is to know your options—the ability to know that there are options and choices. This knowledge can assist in coping with whatever change is on the horizon.

The Illuminator

6-2010



We have the option to seek other employment, take advantage of dispute resolution processes and we have the option to obtain a degree and seek contentment elsewhere. However, one of the most common reasons for options not taken is due to fear. Fear of retribution, fear of the unknown. Fear of not knowing what the consequences of our actions will bring. Trust your instincts. When you base decisions from a solid grounding of objectivity, integrity and truthfulness, you never have to worry about second guessing your decisions.

Always develop your own strategy for thinking ahead. Be one step ahead from those that take things as they come. Expect the unexpected. Have a plan and a counter plan ready.

Think like a chess player. Bring to mind the theoretical experiment of [Schrödinger's cat](#), whereby "the outcome as such does not exist unless the measurement is made. (That is, there is no single outcome unless it is observed.)" Be prepared for any outcome; be prepared to make compromises and concessions only so much that you do not concede your values of right and wrong and honesty and integrity.

Decrease in Hispanic Hires Offset by Higher Retention in 2009. The percentage of Hispanics in the permanent federal workforce remained at 8 percent for the second year in a row, compared to 13.2 percent of the overall civilian labor force, OPM has said in an annual report on Hispanic employment in the federal government.

It said however that some progress toward increasing representation was made in high level positions, with Hispanic hiring having increased at the GS-15, senior executive service and senior pay levels.

According to the report, the number of Hispanics among new SES hires doubled and the percentage increased from 2.0 percent to 3.2 percent, while the number of Hispanic permanent new hires into higher-level positions (GS 9-13) increased by 22 percent.

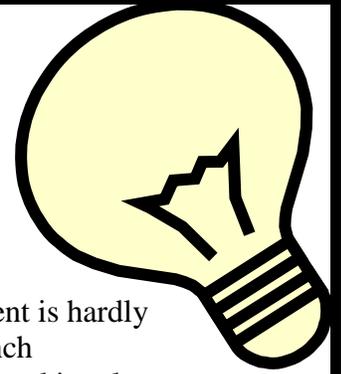
While there was a decrease in Hispanic permanent new hires from 14,142 to 12,091, there was also an increase in the number of Hispanic employees in the permanent federal workforce, from 137,767 in June 2008 to 144,288 in June 2009.

OPM said that points to higher retention of Hispanics offsetting the overall decrease in Hispanic new hires, maintaining the same relative percentage at 8.0 percent.

Telework in the Federal Government. A bureaucracy is defined as "government characterized by specialization of functions, adherence to fixed rules, and a hierarchy of authority."

The Illuminator

6-2010



Many readers resent the term. While we may not like the term, our government is hardly unique in being called a bureaucracy. The word actually evolved from a French word *bureaucratie*. And, as our government gets larger, spends more money and involves more people, government "red tape," regulations impacting our everyday life and control over our lives by government becomes more commonplace, the word seems to be coming back into vogue and has been used by our current president for his own political purposes.

The federal government has operated as an organization that defined bureaucracy for decades and, perhaps, for more than a century. There is a traditional way of doing work where the agency rents or buys a place to work, hires managers and supervisors, and employees work in a structured environment. Often, people come to work and leave at about the same time (although this has changed dramatically in the past two decades).

In all organizations, some people work hard, do a good job and everyone knows they can be counted on to contribute to the work of the organization. And, at the same time, there are people who are less dependable and often some who do not contribute much to the work of the organization and, in extreme cases, probably are a detriment to the work even though they are getting paid.

Having employees work away from the traditional office environment would be a big change in some agencies.

Regardless of what you may think of OPM director John Berry, he has been implementing new policies that are unusual in the federal government. Or, at least, if other agencies have urged supervisors to give employees in Washington administrative leave to walk to the Tidal Basin to enjoy the cherry blossoms, or sponsored a cooking contest to pick the healthiest recipes for a federal government cookbook, we are unaware of it.

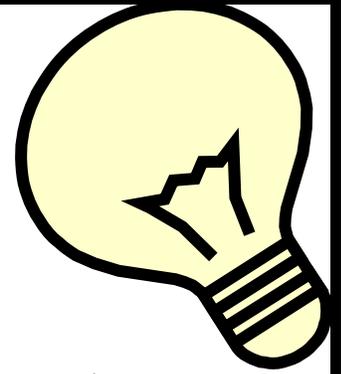
But, aside from cookbooks and smelling cherry blossoms, there are other more significant changes in store for the federal workforce.

The Office of Personnel Management (OPM) is starting the government's first pilot test of the Results-Only Work Environment (ROWE) next month. It will involve about 400 OPM employees in Washington, DC and Boyers, Pa. The pilot will run through the end of this year.

A senior advisor to the OPM director told Congress recently about this change in approach. "Managers are expected to manage for results, rather than process. Employees are trusted to get the work done. This is a shift in culture from permission granting to performance guiding."

The Illuminator

6-2010



What is a results-oriented work environment (ROWE)?

ROWE in practice means "each person is free to do whatever they want, whenever they want, as long as the work gets done." Employees control their own calendars and are not required to be in the office if they can complete their tasks elsewhere.

This is how ROWE is described on a [Facebook page](#) on the topic:

Results-only Work Environment (ROWE) is a radical, commonsense rethinking of how we work and live.

In a ROWE, people are paid for results, not time. Everyone has complete control over their time every day. Work gets done and lives are richer.

Companies that embrace ROWE enjoy staggering increases in engagement and productivity.

There is now plenty of publicity celebrating the virtues of the "ROWE life" and OPM has obviously decided there is some merit to it. For example, this article on [A Day in the ROWE Life](#) shows a couple of young people sitting quietly on the grass, staring out at a body of water and, apparently, enjoying their daily work life. The author says: "I was totally relaxed and enjoyed time with my wife; I ate when I was hungry and slept when I was tired."

