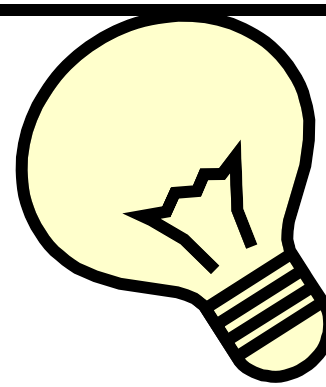
The

Illuminator

Shedding Light on the HR World



7-2011 Article Directory

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

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

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

Ten Tax-Unfriendly States for Retirees – 2011. Some states offer attractive tax benefits for retirees. Then there are these ten tax hells, which have earned a place on the "do not live here for your second act" list either because of higher-than-average taxes across the board or because of policies that don't exempt much retirement income from state taxation.

For retirees living on a fixed income, high income taxes, burdensome real estate taxes and hefty sales taxes on daily purchases can really eat into a nest egg. Choosing to relocate to — or stay put in — a state with a low overall tax burden can help stretch your retirement income.

#1 VERMONT
State Income Tax: 3.55%-8.95%
State Sales Tax: 6% (localities can add another 1%)
Estate Tax/Inheritance Tax: Yes/No

There are no exemptions for retirement income in the Green Mountain State, except for Railroad Retirement benefits (which are exempt in every state). Out-of-state pensions are fully taxed. Vermont exempts medical devices and prescription and nonprescription drugs from its 6% sales tax. But it imposes a 9% tax on prepared foods, restaurant meals and lodging, and a levies a 10% sales tax on alcoholic beverages served in restaurants. Real estate taxes have two components: school property tax and municipal property tax collected by towns and cities where the property is located. The Tax Foundation, a nonprofit tax-research group in Washington, D.C., lists Vermont's property tax among the ten highest in the nation.

#2 MINNESOTA
State Income Tax: 5.35%-7.85%
State Sales Tax: 6.875% (cities and counties can add another 2.65%)
Estate Tax/Inheritance Tax: No/No

Minnesota offers retirees cold comfort on the tax front. Social Security income is taxed to the same extent it is taxed on your federal return. Pensions are taxable regardless of where your pension was earned. Income-tax rates are high, and sales taxes can reach 9.53% in some cities. Food, clothing, and prescription and nonprescription drugs are exempt from sales taxes. The North Star State does offer some residents 65 and older who have income of $60,000 or less the option of deferring a portion of their property tax. But this is a low-interest loan, not a tax-forgiveness program.

#3 NEBRASKA
State Income Tax: 2.56%-6.84%
State Sales Tax: 5.5% (localities can add another 1.5%)
Estate Tax/Inheritance Tax: No/Yes

There are no tax breaks for Social Security benefits and military pensions in the Cornhusker State. Real estate is assessed at 100% of fair market value. Residents 65 and older qualify for a homestead exemption on property taxes. Food and prescription drugs are exempt from state sales taxes. But Nebraska imposes an inheritance tax on all transfers of property and annuities.

#4 OREGON
State Income Tax: 5%-11%
State Sales Tax: None
Estate Tax/Inheritance Tax: No/Yes

First, the upside: There's no state sales tax in the Beaver State. But it shares the distinction with Hawaii of imposing the highest tax rate on personal income in the nation on taxable income of $250,000 or more. Although Oregon does not tax Social Security benefits, that's the extent of its income-tax breaks for retirees. And Oregon has an inheritance tax that applies even to intangible personal property, such as investments and bank accounts, no matter where it is located.

#5 CALIFORNIA
State Income Tax: 1.25%-9.55%
State Sales Tax: 7.25% (effective July 1, 2011)
Estate Tax/Inheritance Tax: No/No

The Golden State has lost its luster for many retirees. Although Social Security benefits are exempt from state income taxes, all other forms of retirement income are fully taxed. Californians pay some of the highest income taxes in the U.S., with the top rate of 9.55% kicking in at $46,767 of taxable income. State and local sales taxes can reach 9.25% in some cities, although food and prescription drugs are exempt. Real estate is assessed at 100% of cash value, but taxes are capped at 1% of value.

#6 MAINE
State Income Tax: 2%-8.5%
State Sales Tax: 5% (counties can add another 0.5%)
Estate Tax/Inheritance Tax: Yes/No

Like the majority of states, Maine exempts Social Security benefits from state income taxes. And residents can deduct up to $6,000 per person of eligible pension income. But

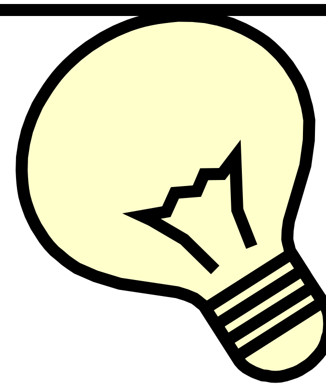
remaining income in excess of $20,150 per year is taxed at a steep 8.5% rate. Residents of the Pine Tree State pay a 5% sales tax statewide on everything except food and prescription drugs. All real estate and personal property is subject to local property taxes (and, in some cases, state property taxes, too), but permanent residents can receive an exemption of $10,000 on the assessed value of their home. Maine is also one of only three states that do not allow cities and towns to impose their own local sales taxes.

#7 IOWA
State Income Tax: 0.36%-8.98%
State Sales Tax: 6% (localities can add another 1%)
Estate Tax/Inheritance Tax: No/Yes

The Hawkeye State offers no feathered nest for retirees. Although it allows single retirees to exclude up to $6,000 of retirement-plan distributions from state income taxes, and married couples can exclude up to $12,000, the rest is taxed at rates as high as 8.98%. Iowa taxes a portion of residents' Social Security benefits, too, although it is in the process of phasing out the Social Security tax, which is scheduled to disappear in 2014. Food and prescription drugs are exempt from the statewide 6% sales tax. Real estate is assessed at 100% of market value, and most property is taxed by more than one taxing authority, such as cities, counties and school districts. There is a small homestead tax credit for residents who live in-state at least six months of the year.

