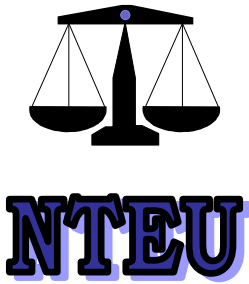


March 2003



# Alert!

# Chapter 25

## Finally...The Raise and Other Money Issues.

*Various stories from FedManager unless otherwise noted*

### **UPDATE: PRESIDENT SIGNS OMNIBUS BILL CONTAINING 4.1 PERCENT PAY RAISE FOR FEDS**

The Senate has passed the 2003 omnibus appropriations bill, which includes a 4.1 percent pay raise for federal civilian workers. This 4.1 percent pay raise is to be retroactive to the first pay period of 2003. New pay tables will have to be issued and retroactive payments will have to be made. It's currently unclear how fast that will happen, but it likely will be a matter of weeks, if not months, until the payroll systems of various agencies can be revised to catch up to the change. For the meantime, employees will continue receiving pay at the rates effective since the first pay period of January, which for most employees started January 11.

### **BOOST COMES AT A COST**

*from FedWeek Feb. 19, 2003*

While the annual federal pay raise battle commonly is a long and hard-fought one, the process for setting the 2003 increase was exceptionally lengthy and difficult. While supporters of the higher figure once again managed to maintain parity between federal employee and uniformed military pay, it came at the cost of requiring agencies to absorb the costs of the increase. While that has been done many times in the past with little noticeable effect on agency operations, the absorption requirement could hit harder this time. The amount of money involved is greater, agency overhead budgets from which the raise must be paid already are stretched, and the budget measure further imposes other across-the-board cuts in spending that must be accommodated. The twin requirements already are raising the prospects that agencies will impose hiring freezes and cut travel, training and other overhead expenses and that some may have to resort to furloughs or layoffs.

## **FEHBP PREMIUM INCREASES ARE IN LINE WITH OTHER LARGE PURCHASERS, CONCLUDES GAO**

Despite complaints that premium costs for the Federal Employees Health Benefits Program (FEHBP) are rising too rapidly, the General Accounting Office (GAO) has concluded that the increases from 1991 to 2002 are generally in line with other large purchasers – about 6 percent annually. FEHBP premium increases were lower than other large purchasers' from 1991 to 1996, while from 1997 to 2002 FEHBP's premium increases were higher than other large purchasers, said GAO. In fact, FEHBP enrollees would likely have paid even higher premiums in recent years if not for modest benefit reductions and enrollees who shifted to less expensive plans. GAO pointed to rising costs for prescription drugs and more people using hospital outpatient care as the primary reasons for the increases in the FEHBP premium costs. The report is entitled, "Federal Employees' Health Plans: Premium Growth and OPM's Role in Negotiating Benefits," GAO-03-236, December 2002.

## **BILL REINTRODUCED TO LOWER FEHBP EMPLOYEE COSTS**

Congressman Steny Hoyer (D-Maryland), in conjunction with a bipartisan group of lawmakers, recently reintroduced legislation to increase the government's share of the Federal Employee Health Benefit Plan (FEHBP) premiums from 72 percent to 80 percent. "As the cost of health care has exploded, the strain on every federal employee's pocket has gotten worse," said Congressman Hoyer. "This legislation will help counteract rising health care costs and make it easier for federal employees to afford quality health care." By increasing the government's share of premiums, Hoyer stated, the share the federal government pays will be brought more in line with what most private and state employers pay – approximately 83 percent for single health coverage and 76 percent for family coverage, according to the Kaiser Family Foundation. By the Office of Personnel Management's calculations, Hoyer says, the average employee would save approximately \$509.08 per year under this legislation. Congressman Hoyer introduced the same legislation in the 107th Congress (H.R. 1307), which 94 other Members of Congress co-sponsored. We'll keep you updated on the progress of the bill.