In fact, a [website](#) on the ROWE method has a few articles extolling the virtues of having employees adopt the method now being tried by OPM. And, as the website includes links to favorable articles on the subject by the [New York Times](#) and [National Public Radio](#), we can assume that the topic is now as fashionable as Total Quality Management was a few years ago so it isn't surprising that the federal government is now going to be part of the new social experiment.

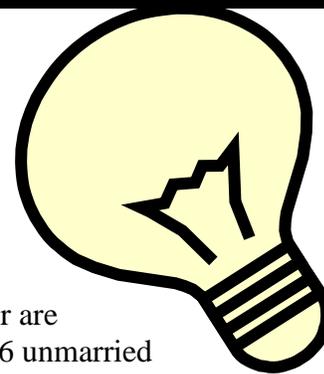
Telework is one term that has been used in the federal government for some time and, as a practical matter, that is or could be an essential element of the new program now being championed by OPM.

What is your view? Has your agency tried using telework or have you used it yourself? Does it have a viable future in the federal government?

Financially Independent Women. This article was written by Tammy Flanagan; therefore, any references to "I" pertain to her as an author.

The Illuminator

6-2010



According to the Census Bureau, 43 percent of all U.S. residents 15 and older are unmarried. More than half of the singles are women. Nationwide, there are 86 unmarried men for every 100 unmarried women. AARP says there are several reasons for this: Not only is the divorce rate high, but American women tend to marry later and, not to put too fine a point on it, many of them outlive their husbands.

Single women who attend my retirement planning seminars often ask for specific advice for people like them. This week I'd like to offer some.

Managing Money

If you are the sole provider for yourself, it's that much more important to make sure you'll have enough retirement income to cover your expenses. Research has shown that women - married and single - are less likely to accept risk in their investments and are less knowledgeable about investing than men. In a recent OppenheimerFunds survey, 63 percent of women admitted they didn't know how a mutual fund worked. Only 41 percent of men said they didn't.

One way to make sure you have enough money for the future is to start saving early. Here's how much you'd have to save every month to have \$100,000 in five years:

- * \$1,433 per month at 6 percent interest
- * \$1,469 per month at 5 percent interest

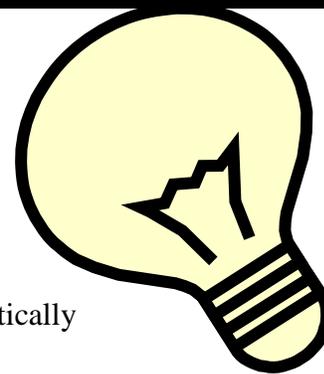
That's around \$17,000 a year. Luckily, the Internal Revenue Service's tax deferral limit for contributions to the Thrift Savings Plan for 2010 is \$16,500, so you can work toward your savings goal within the TSP. Putting away \$16,500 per year with pretax dollars would save you approximately \$5,000 in taxes. The net difference in your take-home pay would be about \$11,500 a year, or \$958 a month. That's a lot better than \$1,400 a month.

If you're 50 or older this year, you can add an additional \$5,500 to your TSP account in catch-up contributions. And if you're under the Federal Employees Retirement System, you'll get 5 percent automatic matching contributions from your agency.

Is it realistic to expect to earn a 5 percent to 6 percent return on your investments? Not if you keep your money under your mattress or in a savings account. But if you diversify your investments among the TSP's options, it's not an unreasonable goal. The key is to balance the risk by diversifying between safe and more aggressive investments. If you are not comfortable

The Illuminator

6-2010



doing this yourself, I suggest using the TSP's life-cycle funds, which automatically balance your investments depending on what stage you are in your career.

Social Security See-Saw

If you aren't able to save a lot and still meet your living expenses, then keep in mind that Social Security benefits are on a see-saw with your retirement savings. This means if you work at a lower salary, you will have more of your income replaced by Social Security and you won't need to save as much to make ends meet. If you are at the higher end of the pay scale, however, you'll have to save more because Social Security won't replace as much of your income.

But either way, you'll need more than just Social Security to have a comfortable retirement. Social Security replaces about 40 percent of an average wage earner's income after retiring, and most financial advisers say retirees will need 70 percent or more of preretirement earnings to live comfortably.

If you're widowed or divorced, you might get higher Social Security benefits based on what your former or deceased spouse was entitled to receive. There's more information in a Social Security fact sheet, "What Every Woman Should Know" <http://www.ssa.gov/pubs/10127.html>.

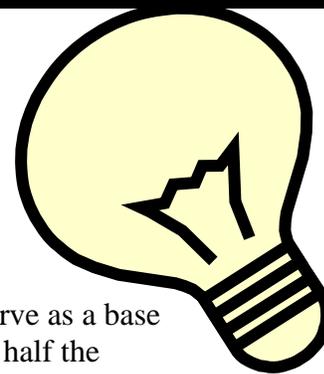
Retirees covered under the Civil Service Retirement System who are divorced or widowed might not be able to receive a Social Security benefit based on their former or deceased spouse's work record due to the Government Pension Offset. This can come as a devastating surprise if you aren't aware of it in time to prepare. Here's a fact sheet <http://www.ssa.gov/pubs/10007.html> with more information.

Basic Benefits

If you're covered under CSRS and don't pay Social Security taxes, then you'll need about 30 years of service to receive a benefit that is a little more than 56 percent of your high-three average salary. A 37-year CSRS career will provide a 70 percent replacement of the high-three. When you consider how much lower the withholdings are from a retirement check than a regular paycheck, this benefit alone might provide a financially comfortable retirement. In addition, if you don't need to have money deducted from your retirement benefit to provide a survivor's annuity, your check will be that much bigger.