#8 WISCONSIN
State Income Tax: 4.6%-7.75%
State Sales Tax: 5% (counties can add another 0.5%)
Estate Tax/Inheritance Tax: No/No

The Dairy State exempts Social Security benefits and military-related pensions from its state income taxes, but it taxes most other pension and annuity income the same way the federal government does. Retirees 65 and older can subtract $5,000 of qualified retirement income, including IRA distributions, from their Wisconsin taxable income, subject to income restrictions. Some Wisconsin state- and local-government retirees qualify for a tax exemption. But out-of-state government pensions are fully taxed. Food and prescription drugs are exempt from state sales taxes. Some homeowners may qualify for a school property-tax credit against their state income tax.



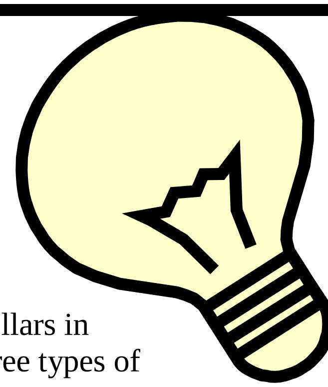
#9 NEW JERSEY
State Income Tax: 1.4%-8.97%
State Sales Tax: 7%
Estate Tax/Inheritance Tax: Yes/Yes

Its nickname may be the Garden State, but New Jersey is no Eden for retirees. The Tax Foundation says New Jersey's combined state and local tax burden is the highest in the nation, thanks in part to sky-high property taxes. But there are a few bright spots: New Jersey does not tax Social Security benefits and military pensions. It also allows residents 62 or older with incomes of $100,000 or less to exclude up to $15,000 ($20,000 for married couples filing jointly) of retirement income, including pensions, annuities and IRA withdrawals. Groceries, medicine and clothing are exempt from the 7% statewide sales tax. The state imposes an inheritance tax on the transfer of real and personal property worth $500 or more, but bequests to family members are exempt. Even with the bright spots, it's an expensive place to live for retirees.

#10 CONNECTICUT
State Income Tax: 3%-6.7%
State Sales Tax: 6.35%-7%
Estate Tax/Inheritance Tax: Yes/No

Connecticut can be inhospitable to retirees, depending on their income and where they earned their retirement benefits. Although some residents of the Constitution State can exclude their Social Security benefits from state income taxes, the exclusion applies only if their adjusted gross income is $50,000 or less ($60,000 or less for married couples). All out-of-state government and civil-service retirement pensions are fully taxed. Effective July 1, 2011, the sales tax rate statewide is 6.35%, with luxury items taxed at 7%. Connecticut residents pay some of the highest property taxes in the U.S., according to the Tax Foundation, but residents 65 and older qualify for an annual property tax credit or rent rebate.

Tax Diversification – What is it? Most people are familiar with the term diversification. Simply stated, it means not keeping all of your eggs in one basket. Most federal employees relate diversification to how their Thrift Savings Plan (TSP) investments are allocated, meaning spreading the total account value among large cap funds (C Fund), small cap funds (S Fund), international investments (I Fund) and some fixed income funds (G and F Funds). Doing this ensures that they're keeping at least a portion of their investments within the best performing asset classes, and at no point are all of their investments within the worst performing class. So, what does this have to do with taxes?



Tax diversification is a similar process. It's the strategy of investing your dollars in assets that are treated differently from a tax perspective. Let's look at the three types of investments.

1. Taxed investments: These are investments like single registered and joint registered mutual fund accounts, and owning individual stocks. You pay taxes on the capital gains and dividends at the end of the year or on an as-you-go basis.
2. Tax deferred investments: This is your TSP. Essentially, you're reducing your tax liability in the current year by deferring your income to a later date, when your marginal tax bracket will determine the taxes owed on those distributions.
3. Tax free investments: An example of a tax free investment is a Roth IRA. This is where all qualified distributions (distributions taken at age 59½ or older), including both principal and account growth, are distributed to you free of taxes.

So, what's the big deal? Regardless of your age, you should consider how to withdraw money from your retirement accounts, while making the most of your dollars. When it's time to create a withdrawal strategy, you'll need to consider how the withdrawals are taxed so that you take the least possible amount while paying as little in taxes as possible. Based on these tax rate assumptions, you're likely to project the smartest way to build your income stream.

If you're early to mid-career, establish your distribution strategy as early as possible so that you'll know what type of investments you should be taking advantage of right now. This will go a long way to ensuring flexibility and stability in your retirement plan.

If you are nearing retirement or have already retired, put your plan together so you know from which account your money is being distributed. In the past few years, I've had more and more feds tell me that they want to wait as long as possible before accessing their TSP. But, instead of focusing on when to distribute each piece, consider what will make your money last the longest while paying the least in taxes.

This may sound complicated. The typical thought pattern regarding retirement accounts is that one should take distributions from taxable accounts until depleted, then from tax-deferred accounts, and finally from a Roth in order to let the dollars grow as long as possible. In reality, you'll basically be playing a game against your respective marginal tax bracket. It's also important to re-evaluate your sources of income annually to determine how you should receive income to make the most of your hard earned retirement accounts.

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The ultimate goal is to have a stress-free retirement by making your money last. You'll want to maximize your investment accounts throughout your retirement, so, you must have a good understanding of the effect that taxes will have on your retirement.

How do you do this? The answer is that your situation is very different from everyone around you. You have different goals. You have different retirement account values. You have different Social Security and pension amounts. There is an optimal retirement income strategy for you. Have you figured out how to make your income last?

Financial Self Defense: What to Know before You Make a Decision to Use a Financial Advisor. The Certified Financial Planner Board of Standards has published the *Consumer Guide to Financial Self Defense*.The report lists "red flags" and "self-defense moves" that individuals can take if they run into any of the red flags. Here are a few examples of the moves they suggest.