## **THIRD ROUND OF FAIR ACT LISTS SHOWS NEARLY 540,000 FEDERAL JOBS ELIGIBLE FOR OUTSOURCING**

Nearly 540,000 federal jobs are not "inherently governmental" in nature and could be outsourced to the private sector, concludes the latest round of FAIR Act lists released by the Office of Management and Budget (OMB). Another 522,000 jobs that were examined for the third round were determined to be "inherently governmental," meaning they are not eligible for outsourcing. Under the "Federal Activities Inventory Reform Act of 1998" or "FAIR Act," federal agencies must identify jobs that are not "inherently governmental" in nature, and submit this information to OMB. OMB then reviews the lists and publishes them. Employees, unions, or private-sector contractors who disagree with the agency's list can challenge the agency's decision to include or omit a job on the list. In the first two rounds of the 2002 FAIR Act inventories, approximately 130,000 federal jobs were identified as positions that were "commercial" in nature and could be outsourced to the private sector, and 243,000 jobs were categorized as "inherently governmental." The FAIR Act lists have gained in importance in the past year because of a Bush Administration initiative requiring agencies to outsource or hold public-private job competitions for 15 percent of the "commercial" jobs by the end of this fiscal year. Eventually, agencies will have to outsource or compete 50

percent of the federal jobs identified as “commercial.” The third round of FAIR Act lists is published in the February 6, 2003 Federal Register, Vol. 68, No. 25, pp. 6225-6226.

## **TSP “CATCH-UP” CONTRIBUTION PROGRAM FOR FEDS AGE 50 AND OVER BEGINS THIS JULY**

The Thrift Savings Plan (TSP) “catch-up” contribution program for federal employees age 50 and older will begin this July, the TSP Board stated recently. Enacted last November, the program allows older federal workers to contribute up to \$2,000 more each year to the TSP than their younger counterparts. For 2003, for instance, federal employees under the age of 50 who are covered by the Civil Service Retirement System (CSRS) can contribute up to 8 percent of their basic pay each pay period to the TSP, and those covered under the Federal Employees Retirement System (FERS) can contribute up to 13 percent of their basic pay to the TSP, up to a maximum of \$12,000. Federal workers age 50 and over, however, will be allowed to contribute an additional \$2,000 to the TSP, up to a maximum of \$14,000. The program is intended to encourage older workers to save more money for retirement, to make up for any years in which they did not – or could not – save.

The TSP Board has said that it will formally announce the availability of the new program beginning this July, and that eligible federal workers will be able to make the election no earlier than the first full pay period in August 2003. Catch-up contributions are not eligible for agency matching contributions.

To be eligible, federal employees must be: (1) in a pay status; (2) contributing either the maximum TSP contribution percentage or an amount that will result in his or her reaching the elective deferral limit by the end of the year; (3) at least 50 years old in the year the catch-up contributions are made (participants who turn age 50 on December 31st of that year are eligible that year); and (4) not in the 6-month non-contribution period following the receipt of a financial hardship in-service withdrawal.

For more information on the new program, click on <http://www.tsp.gov/bulletins/03-4.pdf>.



### **THE FUNDS – Rates of Return**

<http://www.tsp.gov/>



Rates of Return were updated on **March 5, 2003**.

	G Fund	F Fund	C Fund	S Fund	I Fund
February 2003	0.32%	1.41%	(1.49%)	(2.56%)	(2.29%)
<u>Last 12 Months*</u> (3/1/2002 - 2/28/2003)	4.80%	9.99%	(22.65%)	(18.35%)	(17.49%)

\* The G, F, C, S, and I Fund returns for the last twelve months assume, except for the crediting of earnings, unchanging balances (time-weighting) from month to month, and assume earnings are compounded on a monthly basis.