The Illuminator

6-2010



FERS employees also have a basic retirement benefit, but it is designed to serve as a base for Social Security and TSP savings. The FERS basic benefit provides about half the benefit as CSRS for the same years of service. For example, 30 years under FERS will get you about 30 percent of your high-three average salary (33 percent if you're 62 or older). You can choose to get a benefit payable only during your lifetime, with no reduction to provide a survivor's annuity. When added to a Social Security benefit and investment income from your savings, this can be enough to enjoy a long, financially secure retirement.

Health Concerns

In addition to having enough money for retirement, you have to think about what happens in the event you become ill or need a caregiver. It goes without saying that quality health insurance is important. Luckily, federal employees and retirees have many good plans to choose from in the Federal Employees Health Benefits Program. Self-only premiums are usually less than half the cost of self-and-family coverage.

Then there's the issue of life insurance. Most people carry such insurance to protect family members who are financially dependent on them. If you don't support anyone financially, then carry only enough life insurance to cover the cost of your final expenses.

You might want to examine how much you currently spend on life insurance premiums and consider the possibility of reducing your coverage to free up money to buy long-term care insurance. This provides a resource to pay for a caregiver should you need personal care due to an illness or injury. You can see how much long-term care insurance would cost by using this online calculator

<https://www.ltcfeds.com/ltcWeb/do/assessing_your_needs/ratecalcOut> .

Beneficiary Designations

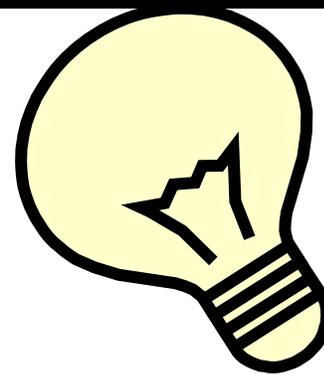
Single people generally do not opt to provide survivor benefits from their FERS or CSRS retirements, but it is important to designate beneficiaries for your other federal benefits. Having valid beneficiary designations on file will make your wishes clear and also make it easier for your beneficiaries to claim the benefits they're entitled to.

Here are links to some important beneficiary designation forms:

- * Unpaid Compensation of Deceased Civilian Employee
http://www.opm.gov/forms/pdf_fill/SF1152.pdf
- * CSRS http://www.opm.gov/forms/pdf_fill/sf2808.pdf
- * FERS http://www.opm.gov/forms/pdf_fill/sf3102.pdf
- * Federal Employees Group Life Insurance

The Illuminator

6-2010



http://www.opm.gov/forms/pdf_fill/sf2823.pdf

* TSP <http://www.tsp.gov/forms/tsp-3.pdf>

This column was directed at women, but much of this information applies to men, too. If you're under 45 years old, you have a great opportunity to plan now for a comfortable retirement. If you're a little older, you might need to consider working a few years longer than you had planned. This will allow you to make some adjustments to your retirement income that can afford you a more financially secure future.

Should Federal Workers be asked to take a Pay Cut too? During Public Service Recognition Week earlier this month, hundreds of job seekers converged on the National Mall to learn about career opportunities in the federal government.

While economists don't expect the private-sector job market to reach its pre-recession hiring levels until 2015 or later, the federal government, America's largest employer, suffers no such recessionary hangover.

The full-time federal civilian work force — excluding postal service employees — is expected to top 2.1 million in fiscal year 2010, and more than 560,000 new workers will be hired in the next four years, said John Palguta, the vice president for policy at the Partnership for Public Service.

For a nation battered by layoffs, plant closings and double-digit unemployment, Uncle Sam's hiring largesse should be a source of hope and inspiration. However, 98 percent of working Americans aren't federal employees, and many are wondering aloud why federal civil servants haven't faced the wage freezes, layoffs, furloughs, pay cuts and hiring freezes that many in the general work force have endured.

Surely, the bulging federal deficit, diminished income tax revenue and massive war budget should warrant some sacrifice at the federal level.

Shouldn't it?

"To the extent that the American people are tightening their belt, Washington should tighten its belt too," said Brian Reidl, a research fellow in federal budget policy at the conservative Heritage Foundation. "It's important that federal employees aren't exempted from the sacrifices that other people are making."

That same logic prompted President Barack Obama, on his first full day in office, to freeze the pay of about 100 senior White House staffers who earn more than \$100,000 a year.

The Illuminator

6-2010



It was a nice symbolic gesture. However, Chris Edwards, the director of tax policy studies at the libertarian Cato Institute and the author of "Downsizing the Government," said the freeze should be extended to all federal civilian employees for the next several years, or at least until the economy recovers and private-sector wages improve.

After all, average compensation for federal civilian workers increased nearly twice as much as it did for the private sector from 2000 to 2008, federal data show. In fact, the average annual compensation for federal civilian workers — \$119,982, including earnings and benefits — ranks seventh among 72 occupations, behind only high finance, energy and company management professions.

Then there are the benefits.

"Federal workers get a 401k-style plan, but they also get an old-fashioned defined-benefit pension plan with inflation protection," Edwards said. "They also get health care benefits when they retire above and beyond Medicare. You just don't see that kind of stuff in the private sector anymore, and I think the federal work force ought to reflect the private work force. It shouldn't be an elite island separated from the rest of us."

Palguta said some government compensation and staffing levels should be "readjusted," both up and down. "But the rational and logical thing to do is to go in with a scalpel, not with a sledgehammer," he said.

Paul C. Light, a professor of public service at New York University's Robert F. Wagner Graduate School of Public Service, agreed that a rigorous restructuring of the federal government is needed.

"But I think blunt instruments like pay cuts and hiring freezes have proven absolutely ineffective in the past," Light said.