- Ask your financial advisor to tell you the organizations where he/she is registered – then check the organizations to see if there are any complaints filed. Brokers are registered by FINRA; investment advisors by either the SEC or state securities office; insurance agents by their state insurance commission; and Certified Financial Planners by the CFP Review Board.
- Do not allow your advisor to complete forms for you, regardless of the paperwork burden. Also, ask your advisor to send you copies of any final, submitted documents.
- Make sure you receive regular statements from independent third-party sources, such as the custodians of your assets. Compare these reports with any you receive from the broker or advisor.
- Be suspicious of any pressure tactics or sales pitches when you are going through a major life change (e.g., death of a loved one, divorce, etc.). Avoid making important financial decisions for at least a year or two after a personal loss.
- Do not believe anything that sounds too good to be true. For example, Bernie Madoff's returns, when compared with the S&P 500 showed 3 losing months when the index had 26 and a maximum loss of 1.44% compared with the market's maximum loss of 14.58%. Wayne McLeod (called "mini-Madoff" by *Business Week*) victimized federal law enforcement officers with his "special fund" that promised a tax-free yield of 8% from government bonds. Both Madoff and McLeod were running Ponzi schemes.
- Do not invest until you fully understand the investment. Former SEC Chairperson, Chris Cox, said: "Never invest in anything you don't understand."
- Know how the advisor is compensated. A fiduciary will tell you upfront if their compensation is based on the investment they are recommending. If your advisor does not tell you, be sure to ask.

Employment-Related News

DoD Opposes New Hiring Authority for Vets. The Defense Department opposes legislation to boost federal jobs for separating service members, saying the proposal "runs the risk of making it extremely difficult for someone who is not a veteran to gain entry-level employment."

The bill in question is the 2011 Hiring Heroes Act, sponsored by Sen. Patty Murray, D-Wash., that includes a provision allowing separating service members to receive noncompetitive appointments to federal jobs. This hiring authority would be limited to the 180 days after discharge and is just one part of a comprehensive bill to help veterans find jobs.

Defense Department officials, in a statement released Wednesday on the bill, call the new hiring preference "far overreaching" and warn it could be challenged by the Merit Systems Protection Board that oversees federal personnel policies. "Given we have a myriad of hiring authorities for veterans, we do not see what problem this language is trying to solve," the statement says.

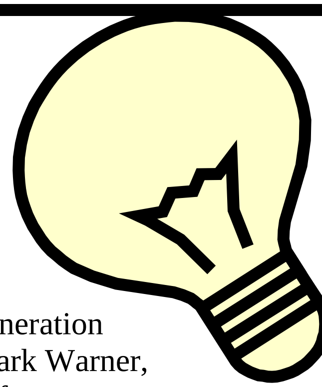
Defense officials do not oppose another provision of the bill that would create a pilot program where service members on terminal leave awaiting final discharge could get work experience by temporary employment in federal offices or with contractors doing work with the federal government.

Defense officials say they realize "the value of the programs" and would work on the details.

Murray, the Senate Veterans' Affairs Committee chairwoman, said she has 19 co-sponsors for the bill, S 951, and intends for her panel to vote on the measure by the end of June.

Report Recommends Pay Reform; Cuts in Management, Contractor Staff. The federal government faces such daunting management challenges that it must make comprehensive changes to pay, hiring and management practices, one expert argues in a scathing report which was recently released.

What was once described as a "quiet crisis" in government performance has become "a deafening roar," Paul Light, a New York University professor of public service, wrote in the report. "We see the result in unsuccessful, redundant, wasteful and counter-productive efforts in government."



The report, titled "Creating High-Performance Government: A Once-in-a-Generation Opportunity," was released at a Capitol news conference attended by Sen. Mark Warner, D-Va., who chairs a Senate Budget Committee task force on government performance. Among the problems singled out:

• Leadership that has been "inconsistent at best, negligent at worst."
Only 44 percent of federal employees believe that leaders of their organizations generate high levels of motivation and commitment from their workforces, the report said. To cut management fat, Light proposed eliminating about half of the 3,000 posts set aside for presidential appointees in the Executive Service and the Schedule C classification category. To trim bloat in high-cost civil service layers, the government could generally hire only one manager or professional in the GS-13 to -15 ranks for every two who leave or retire. The reverse would be true for service delivery employees: For every one who leaves, two would be hired.

• Pay that doesn't reward performance.
Light stops short of pressing for an end to the General Schedule system, but urges creation a "results-based pay-for-performance system" that includes training and monitoring systems to assure fairness. "We need to make grade and step increases more sensitive to individual, unit and agency performance and abandon automatic increases for any employee," he told Federal Times.

• Rampant inefficiencies, costing taxpayers billions of dollars, in the delivery of government services.

Those include a growing reliance on contractors; duplication in government programs, and a $300 billion backlog of delinquent tax collections. Light recommends reducing the contract workforce — now estimated about 7.5 million — by 500,000; improving tax collections and streamlining the federal acquisitions process.

Some of Light's suggestions dovetail with Obama administration priorities, such as reducing improper government payments and unloading thousands of unneeded or underused government properties. President Obama is also mulling a government restructuring to bolster American economic competitiveness, but has so far released no details.

To follow up on his agenda, Light recommends creation of a "Government Reform Corporation," able to submit legislative proposals to the White House and Congress for an immediate up-or-down vote. Not only would that approach be efficient, Light wrote, but it would let the public know that the government will finally tackle "some of its most deep-seated problems with effective and large-scale reforms."

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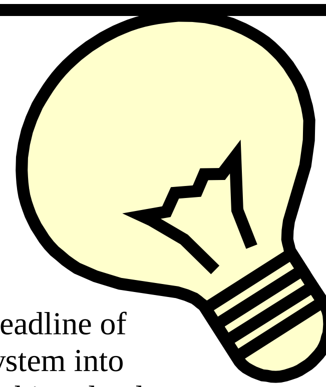


<u>November 20 Deadline Set on NSPS Transition.</u> The Pentagon has set a deadline of November 20 for moving the remaining employees in the NSPS personnel system into other systems. By law, the transition is supposed to be finished by the end of this calendar year, but a memo said the earlier target will provide time to catch any employees who were overlooked and resolve any remaining issues before the statutory deadline. At its peak, some 226,000 DoD employees were under NSPS, but as of the latest accounting, some 214,000 of them have been moved out, mostly to the GS, with many of those remaining moving into specialty personnel systems for acquisition employees or medical personnel.

<u>One More Time on Pay for Performance</u>. While the pay for performance element proved to be the main cause of the downfall of NSPS, the House Armed Services Committee recently urged DoD to try again, saying it “encourages the design teams to consider methods that more closely link pay with performance rather than tenure, which has been the primary persistent criticism of the GS system. Such incentives could include both monetary (such as quality step increases or cash awards for performance) and non-cash awards. These are just examples of the range of options the committee believes the performance management design team should consider. In addition, the department should develop measurable personnel performance metrics and consider whether professional certification programs are appropriate.”

