

Alert!

Chapter 52
National Treasury
Employees Union

March/April, 2005

First Cut at Budget Silent on Pay Raise

FedWeek, March 23, 2005

The House and Senate budget committees have produced first drafts of the fiscal 2006 federal budget setting general tax and spending policies but not addressing the January 2006 federal pay raise. The budget "resolutions" are not binding and serve mainly as guidance for appropriations committees that write the bills containing the actual spending and policy decisions for the budget year that starts October 1. Supporters of setting the raise at 3.1 percent in the name of parity with military personnel--the White House has recommended 2.3 percent for federal workers--considered offering amendments but ultimately decided not to, partly because budget leaders preferred not to make a commitment on the raise at this early stage of the budget process. Such amendments might be offered in House and Senate floor voting, however.

Key Panels Support Pay Parity

FedWeek, March 23, 2005

Meanwhile, the two committees with primary jurisdiction over federal employee matters--in the House, Government Reform, and in the Senate, Homeland Security and Governmental Affairs--both have issued statements in favor of pay parity. The House panel said the raises for civilian and military personnel "should be viewed in light of the fact that Congress has provided equal adjustments in the compensation of members of the uniformed services and the compensation of civilian employees of the United States in nearly every year over the last two decades as a means under the federal schedule system to help achieve pay comparability between the public and private sector. Our ultimate goal is a compensation system that is more market and performance sensitive, that more effectively and responsibly allocates our human capital expenditures, and provides managers with the necessary tools to recruit, retain and reward the individuals necessary to carry out the mission of the federal government. Absent that new system, parity in pay adjustments remains the vehicle to achieve pay comparability under the general schedule in 2006."

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Senate Panel's Views

FedWeek, March 23, 2005

Similarly, in a companion document, the Senate committee's chair, Sen. Susan Collins, R-Maine, wrote that "providing equitable pay raises for federal employees is not just an issue of fairness. It is also critical to the recruitment and retention of talented individuals to public service, and therefore, to the successful administration of important federal programs. The committee will continue to support equal adjustments in the compensation of members of the uniformed services and of federal civilian employees." She noted that pay parity has been the policy in 17 of the last 19 years. In a separate letter, ranking committee Democrat Sen. Joseph Lieberman of Connecticut wrote that "adequate civilian pay is essential not only for fairness, but also for effective human capital management. A deficient pay raise would undermine morale at a time when the government faces critical needs to recruit and retain the highly skilled workforce needed to meet increased national security responsibilities and other essential needs."

No Indication Yet on Pay Raise

FedWeek, March 23, 2005

Both the House and Senate have passed what amount to first cuts on the fiscal 2006 federal budget (H.Con.Res. 95 and S.Con.Res. 18) that takes no position on the January 2006 federal pay raise. That's somewhat of a setback for the push to boost the raise from the proposed 2.3 percent to the 3.1 percent proposed for the military, but not necessarily a serious one since the actual raise is set later in the budget process, in appropriations bills; statements in past budget resolutions in favor of pay parity between the two groups mainly have acted as political cover for action on the appropriations measures. However, while silent on the raise, neither do the two versions of the budget "resolution"—which now goes to a conference—require any specific cuts in federal employee programs. While both order certain congressional committees to find savings in programs under their jurisdiction, the committees handling federal benefits, Government Reform in the House and Homeland Security and Governmental Affairs in the Senate, were excluded from those requirements.

NTEU Strongly Supports Simmons-Van Hollen Bill That Would Revoke IRS's Authority to Hire Private Tax Collectors

The National Treasury Employees Union (NTEU) offered its strong support for bipartisan legislation introduced in the House today by Reps. Rob Simmons (R-CT) and Chris Van Hollen (D-MD) that would prevent the Internal Revenue Service from hiring private sector debt collection companies to collect tax debts. The bill—the Simmons-Van Hollen Taxpayer Protection Act of 2005—also has a large bipartisan group of original co-sponsors.

“The Taxpayer Protection Act would undo a serious mistake,” NTEU President Colleen M. Kelley said. “Using private sector debt collectors to collect federal taxes makes no sense. It not only generates real dangers for vital taxpayer privacy, it also returns fewer dollars to the U.S. Treasury than would federal employees doing this work.”

NTEU, which represents some 98,000 IRS employees, has been leading the fight against the privatization of tax collections, arguing—as does the Simmons-Van Hollen bill—that such actions raise substantial risks to the privacy of personal and sensitive taxpayer information and opens taxpayers to the worst abuses of the collection industry.