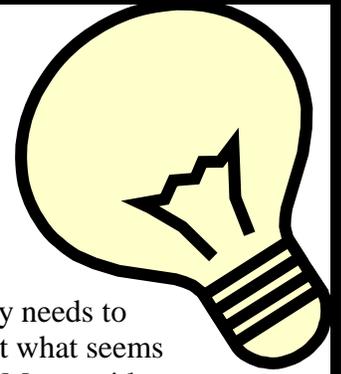
That's because they can be circumvented through promotions and advances through the dense federal employee classification system. "So unless you simultaneously freeze movement of employees through the pay grades, you've done nothing more than create more layers of bureaucracy," Light said.

Thomas E. Mann, senior fellow for governance studies at The Brookings Institution, a center-left Washington research group, said freezing federal wages wouldn't save much money anyway, since most of the federal deficit stems from transfer payments to states, social programs, defense spending and payment on the national debt.

As for federal salary and work force cuts, Mann said that's a "lousy idea."

The Illuminator

6-2010



"The public has a notion that in the face of an economic downturn, everybody needs to cut back and the government budget should be run like a family's budget. But what seems viscerally fair and the right thing to do can make just dreadful policy sense," Mann said. "Cutting efforts of any kind when the economy is still shaky is really a dumb thing to do."

Others say that cancelling promised raises for government workers would be like imposing a tax on one narrow segment of the work force — one that had nothing to do with causing the economic crisis.

"How do you get from the bailout of Wall Street to cutting the pay of the janitor or food service worker in a VA hospital? We bailed out millionaires and to pay for it, we should cut the pay of civil servants?" said Jacqueline Simon, the public policy director for the American Federation of Government Employees, which represents more than 600,000 federal workers. "Whatever problems the federal budget is experiencing has literally nothing to do with the size or compensation of federal employees."

To keep the wheels of government churning, Uncle Sam requires a diverse work force. The mammoth federal civilian payroll includes brain surgeons, janitors, attorneys, accountants, police officers, lawyers, economists, food service workers, scientists, housekeepers, physical therapists, weapons analysts, linguists, pharmacists and scores of other positions.

While the mission of government changes with the times, the size has been fairly stable for decades. The federal payroll, at roughly 2.1 million civilian employees, is up from about 1.8 million during the Clinton administration's "reinvention of government." However, the federal work force is roughly the same size as it was during Gerald Ford's administration and about 100,000 less than it was when President Ronald Reagan left office, Palguta said.

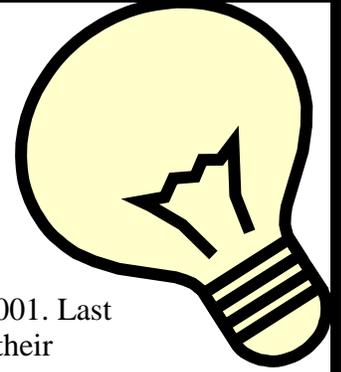
The executive branch is projected to add about 274,000 full-time civilian workers from 2007 to 2011. About 80 percent of these new employees will work in support of war and counterterrorism efforts at the departments of Veterans Affairs, Homeland Security, Defense, Justice and State.

Despite these additions, the federal civilian work force has been shrinking relative to the general population. In 1953, there was one civil servant for every 78 residents. That ratio fell to one for every 110 residents in 1988 and one per 155 residents in 2008.

A big part of that decline stems from the loss of lower-paid and lower-skilled federal workers whose jobs have been farmed out on a contract basis — so they're not on the federal payroll, but they're still paid with U.S. tax dollars. These contract workers cost the

The Illuminator

6-2010



government more than \$500 million a year, more than twice the amount in 2001. Last year, the Office of Management and Budget directed federal agencies to cut their contracting budgets by 7 percent to save \$40 billion a year.

As more lower-paying positions leave the federal payroll, they've been replaced by higher-paying positions that require better-educated and better-skilled workers. That's one reason why the average compensation for federal employees increased at nearly twice the rate of the private sector from 2000 to 2008, according to data from the Commerce Department.

Average earnings in the private sector, which includes minimum-wage workers, CEOs and everyone in between, increased 31 percent, from \$45,772 in 2000 to \$59,909 in 2008, federal data show. However, earnings for federal civilian workers rose about 54 percent in that period, from \$51,518 to \$79,197.

Federal workers also have seen more generous contributions and faster growth in the area of benefits. From 2000 to 2008, the average annual value of private sector benefits — mainly pension and health insurance contributions — have increased 43 percent from \$6,910 to \$9,881. However, benefits for federal civilian workers jumped 65 percent from an average of \$24,669 in 2000 to \$40,785 in 2008.

In March, Rep. Ann Kirkpatrick, an Arizona Democrat, introduced legislation to cut congressional salaries by 5 percent, from \$174,000 to \$165,300. If enacted, it would be the first pay cut for Congress since the Great Depression.

A similar measure for federal civilian employees would be difficult to do, especially for Democrats in an election year, but fiscally worth considering, said Pete Sepp, the executive vice president of the National Taxpayers Union.

"By expanding the scope beyond (members of) Congress, the savings at stake go from the millions into the billions," Sepp said. "In Washington, any talk of cutting salaries seems taboo, but outside the Beltway, where many people are making do with smaller paychecks or none at all, there might be a lot of receptive ears to the idea."

The Leadership Problem Obama's Hiring Initiative Won't Solve. Every president since Harry S. Truman has entered office with an agenda for making government work, and President Obama is no exception. He's launched a series of initiatives that aim to reform government bureaucracy and reverse the sagging confidence in government.

His most important promise so far may turn out to be the **new hiring process** for the next generation of federal leaders. The president's **memorandum** makes clear he wants agencies to accelerate the federal hiring process, build a more transparent tracking system

The Illuminator

6-2010



for applicants, and increase the overall quality of recruits. Not only that but he wants to make it easier for veterans to find federal jobs, increase workforce diversity, streamline the security clearance process, increase access to training, improve labor-management relations, and modernize the federal pay system.