<u>Reducing Across-the-Board Pay Adjustments</u>. Under normal circumstances, federal employees get an across-the-board pay increase each January. What that increase should be is determined by the Federal Employees Pay Comparability Act of 1990 (FEPCA), which states that it should be set at the annual rate of increase of the employment cost index minus one-half percent.

CBO recommends that the annual across-the-board adjustment produced under FEPCA rules be reduced by a half percentage point each year from 2013 through 2021. The 2013 date was chosen because pay adjustments have already been cancelled for 2011 and 2012. "Assuming that appropriations were reduced by a commensurate amount, federal outlays would be reduced by almost $10 billion over 5 years and by $50 billion over 10 years.

One rationale for such an approach is that it would constrain personnel costs, which make up about 15 percent of federal discretionary spending. Another is that "it would signal that the federal government and its workers were sharing in the sacrifices that many beneficiaries of federal programs may be asked to make in the name of deficit reduction."

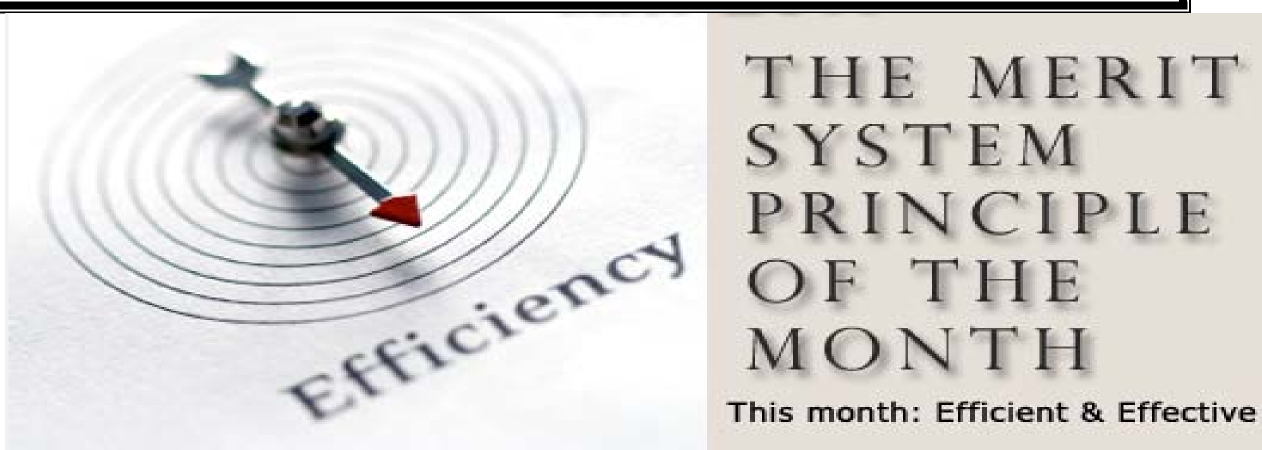
One counter argument is that it would make it more difficult to recruit qualified employees, especially by those agencies that require highly skilled workers where the competition to hire is more intense. Another is that while it would bring the wages of less educated workers in line with private sector wages, it would increase the gap for those with higher levels of education.

What isn't clear is how the proposal to reduce the FEPCA-produced increases would have any effect on what the actual across-the-board pay increases would be. Those increases have never been implemented. Instead the President has used his authority to choose a different increase if he determines that a national emergency exists or that serious economic conditions call for such action. And the Congress can either go along with that or substitute its own judgment.

The only possible connection between this proposal and reality is that by lowering the FEPCA number, the President would lower his recommendation by a similar amount. And the Congress, if tempted to overrule him, would similarly reduce its alternative.

Well, there you have it. A series of recommendations made by the CBO on how to reduce the deficit has been considered. Whether any of them have a chance of being implemented remains to be seen. In the meantime, remember what Oliver Cromwell once said: "Put your trust in God; but mind to keep your powder dry."

Merit System Principle of the Month



MERIT SYSTEM PRINCIPLE OF THE MONTH

NUMBER 5
Efficiency & Effectiveness of the Federal Workforce

> "The Federal work force should be used efficiently and effectively."

What is the intent behind the fifth Merit System Principle?

To understand this principle's intent, one ought to consider the balance that must be struck between a Federal employee's right to be hired and fired solely on the basis of his abilities vis-a-vis the public's expectation of a Government that is impartially administered and flexibly managed. Simply put, the public has a right to an efficient and effective Government which is responsive to their needs as perceived by elected officials. S. Rep. No. 95-969, at 4 (1978), *as reprinted in* Committee on Post Office and Civil Service House of Representatives, 96th Cong., Legislative History of the Civil Service Reform Act of 1978 (CSRA), at 1468 (1978). In fact, the idea embodied in this Merit System Principle has been referred to as "the fundamental policy" of the CSRA. *See National Treasury Employees Union v. Merit Systems Protection Board*, 743 F.2d 895, 912 (D.C. Cir. 1984).

What effect does this principle have upon the Federal Government?

This principle can impact the Federal workforce on a grand scale. For example, during a furlough, whereas 5 U.S.C. 7513(b) requires Federal agencies to give employees 30 days' advance written notice with an opportunity to reply before being furloughed, 5 C.F.R. § 752.404(d)(2) authorizes immediate furloughs under emergency situations, such as when Government funding is about to lapse, just like what happened in April 2011 when a government shutdown seemed imminent. In situations such as these, the public's expectations of efficiency and effectiveness triumph, although the courts have found that "precipitous action which deprives [Federal employees] of their livelihood must be restricted to very narrow circumstances." *Horner v. Andrzjewski*, 811 F.2d 571, 577 (Fed. Cir. 1987). One additional such circumstance involves seasonal employees. Since they are appointed during periods of increased workloads and are considered temporary workers, they may be placed in a nonduty, nonpay status without the 30-day advance written notice as long as doing so is in accordance with the terms of their employment. *National Treasury Employees Union v. Devine*, 10 M.S.P.R. 194, 198 (1982). The Merit Systems Protection Board (MSPB) reasoned that requiring agencies to adhere to the adverse action procedures under 5 U.S.C. § 7513, especially the advance notice provision, "would be unreasonable because it would frustrate the desired flexibility of this effective and efficient employment concept." *Id.*

What is the MSPB's role in protecting employee rights as to the fifth Merit System Principle?