The IRS, this month, is gearing up to begin such a program; it was authorized to do so by Congress last year, but not by a vote on the merits of the proposal. The tax debt privatization idea instead was added to an unrelated corporate tax bill. Under it, private sector debt collectors would be entitled to a bounty of up to 25 percent of the money they collect and there is no requirement that the work be performed in the United States.

In urging passage, Rep. Simmons emphasized that individual taxpayers voluntarily disclose their personal information to the federal government “with the expectation that such information will be utilized and retained only by the qualified, trained and accountable personnel” of the IRS.

Moreover, the congressman pointed out that over the past 15 years, more than 26 million Americans have been the victims of some form of identity theft. He said that providing vital tax-related information to third party vendors—like private sector debt collectors—would only increase the risk of wrongful disclosure of such data.

For his part, Rep. Van Hollen expressed his serious concern over the continuing inability of the IRS to oversee the work of its private contractors. He cited a report on that subject by the Treasury Inspector General for Tax Administration (TIGTA) finding that IRS contractors “blatantly circumvented IRS policies and procedures even when security personnel identified inappropriate practices.”

Rep. Van Hollen added that the IRS tax privatization plan “sets a dangerous precedent down a path of contractor abuse and taxpayer distrust.”

Debt collectors make up the most complained-about industry in America, generating more than 34,500 consumer complaints to the Federal Trade Commission last year. When a similar plan was tried by the IRS in 1996, its contractors were found to have committed numerous violations of the Fair Debt Collection Practices Act, including calls to taxpayers before 8 a.m. and after 9 p.m.—both of which are prohibited by the statute. One call was made at 4:19 a.m.

In line with that history, NTEU has pointed out that as far back as 1986, the Reagan administration opposed the concept of privatizing tax collections. The Treasury Department warned then of considerable adverse public reaction to such a plan, and emphasized the importance of not compromising the integrity of the tax system, which is a longstanding inherently governmental function.

The House previously has signaled its bipartisan disapproval of privatizing tax collections by passing legislation that would prevent the program from being authorized; however, under pressure from the administration, the language was removed in conference committee.

NTEU is encouraging taxpayers to protest the IRS’s use of private sector debt collectors to their representatives in Congress. The union has placed a sample letter to members of Congress on its web site, www.nteu.org, and is encouraging the American public to visit the web site and send Congress a message, urging support of the Taxpayer Protection Act of 2005 legislation.

Measure Would Broaden Law Officer Coverage

FedWeek, March 23, 2005

Legislation (HR-1002) introduced in the House by Reps. Bob Filner, D-Calif., and John McHugh, R-N.Y., once again seeks to expand to Bureau of Customs and Border Protection inspectors and IRS revenue officers the special retirement provisions applying to federal law enforcement officers. The bill has been proposed for many years on grounds that those employees perform many of the same types of functions—and face the same types of risks—as employees who are covered by those special provisions, which allow for earlier retirement and provide an enhanced benefit, although at the cost of higher employee contributions.

A report last year from the Office of Personnel Management highlighted the difficult task of sorting out the varying policies for law enforcement personnel in various agencies, an issue that is especially acute at the Department of Homeland Security, which took over law enforcement functions, including customs and border patrol responsibilities, from numerous predecessor agencies on its formation two years ago. In a statement of its plans for the current Congress, the House Government Reform Committee said it will consider legislation that would establish a new human

resources management system for law enforcement officers. The committee said it expects to push legislation to “provide a common framework that is contemporary and flexible; provides for consistent treatment of similarly situated law enforcement personnel; and responds to individual agency needs where warranted.”

NTEU Pushes for Changes to New Comp Time Rules for Business Travel

FedManager, April 12, 2005

The National Treasury Employees Union (NTEU) is pushing for changes to be made to the new rules governing compensatory time off for business travel that were released by OPM in January. Under the interim rules, federal employees can accrue compensatory time off when they travel on agency business during off-duty hours and the time is not otherwise compensable. The change is based on a provision in the Federal Workforce Flexibility Act of 2004. OPM published the interim rules in the January 27th Federal Register.