These are all important, vital goals, and speeding up the hiring process will do a world of good. But Obama's challenge does not end there. The government needs to not only attract and efficiently hire quality talent -- it also needs to motivate, train and retain the people it does hire.

The current federal hiring process is more appealing to applicants who want security, not the chance to make a difference. The evidence is in the federal government's own employee surveys.

According to a **2006 survey by the U.S. Merit Systems Protection Board**, 63 percent of recent federal hires said that job security and the opportunity for advancement, pay, and various benefits were the most important factors in deciding to work for the government. In contrast, only 10 percent said that challenging and interesting work was their top criterion, while just 9 percent put the focus on making a difference with their work. Although all of these hires also said that mission was one of their considerations, it simply did not rise to the top of their primary list. Business employees may take their jobs for the same reason, but they don't have the same responsibilities.

Now let's say the government manages to solve the problem of how to attract and hire talented, motivated world-changers. A significant part of the answer is to change the hiring process to capture talent as quickly as possible and hire the candidates who show the strongest commitment to making a difference and the highest potential for growth. That is what Obama clearly wants to do.

The question is what happens when these highly motivated recruits actually get to work. Do highly motivated future leaders might start out with enthusiasm, only to find their responsibilities are so narrow that they cannot have a meaningful impact?

Hints of this frustration are easy to spot in the Office of Personnel Management's **2008 Human Capital Survey**. Although more than 90 percent of all federal employees said their jobs are important and meaningful, well over half also said they did not "have a sense of personal empowerment" in their work, less than half said they had sufficient information to connect the dots within their organization, and four-in-10 federal employees reported feeling that their workload is unreasonable.

In other words, there's no point in speeding up hiring if the bureaucracy itself is still moving at a snail's pace.

The Illuminator

6-2010



Finally consider the work environment. Future leaders can't learn the ropes and make a difference unless they have the resources to succeed. However, federal employees report shortages in every resource needed to do their jobs well, including training, technology, talented co-workers, well-trained managers, and qualified leadership.

Again, the evidence comes from current employees. Barely half of federal employees said they were satisfied with their involvement in decision-making that affects their work. Moreover, just over half of federal employees also said that they do not have sufficient resources to get their jobs done. Over a third of federal employees reported that were not given opportunities to improve their job-related skills.

As for the quality of their co-workers, federal employees are worried. Although they say that their co-workers share the mission of government, and work together well, they also express concerned about the talent base. According to the OPM survey, roughly half of federal employees say skill levels in their work units have improved over the previous year. At the same time, however, less than half say their agencies are able to recruit employees with the right skills.

The complaints extend to views of managers. Almost half of federal employees were dissatisfied with their communication with their managers, and almost two-out-of-three said they did not receive sufficient feedback on their training and development needs. In addition, 45 percent said their managers did not encourage communication with other work units, another clear barrier to connecting the dots involved in the recent government breakdowns such as the Christmas Day bombing plot.

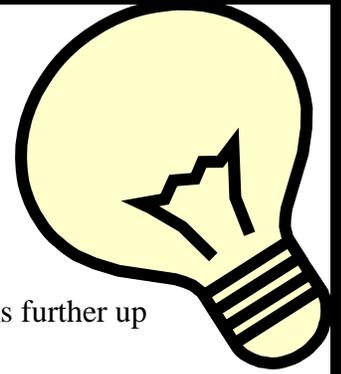
These complaints also extend to the senior leaders. Less than half of the federal employees interviewed in 2008 had a high level of respect for their organization's senior leaders. Additionally, only half of the federal service said senior leaders maintain high standards of honesty and integrity, and just 40 percent said that their senior leadership generates high levels of motivation and respect in the workforce.

This is not the kind of environment that produces highly motivated, well-trained future leaders. Recruiting them is hard enough, but keeping them is nearly impossible unless they get the encouragement and resources to succeed. Without more aggressive reform further up the bureaucracy, it is not clear that the federal government can prepare the next generation of leaders, especially if new recruits do not respect their current leaders.

If nothing is done to improve these problems, new leaders will simply drift toward security as their only motivation or leave. Neither is an acceptable outcome. Federal employees deserve decent pay, a measure of security, and good benefits, but they must be motivated first and foremost by the chance to accomplish something worthwhile for their

The Illuminator

6-2010



country. Fixing the recruitment problem merely creates a new set of problems further up the career path.

It is time for comprehensive reform of the entire bureaucracy. Obama should take steps to flatten the federal organization chart to create more opportunity for impact, provide enough resources so federal employees can do their jobs well, teach managers and senior leaders how to provide more encouragement for innovation and trying new things, and eliminate the needless duplication and overlap that gets in the way of making a difference.

This kind of reform would not only make federal jobs more meaningful, but would produce higher productivity and performance. It could also save a rather large amount of revenue at a time when taxpayers are clamoring for federal hiring and pay freezes. It is a win-win-win situation that Obama should not miss.

Fixing Balance of Worker's and Contractors Isn't a Matter of Math. The mix of government work done by federal employees and that done by outside contractors is out of balance, but the right balance doesn't simply mean having those employees do more of the contractors' work, the Obama administration told Congress Thursday.

In some cases, getting the mix right means hiring more federal workers to manage contractors who in certain cases might be creeping dangerously close to setting policy rather than just following orders.