Set forth as a separate requirement, but consistent with the fifth Merit System Principle, 5 U.S.C. § 7513(a) requires that an agency take an adverse action against an employee "only for such cause as will promote the efficiency of the service." That is the standard against which every adverse action is tested by the MSPB. Further, pursuant to 5 U.S.C. § 1204(a)(2), the Board has the authority to order agencies to comply with Board decisions and to restore an employee as nearly as possible to the situation he would have been in but for an agency action the Board has found unjustified or unwarranted. *Kerr v. National Endowment for the Arts*, 726 F.2d 730, 733 (Fed. Cir. 1984). Thus, the Board will require an agency to place an aggrieved employee into whatever position would be the same as or the most similar to the position from which he was separated. For instance, in *Holtgrewe v. Federal Deposit Insurance Corp.*, 57 M.S.P.R. 307, 312 (1993), the Board found that the agency's failure to reinstate an employee at the office from which he was removed, allegedly due to overstaffing there, was not in compliance with its order to reinstate him into a similar but lower-graded position. The Board was not persuaded by the agency's argument that placing the employee into a new location would satisfy the fifth principle since the agency failed to provide evidence as to when the office to which he should have been assigned had become overstaffed. *See id.* On the other hand, the Board has held that to accommodate a disciplinary demotion, agencies are not required to create jobs for which there is no need since doing so would be inconsistent with the fifth Merit System Principle. *Jackson v. Veterans Administration*, 31 M.S.P.R. 135, 136 (1986). Rather, in such circumstances, the employee is entitled only to a position for which he qualifies, after which he could be considered for reassignment, if warranted.

Among the issues that have repeatedly arisen in MSPB appeals is whether an employee's reporting of Government inefficiencies played a role in an adverse action against the employee. The Whistleblower Protection Act prohibits any employee with the authority to take, direct others to take, recommend, or approve any personnel action from taking, failing to take, or threatening to take or fail to take, any personnel action because of the disclosure of information by an employee or applicant for employment that the employee or applicant reasonably believes evidences, among other things, gross mismanagement or gross waste of funds. 5 U.S.C. § 2302(b)(8).

In January 2011, the Board issued a decision reversing the placement of the Chief of the U.S. Park Police on administrative leave and her subsequent removal for statements she made to the press pertaining to safety and other issues. *Chambers v. Department of the Interior*, 116 M.S.P.R. 17, ¶ 71 (2011). The Board concluded that the motive to retaliate against the Chief was strong because her statements to the media could potentially embarrass the agency before Congress and imply that Congress was not properly funding the agency. Although this is an example that most closely illustrates the ninth Merit System Principle, it also strongly relates to the requirement of the fifth Merit System Principle that the workforce be used effectively and efficiently.

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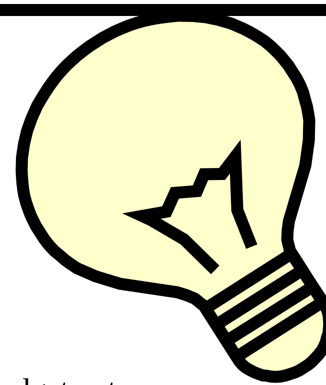


Efficiency & Effectiveness in Today's Federal Workforce

In light of today's high unemployment rate and due to recent and proposed budget cuts, the effectiveness and efficiency of the Federal workforce is under scrutiny. Just recently, the President signed Congressionally-approved legislation, entitled the Government Performance and Results Act (GPRA) Modernization Act of 2010, which requires all Federal agencies to set high-priority goals pertaining to performance, along with specific plans as to how each of the goals will be accomplished. The Act also requires that the plans be regularly adjusted to ensure that the goals are likely to be met. Considering all of the bills contemplated for passage, including bills to freeze hiring Government-wide, as well as the Federal Workforce Reduction Act of 2011, which would reduce the size of the Federal workforce by attrition, i.e., only one person hired for every two who leave or retire, it remains to be seen what will become of the workforce as we know it. Certainly, though, in such times, the need to adhere to the fifth Merit System Principle is even more important.

Management-Employee Relations

MSPB: Glass Ceiling for Female Federal Employees "Fractured", not "Shattered". A new U.S. Merit Systems Protection Board (MSPB) report is showing women have made significant progress over the past two decades in increasing their representation and utilization in the federal workplace. The outlook for women wanting to break through what the MSPB called the "fractured" glass ceiling, however, appears less promising.

On the up side, the MSBP report – the first such comprehensive report issued by the independent quasi-judicial agency since 1992 – shows that women now hold approximately 44 percent of federal professional and administrative occupations. That is a notable increase from 1991, when they held slightly more than 30 percent of positions in professional occupations and nearly 40 percent of positions in administrative occupations. Additionally, the pay gap between male and female federal employees has narrowed, with the median salary for women now being 93 percent of that for men, compared to 83 percent in 1991.

Now for the down side of the report, titled, Women in the Federal Government: Ambitions and Achievements. Some disheartening findings included:

In three-fourths of professional occupations, the salaries of women were lower than those of men, and the same trend played out in half of administrative occupations.
Although the MSPB noted these pay differences do not constitute as evidence of

discrimination or inequitable human resources practices and policies, it said “pay factors cannot be fully explained by measurable factors such as occupation, education and experience.”

Women accounted for only 30 percent of the senior executive service.

Agency recruitment trends toward the external hiring of professional, administrative and professional positions do not favor women.

For example, between 2000 and 2008, women secured 61 percent of mid-level administrative positions when they were filled through internal hiring, but they secured only 32 percent of the same types of position that were filled through external hiring.

Despite making representation gains in the lawyer and physician professions, women remained scarce in the engineering and law enforcement occupations, where they accounted for 14 and 22 percent of workers in those professions, respectively.

Discrimination cannot be blamed for all of these depressing statistics. Factors such as education, experience, geographic mobility and interest in career advancement come into play. But as the report states, “progress toward full equality is not complete” and “sex-based discrimination and stereotypes have not completely disappeared.”

Although the MSPB made recommendations in the report to close this equality gap, it said, “future progress may come less easily than past progress.” How true. Progress will likely come slower because the discrimination or unfair policies and practices that various legislative and administrative reforms have not been able to eradicate over the past quarter century are deeply entrenched in the federal workplace.