## **Around the Office**

- Sometime over the weekend of February 22<sup>nd</sup>, the San Antonio offices were broken into. TIGTA, the San Antonio Police Department (SAPD), and the Federal Protective Services were called in to investigate. It appears nothing, or very little was taken. The “after hour taxpayers” did not steal any computers, loose change or any electronic equipment at the employee’s desk. Many of the desks were opened, some had locks broken, no vandalism other than the marks on the doors that were they broke into. SAPD dusted for fingerprints. Since management could not determine why someone would break in and not take anything, they thought maybe something was left behind. So all employees above the first floor were sent home, about 2:00pm so the police dogs could search the spaces. Nothing was found and the investigation continues.
- GSA and Facilities continues to search for new quarters for the San Antonio POD. The search has been reduced to a couple sites. Additional bids and negotiations must be completed before any announcement can be made. I am told the time table remains on schedule.
- For the Revenue Officers, the excitement of new computers is just around the corner. Many are going to training to teach the rest and the Group Resource Persons are getting training on problem solving. Generally speaking, the new Compaq computers will be delivered the week of April 14<sup>th</sup>. Training will begin the following week. There are many tasks to be done to the old system to prepare for the upgrade and many other tasks to get the new ICS-XP up and running. Contact your Group Resource Person for your time schedule and details.
- After the filing season, the Austin Rundberg office is scheduled for some work.. The tentative plans call for modernization and remodeling. The plans have been drawn and the Agency is waiting for funds to be approved.
- The N.T.E.U. National Convention will be held August 4 – 7, 2003 in Honolulu, Hawaii. If you wish to attend at your own expense and on annual leave, please see Chapter President Tom Jones for additional information.
- Chapter 52 continues its efforts to protect your rights through filing grievances when management fails to comply with the National Agreement. The Chapter continues to fight management’s contention they have a right to mandate that they ride in your automobile on field visitations.
- Management is attempting to remove someone without ever asking them their side of the story. The member was suddenly hit, without warning, with a letter proposing their removal. Decisions of this magnitude should have been made with all the facts and circumstances, but it wasn’t. We will do all we can to protect this person’s rights.
- Travelers can now be reimbursed for ATM fees and overweight baggage, see <http://awss.web.irs.gov> for additional information.
- If you have any news regarding your POD or an event, please fax your story to 210-706-5376 or mail to NTEU Chapter 52, Stop 1700SANW.

# TOM'S HUMOR PAGE



## Diet Facts

- A diet is a weigh of life.
- It's not the minutes spent at the table that put on weight, it's the seconds.
- It's something most of us do religiously: We eat what we want and pray we don't gain weight.
- The problem with curbing our appetites is that most of us do it at the drive in window of McDonalds.
- The fattening thing you put in an ice cream sundae is a spoon.
- The biggest drawback to fasting for seven days is that it makes on weak.
- Sweets are the destiny that shapes our ends.
- Diets are for people who are thick and tired of it.
- The toughest part of a diet isn't watching what you eat. It's watching what other people eat.
- A diet is when you have to go to some length to change your width.
- The best way to lose weight is by skipping...snacks and desert.
- Most people gain weight by having intimate dinners for two...alone.
- People go to Weight Watchers to learn their lessens.
- A diet is the modern-day meal in which a family counts it calories instead of its blessings.
- One guideline applies to fat and thin people alike: If you're thin, don't eat fast. If you're fat, don't eat – FAST.
- Above all, dieters are advised to avoid Pepsi, “the pause that refreshes.”

## Fascinating Facts

- Q. What do 100% of all lottery winners do?
- A. Gain weight.
  
- Q. What do bullet-proof vests, fire escapes, windscreen wipers, and laser printers all have in common?
- A. All invented by women..
  
- Q. This is the only food that doesn't spoil.
- A. Honey.
  
- Q. Half of all Americans live within 50 miles of what?
- A. Their birthplace. This is propinquity.



Chapter 52 *Alert!*, all the news that is fit to be copied!

This **Chapter 52 *Alert!*** and all ***Alerts!*** since January 2001, can be found on our

Chapter Web Page at <http://www.nteu52.org/>

You can e-mail any Chapter officer, staff member or steward from the site.

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*Executive Vice President, Patricia Kelley*

*VP Area A & Chief Steward, Bill Grace*

*VP Area B & Asst. Chief Steward, Mick Eskew*

*VP of Finance & Recordation, Fran Dunagin*

<p><i>Send comments and/or articles to 1700SANW or fax 210-706-5376, attention Alert! Mick Eskew</i></p>
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