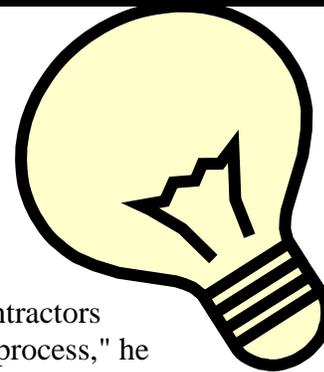
"While contractors play, and will continue to play, a vital role, there are situations where the mix of work performed by our federal employees and contractors is out of balance -- where agencies have contracted out functions that should be performed by federal employees," Daniel I. Gordon, the Office of Management and Budget's procurement policy chief, said in testimony prepared for a Senate Homeland Security and Governmental Affairs subcommittee.

The hearing drew a standing-room-only crowd for an unexciting subject that nonetheless gets to fundamental issues on the role of government. A key point is how the term "inherently governmental" is defined and how that definition is implemented when agencies determine what work is appropriate for outsiders and what jobs must remain inside.

In a draft policy letter released in March, the administration stuck to a definition that is already in law: A function is inherently governmental if it is "so intimately related to the public interest as to require performance by federal government employees."

The Illuminator

6-2010



Gordon told of conversations with federal employees who complained of contractors making policy. "Contractors are getting much closer to the decision-making process," he warned during the hearing's question-and-answer period.

But he also said the administration does not anticipate that plans to right the staff-contractor mix "will lead to a widespread shift away from contractors." In fact, his written statement continued, "rebalancing does not require an agency to in-source, that is, to convert work from contract to in-house performance."

Curtailing the Bush administration's drive to privatize the public's work has been an important element in the Obama administration workplace agenda. In March 2009, weeks after taking office, President Obama directed officials to "clarify when governmental outsourcing for services is and is not appropriate." The dividing line "has been blurred and inadequately defined," he wrote in a presidential memorandum.

Certainly, many jobs done by contractors will likely come back inside the government under Obama administration policies. Rebalancing the mix, however, also could include developing sufficient federal staffing to manage the contractors, Gordon said.

That's needed because, as Sen. George V. Voinovich (Ohio), the top Republican on the subcommittee, told the hearing, "our acquisition workforce grew only 11 percent while contract spending increased almost 60 percent between fiscal year 2002 and 2008."

In one example, Jeff Neal, the Department of Homeland Security chief personnel officer, acknowledged that the number of employees who manage contractors "took a nose dive" during the past several years. "The capacity issue is one I'm worried about," he said.

The chairman of the federal workforce subcommittee, Sen. Daniel K. Akaka (D-Hawaii), expressed particular concern about the overuse of DHS contractors. He said the department is "too heavily reliant on contractors to provide services that are critical to the agency's mission."

Representing government contractors was Alan Chvotkin, executive vice president of the Professional Services Council. He complained that a Defense Department effort to reduce contracting "has increasingly turned into a numbers game to meet personnel and dollar value quotas."

His organization released a statement that said, "DOD agencies have in-sourced commercial functions -- such as maintenance, audio visual services and pilot training service -- that do not require in-house government performance."

The Illuminator

6-2010



But it's also clear that much work that fits even a narrow definition of inherently governmental has been awarded to contractors, or at least that that was the plan during the Bush years.

Mark Whetstone offered a personal example. He works for Citizenship and Immigration Services and is president of the American Federation of Government Employees unit that represents the agency's workers.

Whetstone was an immigration information officer when the Bush administration tried to move that position to private contractors. Immigration information officers investigate and adjudicate applications from immigrants. "There was no question that we performed functions that should have been unambiguously reserved for federal employee performance," Whetstone said.

But had it not been for congressional intervention, "I would not be here today," he said, "because I and many other inherently governmental employees would likely have been privatized."

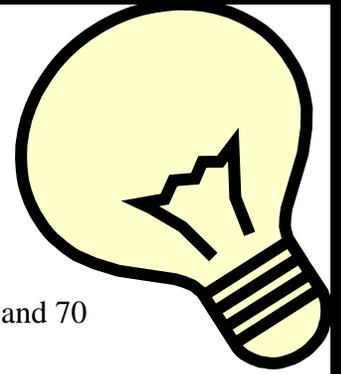
Sidetracking the Gravy Train: Government can no Longer Afford Gold-Plated Employee Benefits. If you are an elected official, and you have to make a choice between raising taxes on your constituents or cutting the number of government employees and their salaries, what would you do? For most of the last few decades, in most places, the politicians would just raise taxes. Now that is changing, and here is why.

In recent weeks, what used to be a rare event is becoming commonplace, and that is public employees losing their jobs or having their wages and benefits cut. Government employees are rioting in Greece (as if that does any good when the cupboard is bare) because many of them are losing their jobs. Greece, Spain, Portugal and even the Cayman Islands have announced they will be cutting public-employee wages and benefits. Many state and local governments in the United States are doing the same thing.

Most public employees have been pampered, rarely getting fired, with wage and benefit packages steadily rising, so now many are paid far more than their private sector equivalents. A recent study, using data from the Bureau of Labor Statistics, showed that average U.S. federal salaries exceed average private-sector pay in 83 percent of comparable occupations. In addition, according to the Bureau of Economic Analysis, the value of health, pension and other benefits averaged \$40,785 per federal employee in 2008 vs. \$9,882 per private-sector employee. A recent study done by Chris Edwards, director of tax policy studies at the Cato Institute, showed that pay in state and local governments "averaged \$39.66 per hour in 2009, which was 45 percent higher than the

The Illuminator

6-2010



private sector average. The public sector advantage was 34 percent in wages and 70 percent in benefits."

The overstaffing and sloppy work performance in the public sector is the subject of countless jokes, which would not be funny if they did not contain a strong element of truth. Even civil servants joke about the 80-20 rule - where 20 percent of the employees do 80 percent of the work and vice versa. The late-night comedians can always get a laugh when describing the indifferent attitude of department of motor vehicle employees. Professors in many public colleges now only teach one or two classes per semester. When I was a young professor, we taught three or four courses (which was not particularly taxing). No wonder college tuitions have been rising far faster than inflation. The private-sector has been surging in productivity growth while much of the public sector has negative productivity growth.