This development means whatever remnants of discrimination women encounter in the federal workplace will have to be countered aggressively. No matter how frustrated women get with the system, they should not lose sight of the merit system principles established under the Civil Service Reform Act of 1978 (5 U.S.C. §2301), such as “Recruitment should be from qualified individuals from appropriate sources …” and “Equal pay should be provided for work of equal value.”

Aggrieved female federal employees should contact a federal employment attorney to develop an aggressive legal strategy, which could include filing an administrative complaint or a discrimination complaint with the U.S. Equal Employment Opportunity Commission. In a so-called “mixed cases” where the discrimination is accompanied by a certain adverse employment action such as removal; an appeal could also be filed with the MSPB.

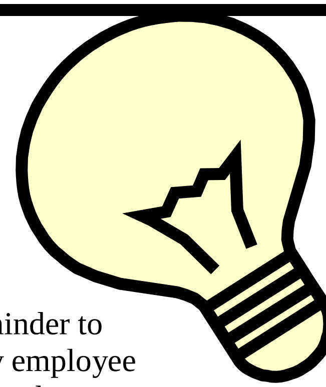
OPM Oversteps Bounds in Telling Agency to Fire Employee Who Wrote Bogus Resume for Wife. In a decision that more clearly defines the disciplinary limitations of the U.S. Office of Personnel Management (OPM), the U.S. Merit Systems Protection Board (MSPB) ordered OPM to cancel its April 2008 directive to the Defense Financial Accounting Service (DFAS) to fire James A. Scott. DFAS was also ordered to rehire Scott, who had received a conditional excepted service appointment to the position of human resources specialist. He will also receive back pay plus interest and other benefits.

Scott got on OPM's bad side after he confessed to writing his wife's résumé for a DFAS position. The résumé listed job duties she did not perform for previous employers in the private sector and featured terms exclusively associated with federal employment, such as "FEGLI" "OPM" and "thrift savings plan." Not pleased with the deception attempt by Scott, who had already served a year with DFAS, OPM deemed him unfit for any covered (i.e. competitive service) position. Further, the agency directed DFAS to remove Scott from payroll, canceled his reinstatement eligibility and barred him from competing for or being appointed to covered positions for a three-year period.

Scott appealed his removal to the MSPB, arguing that OPM lacked authority to base a suitability action solely on post-appointment conduct. He also claimed OPM regulations concerning false or deceiving statements applied only to an individual's own employment application. Another claim of race-based discrimination was raised. The MSPB agreed with Scott in finding OPM lacked authority in taking the suitability action against him. It did not address the deception regulation issue and remanded the race discrimination appeal for further adjudication.

With regard to Scott's unauthorized suitability action claim, the board stated, "In particular, we find that OPM does not have the authority … to make suitability determinations or to take or direct suitability actions against an individual based solely on conduct occurring after his admission into the competitive service."

The MSPB noted that OPM is authorized to investigate and determine the propriety of an appointment after it has taken place, but "[c]onduct occurring after the appointment process is complete … would not lie within the scope of such an investigation or determination." The board confessed to "erroneously" suggesting in several prior occasions that the scope of suitability investigations may include post-appointment conduct. For example, in Gamble v. Department of the Army, MSPB said, "A suitability inquiry is directed toward whether the 'character or conduct' of a candidate or current employee is such that employing or continuing to employ [him] would adversely affect the efficiency of the service." With Scott v. Office of Personnel Management, the board sought to "modify these decisions accordingly."



The Scott v. Office of Personnel Management decision should serve as a reminder to federal agency officials that they are not all powerful and cannot go after any employee whose conduct they disapprove. Federal employees should also see in this case how an agency can overstep its legal bounds when taking employment actions, and they should contact a federal employment attorney if they believe their employer has unjustly punished them.

Guidelines to Follow When Taking Government Work Home. Government work, as with work in the private sector, sometimes becomes quite taxing and you may find that you could benefit greatly if you could just take some of your work home with you and work on it there. Not so fast. Before you take anything home from your Government job you need to know the guidelines on doing so to ensure you not only get caught up with your work, but that you don't get in a heap of trouble in the process.

While there are no official guidelines to follow when taking Government work home with you, here are some general guidelines that should be followed to ensure you are going to be covered:

Ask Your Supervisor

You should never assume that you can simply take your Government work home with you for the night. Remember that as a Government employee, everything that you work with and work on is owned by the Government. That means that certain documents are going to be very sensitive, and must therefore stay safe at all times.

If you wish to take some of your Government work home with you, then you need to get permission to do so. This is easiest to accomplish by going directly to your supervisor. Ask them if you can take home some of your work and explain to them why you wish to do so.

Be Prepared to Show

Your supervisor may say yes or no right away and they may also wish to see what it is you are thinking about taking home with you. So, you should be prepared to show everything to your supervisor that you wish to take home.

Never E-Mail

If you do receive permission from your supervisor to take some of your Government work home with you, be sure that you only print out what you need or take it home on a storage device and never e-mail it to yourself. While e-mailing documents and files to your personal e-mail might be an easy way to go about getting what you need to your home, it can also comprise the safety of the files and documents. If the wrong people get a hold of the wrong documents, then you could inadvertently be putting the entire country at risk.

It is far better to take the extra time and print out what you need or save it all to a storage device from your Government secured work computer. This ensures maximum safety and allows you to protect the documents and yourself.

Get Final Approval

Once you have everything printed out and/or saved, you should seek final approval from your supervisor. By doing this you are allowing them one last chance to see exactly what you will be transporting to your home to work on. This is an important step as your supervisor may catch something that should not go out, that might have been overlooked when you first discussed taking home the work with them. So, it is kind of a redundant step, but it is also a great fail-safe.

Keep it Safe

You will want to use every possible precaution is taken when transporting any Government work home with you. Again, you will be transporting Government property and you should therefore take every step necessary to ensure that whatever you take with you arrives safely at your home with you. Not that you need to handcuff a briefcase to your wrist, but you should certainly use more precaution than simply throwing everything loosely into a file folder and then tossing the file folder on your back seat.

For Your Eyes Only

Once you successfully and safely transport the Government work to your home you need to be sure to continue to keep it secure. The Government material you will have in your possession should be treated as ‘for your eyes only’ and should not be shared with others. This includes roommates, friends, your children, and even your spouse.