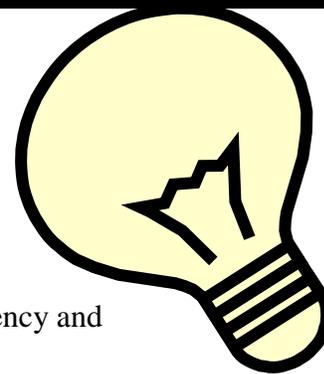
As most of the world's governments head toward a Greek-style meltdown, taxpayers increasingly realize that if government spending is growing faster than the economy, there is no way that tax increases can solve the problem - and most countries have about reached the limit of how much more tax revenue they are going to be able to coerce and extort from their citizens.

There is a definite limit to how much tax revenue the government is able to extract. The accompanying chart shows that even though income tax rates have gone up and down, tax revenues from the income tax (as percent of gross domestic product, GDP) have been remarkably stable, varying much more with the rate of economic growth than with the tax rate. For instance, over the last 70 years in the United States, maximum federal income tax rates have ranged from a low of 28 percent (1988-1990) to a high of 92 percent during and just after World War II, yet tax revenues have never exceeded 20 percent of GDP. In 1989, when the maximum individual tax rate was 28 percent, individual income tax revenue was 8.3 percent, and total revenue was 18.4 percent of GDP, both slightly above average for the period from 1970 through 2008, even though the maximum rate was 70 percent during the years 1970-1982. The fact is that beyond some point, people will find legal or illegal ways to avoid paying taxes regardless of the rate - and will engage in political tax revolts.

Unless basic changes are made in the medical and retirement "entitlement" programs, they will continue to grow both as portion of federal spending and GDP. As explained above, it is most unlikely that tax revenues will grow much as a percentage of GDP, and hence the deficits will get larger while all of the non-entitlement programs of government will be increasingly squeezed.

The Illuminator

6-2010



Governments have three ways out of the dilemma. They can debase the currency and cause inflation to reduce the debt. This will cause the real value of employee compensation to fall, including that of government workers (note: the government cannot fully index wages to compensate for inflation, because it will only increase government spending, causing even more printing of money and higher inflation). The government can default (explicitly or by extending maturities and reducing interest rates), which will restrict future borrowings, making it necessary to lay off workers. Or the government can be responsible and start to reduce all spending, including entitlements and government employee salaries and benefits.

Whatever course any government takes means that the golden days for most government employees are - or soon will be - over.

Management-Employee Relations

Labor Relations Authority begins Regulatory Reform Effort. As the Federal Labor Relations Authority moves forward with the first changes to arbitration regulations in 25 years, unions say the proposed reforms could make the process more fair and efficient.

In the initial phase of a more extensive process, FLRA announced some proposed changes to how arbitrators award damages and how parties could appeal awards in those cases. FLRA Chairwoman Carol Waller Pope called the changes "another step in our efforts to better serve our customers and provide them with meaningful and clear guidance."

Pope said FLRA designed the changes after an internal working group met with arbitrators, labor relations experts and members of the federal employee community in Washington, Chicago and Oakland, Calif.

The reforms include changing the appeals period to begin the day after an arbitrator makes an award, rather than the same day; allowing labor and management to ask FLRA to expedite its decisions on conflicts other than unfair labor practices; and extending the filing period if parties have asked for help through the Collaboration and Alternative Dispute Resolution Program, which helps labor and management resolve their differences without turning it over to an arbitrator.

CADRP participated in only 16 cases in fiscal 2009, but managed to resolve or convince the parties to withdraw 15 complaints during that time. FLRA issued 215 decisions during that same period.

Teresa Idris, general counsel for the International Federation of Professional and Technical Engineers, praised FLRA for focusing not simply on streamlining the arbitration process, but also on arbitration education -- an area Pope said will be a priority. FLRA expanded its training programs in October, and is conducting training sessions in collaboration with the Merit Systems Protection Board in support of President Obama's executive order creating labor management partnerships.

"This two-pronged approach is in keeping with the FLRA's overall focus on becoming more user-friendly and effective," Idris said.

Colleen Kelley, president of the National Treasury Employees Union, said she would examine the new rules closely and submit formal comments, but the proposed regulations "appear to be positive steps towards reducing misuse and abuse of the process." She cautioned, however, that FLRA needs more than regulatory reform.

"What is really needed to improve the work of the FLRA is adequate funding, including funding for staffing," she said. "FLRA staffing has not kept pace with the demonstrated need, causing lengthy delays in decisions related to exceptions filed to an arbitrator's decision. Given the vital role of the FLRA in federal sector labor-management relations, that has to change for the better."

Training, Self-Development, and Personal Improvement

DoD to Launch New Training for Supervisors. The Pentagon plans to start rolling out a new department-wide training program for supervisors later this year.

Supervisors will learn how to set and communicate team and individual goals, build effective teams, develop employees, give feedback, and supervise teleworking employees, said Marilee Fitzgerald, acting deputy undersecretary of Defense for civilian personnel policy.

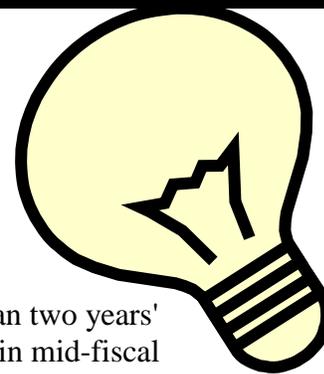
The program will eventually be taken by new supervisors in their first year, and experienced supervisors will take refresher courses at least every three years. Training methods will include formal classroom sessions, on-the-job learning, job rotations and mentoring.

"We are taking a new, fresh approach and dialing up supervisory training platforms to a corporate, department-wide model," Fitzgerald told the Senate Homeland Security and Governmental Affairs subcommittee on oversight of government management, the federal workforce and the District of Columbia.

The 2010 National Defense Authorization Act passed last year ordered the Defense Department to create a supervisor training program. By fiscal 2012, the Defense Department will have to train 1,000 new supervisors and provide refresher training to 25,000 existing supervisors each year, Fitzgerald said.

The Illuminator

6-2010



Pilot testing of the first phase, which will cover new supervisors with less than two years' experience, will begin this fall. Full deployment of the first phase will begin in mid-fiscal 2011.

The pilot test of the second phase, for supervisors and managers with more than two years' experience, will come in spring 2011. The full rollout will start in late fiscal 2011.

The Pentagon will also launch a pilot version of a new Defense Civilian Leadership Program in October. This program aims to identify promising midcareer employees in mission-critical occupations and groom them for leadership roles.

Fitzgerald said the October pilot test will focus on acquisition and financial management. Other occupations will follow later.

"We will replicate proven models like the Presidential Management Fellows program, which has a superb track record for recruiting and assessing the brightest from a diverse talent pool," Fitzgerald said.

Nancy Kichak, the Office of Personnel Management's chief human capital officer, said her agency plans to issue a new training policy handbook later this year that will include guidance on adding more supervisory training.

But Sen. George Voinovich, R-Ohio, said training is usually the first thing to be cut when budgets get tight.

"If you don't guarantee [training], it won't happen," Voinovich said.

Kichak said OPM Director John Berry wants to increase training as part of an overall civil service reform effort. Berry is talking to the Office of Management and Budget to find a way to require training funding, she said.

"He would like to see [funding] set aside for training," Kichak said. "It is one of his passions. But he is not the man who controls the budget, or the man who controls Congress."

Training Needs Assessments: The Driver Behind Organizational Success

Annually agencies are required to review their organizational, occupational, and individual training needs, a requisite called for by the Government Employees Training Act (GETA) which became law on July 7, 1958 and was reinforced by Executive Order (EO) 11348. Subsequent amendments to the GETA broadened the purpose of training, and aligned it with agency performance objectives, making training a management tool responsive to the current and future needs of agencies. Accordingly, organizations

The Illuminator

6-2010



should develop a systematic, structured approach to review current and future training needs. A training needs assessment provides management with a practical basis from which to plan, budget, and evaluate effective training and should be linked to the Government Performance and Results Act of 1993 [which emphasizes the importance of strategic planning].

There are three levels of needs assessment: organizational analysis, task analysis, and individual analysis. All three levels are interrelated and the data collected from each level is critical to a thorough and effective training needs assessment. Organizational analysis looks at the effectiveness of the organization and determines where training is needed and under what conditions it will be conducted. Task analysis provides data about a job or group of jobs and the knowledge, skills, attitudes, and abilities needed to achieve optimum performance. Individual analysis determines how well the individual employee is doing the job and determines which employees need training and what kind. Sources of information available for an individual analysis include performance objectives (identifies weaknesses and areas of improvement); performance problems (productivity, absenteeism, tardiness, accidents, grievances, waste, product quality, down time, repairs, equipment utilization, customer complaints, etc); observation; work samples; and, interviews.

The individual training needs of employees are evaluated within the framework of the organization's strategic goals to make certain of employees' performance competency and development. The use of individual development plans (IDPs) to document training assessment and plan for the development and training of employees has proven useful for managers as well as employees as they are *jointly* developed to identify and schedule individual training to meet mission, organizational, and individual requirements. In this regard, training is appropriate when the organization can expect to gain more benefit from training than it invested in its' cost. Organizations must rely on the vision and judgment of management and supervisors in this area. Training should be authorized to build skills and levels of knowledge which will help employees contribute to the organizational mission. To identify the training needs of employees requires a thorough analysis of mission objectives, resources (fiscal and personnel), expenditures, and other factors. The training requirements that are identified will factor into the organization's total training budget.

The organization's leadership is responsible for ensuring an effective civilian workforce is in place and then and for assessing the training needs of their employees, and through the use of the Army training cycle gives considerations to organizational, occupational and individual training requirements to ensure mission success.

Additional information and examples on workforce planning can be found on the following websites:

The Illuminator

6-2010



• OPM's [5 STEP WORKFORCE PLANNING MODEL](#), developed by the Human Resources Management Council, provides up-to-date information on workforce planning.

• Department of the Health and Human Services (HHS) [Building Successful Organizations](#) workforce planning model provides HHS with guidance and information on all aspects of workforce planning.

• U.S. Department of Transportation's (DOT) [Workforce Planning Guide](#) provides department-wide policy, guidance, leadership, planning, and consulting information for workforce planning.

• The Department of the Interior (DOI) [Right People, Right Place, Right Time](#), workforce planning guide, defines workforce planning and benefits. The guide also discusses related topics such as skill and competency assessment, strategic planning, and work planning objectives.

For additional information, please contact your servicing Human Resources Specialist at the Civilian Personnel Advisory Center.

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

Instruction includes the following modules:

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

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

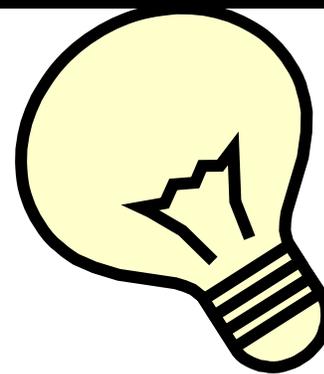
The Illuminator

6-2010

14-17 Jun 10

13-17 Sep 10

6-10 Dec 10



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

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).

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