Practice Common Sense

Do not use the Government work that you bring home with you for any other purpose other than what you discussed with your supervisor. Be sure that you follow protocol with loading any files or documents onto your home computer and also when you save anything off of your home computer. Make sure your online backup software does not make and save a copy of the material you are working on. Though you will be doing some of your Government work in the comfort of your own home, you should treat it as though you are still at your Government office and therefore observe all the rules and regulations you normally would.

Return it Safe

Use the same method to transport your Government work back to your Government job as you did when you brought it home. Keep it safe and secure and make sure it is kept organized.

Check All Work In

Whether you did work for ten minutes or ten hours, you should check in all the work that you did at home with your supervisor. This includes any added documents that you may have printed or any new files that you may have created and saved. By checking everything in you will show your supervisor that you did in fact work on what you said you would and you will assure them that you followed the proper protocol when doing so. Additionally, it will help keep you covered just in case.

Government Work at Home – Play it Safe

It can’t be stressed enough that bringing any kind of Government work home without permission is a bad idea. When taking anything that belongs to the Government you need to play it safe and get permission. The same holds true for Government work that you want to take home with you.

By playing it safe and clearing everything with your supervisor, you will guarantee yourself of staying out of trouble. You likely worked extremely hard to obtain the Government job that you have and it is not worth risking the loss of your Government job because you decided to not play it safe and take home Government work without following any kind of simple guidelines

Training, Self-Development, and Personal Improvement

Mentors Deserve Unconditional Thanks. If you have a mentor, remember that the only payback he receives for helping you is your gratitude and the knowledge that his advice has helped you in some way.

To put it in street language: Nobody owes you nothing. You should effusively thank your mentors whenever they extend themselves for you.

But even though your mentor deserves credit and gratitude for any of your successes that he helped catalyze, he does not deserve blame if any leads or advice he provides fail to pan out.

It is your decision whether and how to follow up on your mentor’s suggestions, so you must take responsibility for how your follow-up turns out — for better or for worse. What’s more, there are many reasons beyond your mentor’s control that may cause his advice or leads to fail. For example, perhaps his advice was executed improperly; perhaps key contacts are unavailable to help you or fail to produce anticipated assistance; or perhaps time has overtaken the advice.

Whether or not your mentor’s advice works out, he devoted time and thought to provide it to you — efforts that deserve thanks, no matter what their outcome.

So don’t make mistakes commonly made by mentees: to make preliminary comments like, “If X happens from all of this, I’m going to take you out to dinner,” or to only thank mentors when their assistance is fruitful. Rather, if your mentor’s efforts are worthy of a thank-you dinner, he is worthy of that dinner even if his efforts, for whatever reason, fail to meet expectations.

And by all means, if you promise to take your mentor out for thank-you drinks, dinner or anything else, be sure to do it. Otherwise, your mentor will remember, and not appreciate, your broken promise.

Some ways to thank your mentor:

• Report back how his advice helped you. If the advice did not work out, tell your mentor what you learned from the experience.
• Occasionally augment your verbal thanks with creative, intellectual thanks. For example, pass on a relevant article, book or documentary to him.
• Invite your mentor to any celebrations that mark your accomplishments, and publicly give your mentor credit for his help.
• Help your mentor, when appropriate. For example, if you mentor happens to mention, or you notice, an obstacle that you could help him conquer, volunteer to do so.
For example, if your mentor needs help using new media or social networking sites or is not maximizing their effectiveness, offer to help.
• Turn your mentor’s help into a gift that keeps on giving by mentoring another professional who would benefit from your advice. Tell your mentor about the mentoring altruism he helped inspire in you, and how you are passing on his knowledge to other worthy professionals.
• Send a well-thought-out thank-you card. Written thank-yous are more memorable than spoken ones. Also consider giving him a small gift of appreciation, if appropriate.

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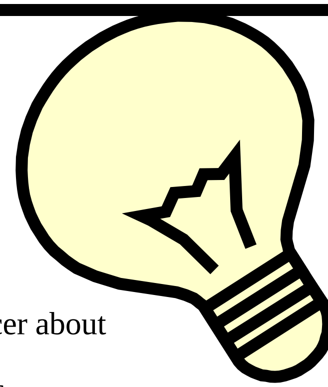

Caution: If you and your mentor are both feds, ask your agency's ethics officer about constraints on gift-giving.

• Remember that it is never too late to thank a mentor. Even if a teacher, professor, supervisor, colleague, manager or someone else provided you with important guidance years ago — perhaps it was guidance or inspiration that served you well during a pivotal time or throughout your career — contact him now.

There is no expiration date on thank-yous. Even if your mentor doesn't remember you, or your thank-you is belated, your expression of appreciation will give your mentor a well-deserved thrill.

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

Instruction includes the following modules:

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

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

Next course offerings:

19-22 Sep 11
5-9 Dec 11

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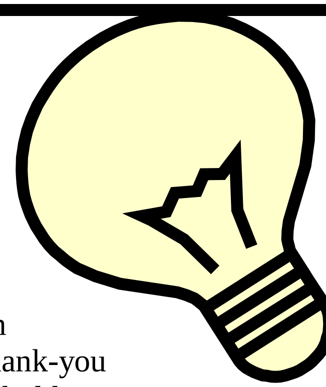
Remind your Boss Why you Shine. Whether or not your boss requests from you a list of your achievements before he prepares your annual evaluation, you should submit one. Without your list, your boss will probably be more likely to accurately and completely remember what he achieved in sixth grade than what you achieved six months ago.

How to convey your achievements in impressive terms:

- Begin with a concise description of your achievements; how your responsibilities increased; how you went the extra mile; obstacles you conquered, and any other overarching themes for the year.
- Use bullets, and start each bullet with an action verb — such as completed, led, organized, created from scratch, advised and coordinated. To find more action verbs to include in your bullets, do a search on the Internet for "action verbs for resumes."
- Craft your bullet points as results-oriented statements that convey how your achievements benefited or added value for your office. For example, did you help your organization do more with less, speed or improve processes, reach new audiences, eliminate bottlenecks, publish documents or improve your organization's image?

- Quantify. Support descriptions of your activities and results with statistics, measurements, counts and other metrics. By doing so, you will convey the heft of your achievements and present them as indisputable. To identify appropriate metrics, review metrics included in your organization's strategic plan, and consider metrics related to time, money, geography and the number of people, organizations or events that benefited from your work. For example, cite the number of work products you produced per week or month; the tight or ever-changing deadlines you met; the time-savings you produced; the number of hits received by a website you produced; the increase in web traffic you helped generate; the number of people affected by a program you managed; the number of people you trained; the number of cases you managed; the number of stakeholder groups you coordinated; the number of media appearances you organized; the size of the cost-savings you produced or waste you eliminated; the budget increase that you helped generate; or the size of your jurisdiction. If you can't quantify specific numbers, approximate.
- Name-drop. Cite the names and titles of political appointees, stakeholder groups, senior staffers and members of Congress who reviewed, approved or used your work products, attended events you organized, belonged to your target audience or benefited from your work.



- Validate your success. When possible, crown your achievements with objective evidence of your success, such as verbal, written or emailed thank-you notes or praise you received from managers, clients, contractors or stakeholder groups; individual or team awards that you earned; awards or records that you helped your organization earn; special requests for your services issued by managers; favorable press, newsletter or Internet coverage garnered by your projects; positive survey, investigative or audit results that you helped your organization produce; or your record of completing projects on time or on deadline. Don't assume that your boss remembers praise he heaped on you. Include oral, written or emailed compliments from your boss as well as any time-off awards, cash awards or promotions you received with accompanying written praise.
- Cite classes and your associated high grades, as well as training and conferences you attended, and explain how your participation helped increase your productivity. What if your boss ignores your list or omits your achievements from your written review? Ask him to attach your list to your written review so that it will become part of your formal record. That way, if the application for your next target job requires you to submit your most recent annual evaluation, as is common, you will receive credit during the application process for the contents of your achievements list.

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.

Ten Tips Organizations Should Consider When Implementing a Successful Succession Plan. OPM has estimated that by the end of 2015, more than 50% of the 7,746 senior executives in place at the beginning of 2011 will have left government, taking with them key institutional knowledge and critical skills.

A large percentage of the federal workforce is also expected to retire in the next few years as the Baby Boomer generation ages.

These factors combined highlight an important need for agencies to ensure they have strong succession plans in place to prepare for the potential "brain drain" in the government's workforce as the baby boomers start to leave government service and a younger generation takes their place.

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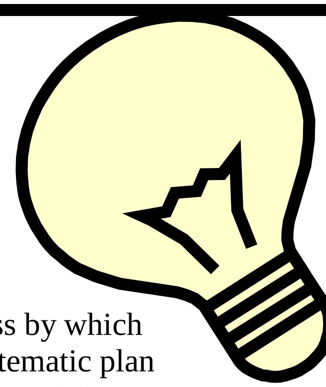

Succession planning is not new. It is an organizational imperative, the process by which an organization validates itself by putting into place a formal or informal systematic plan that meets organizational needs. Specifically, a succession plan identifies key positions, and cultivates leadership skills of qualified high-potential personnel to ensure leadership continuity. Succession planning is a process that is critical to the short-term and long-term success of any organization. Succession planning and management help organizations fulfill their missions by preparing for job vacancies.

The absence of a succession plan puts any organization at risk. Consider the following situation: Your organization has been confronted with a major catastrophe and you are suddenly crippled by significant personnel shortages, including the loss of two frontline supervisors, three mid-level managers, and five senior managers. What do you do now? You did not plan for these losses. You have no structured succession plan in place; you have not identified key positions in the organization, nor have you identified prospective replacements or cultivated leadership skills of potential successors.

There is no “one size fits all” succession planning process. Succession plans must be developed according to an organization's business needs and priorities. Each organization has its very own unique set of operating and business needs that are reflective of its values, principles and practices.

Regardless of the type of industry or the stage of development of the organization, succession planning is critical to the longevity of any organization. Here are ten steps an organization should take to develop and implement a sustainable succession plan:

1. The executive leadership and management must first admit that there exists a critical need for a systematic formal or informal succession plan; they must be proactive and plan in advance for who will fill a vacancy; ensure that the workforce is aligned with the organization’s overall strategic plan and goals; create a consensus for making it a priority to build a system capable of identifying and cultivating leadership skills of qualified high-potential employees; and encourage employee commitment.
2. Work to focus the scope of the succession plan; create mechanisms for short-term and long-term talent building; process problem identification and problem analysis and provide external know-how. Ensure that inbuilt capacities are put into place for accountability and ownership purposes. The executive leadership team is the glue that will hold the succession effort together; they must consistently demonstrate a belief in and enthusiasm for developing and sustaining the plan. Once the plan is in place, procedures must be developed to promote succession management, which is the execution and monitoring of the plan.

3. Ensure that the big three (i.e. HR departments; Office of Strategic Management and the Executive Leadership team) are in sync. The succession plan must be linked to, and supported by the organizations overall mission, vision, issues, and strategic goals.
4. Understand that succession planning and management cannot be conducted in a vacuum; rather, these processes should be linked to and supportive of existing strategic plans, human resource development plans, and other planning activities in an organization.
5. Act with a sense of urgency and constancy of purpose.
6. Take deliberate action and be honest about the urgency of personnel shortages. The focus is on developing talent to ensure bench strength in the organization. The common thread for implementing a successful succession plan is communication.
7. Make succession planning the business of the entire organization; make everyone throughout the organization part of this important process.
8. Use technology as a means of identifying, tracking, monitoring, and developing the process of identifying high-potential employees. Remember, however, that we depend on technology, but we are not lead by technology. Everything seeks its own level.
9. Succession planning is a support function of the Human Resources department, but HR does not own it; the management team does. They must do the heavy lifting and be the catalyst for ensuring that the succession planning process succeeds. Without the constant and consistent support of the management and the executive leadership team, the process will fail.
10. Understand that succession planning is not easy and it does not happen overnight. It takes mental acuity, agility, commitment, dedication, determination, persistence, collaboration, funding and lots of hard work to ensure its success and return on investment.

When management takes the time to learn about succession planning, speak the language, adopt the principles and concepts, encourage employee commitment, invest fully in the process, and enable everyone in the organization to apply what is required of them, then they are poised for success in succession planning processes.

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 a Notification of Personnel Action (i.e. 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.

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