In comments submitted by NTEU to OPM, NTEU President Colleen M. Kelley stated that while the interim regulations “fairly establish” guidelines for agencies in implementing the program, “significant areas of concern” remain. Specifically, NTEU is recommending that:

- (1) Agencies should not have unfettered discretion to determine “usual waiting time,” since such discretion opens up the possibility for abuse and inequitable treatment, and that a standard definition should be used instead;
- (2) “Bona fide meal periods” should be included in creditable time;
- (3) Unusual or extended waiting times at the transportation site should not be excluded from creditable time. A fairer approach, the union says, would be to credit the employee with the additional wait time if that additional time arises out of circumstances beyond the employee’s control and if the employee is not free to leave the transportation site;
- (4) Agencies should be able to exempt employees from the forfeiture requirements of the law, which require that all such compensatory time be used within 26 pay periods after it is credited, except in limited circumstances;
- (5) Current time increments for accrual and use of compensatory time should be maintained;
- (6) Employees should be entitled to receive compensatory time off for required travel on holidays; and
- (7) Employees who would be “otherwise compensated” but for a statutory pay cap should still be entitled to receive compensatory time for travel.

The period for commenting on the interim rules ended in March, which means that OPM should be working on formulating the final rules.

Government-wide SmartCard Initiative

Memorandum from Colleen Kelley, April 18, 2005

NTEU recently received notice that agencies plan to require employees and contractors to use a new identification card called “the SmartCard.” On August 27, 2004, President Bush issued Homeland Security Presidential Directive-12 (the “Directive”), which mandates the government-wide implementation of the SmartCard by October 27, 2005. Pursuant to the Directive, the Department of Commerce (“Commerce”) was charged with promulgating a federal standard for secure and reliable forms of identification not later than six months after the issuance of the Directive. Commerce promulgated such standards in a recent report entitled “Personal Identity Verification (PIV) of Federal Employees and Contractors.”

NTEU has been invited to an official briefing on this initiative scheduled for April 20, 2005. In the briefing, we will gather more information on the details of the initiative and have an opportunity to comment on the initiative. Each department will then receive final rules for the program. Each of the agencies will then need to provide NTEU with notice and an opportunity to negotiate over the implementation of the final rules.



THE FUNDS – TSP Rates of Return

Rates of Return were updated on **April 1, 2005**.

	G Fund	F Fund	C Fund	S Fund	I Fund
March 2005	0.37%	(0.48%)	(1.71%)	(1.86%)	(2.52%)
<u>Last 12 Months*</u> (4/1/2004 - 3/31/2005)	4.45%	1.17%	6.76%	7.95%	14.96%

*The G, F, C, S, and I Fund returns for the last 12 months assume unchanging balances (time-weighting) from month to month, and assume that earnings are compounded on a monthly basis

L Fund Still in Development

FedWeek, March 30, 2005

The TSP continues to work, with the aid of a contractor, on developing the lifecycle, or L fund, which the TSP's governing board approved last fall. That fund will allow investors to choose from certain target dates to withdraw the money--for example, 2010, 2020 or 2030--and the money will be allocated among the other five funds according to a predetermined risk/reward ratio. Also, the fund will be automatically

adjusted to maintain the desired ratio, plus it will become more conservative as the withdrawal date approaches. As with similar funds offered in the private sector, once the withdrawal date has been reached, the fund would become a current income fund--in the TSP, probably meaning invested exclusively or almost exclusively in the G fund--and a new target date fund ten years beyond the longest one would be added.

Even as the L fund's launch is being prepared, proposals are circulating on Capitol Hill to add one or more additional funds to the program. One concept, which may be the subject of a hearing in the near future, would be to add a "real estate investment trust"-based fund; in the prior Congress, bills were also introduced to introduce a precious metals fund and fund that would track stocks of corporations deemed to act in a responsible manner. Proponents of these bills argue that the TSP's range of choice is too limited when compared with the variety of funds offered by private sector 401(k) programs. However, the TSP traditionally has been cool to the idea of incorporating such specialized funds, arguing that the funds it offers provide enough diversity for investors.

Around the Office

Alert! Editor, Mick Eskew

- Our local web site www.nteu52.org has a revised Legislative page. The information is now automatically updated as the issues change, so you will always find what is currently affecting you and your job. From this page you can connect to a site where you can email your representatives regarding pending legislature matters. Check it out and use it!
- The National N.T.E.U. bi-annual convention will be held August 1 through August 4, 2005 in San Diego, California. This year four delegates will attend to attend to take part in determining the direction and attend to the business, of our union.
- Chapter 52 elections are just around the corner. The committee members directing this year's elections are: Valerie Hunter, Chairperson, Armando Valdez; Michael P. Fitzgerald, Tommie Pernell and Sam Houston. They are responsible for sending, collecting and counting the ballots. Nomination ballots are schedule to go out to the members on May 16, 2005. Deadline for the return of the nominations to the committee is June 15, 2005. Nominees will be confirmed and the voting ballots are scheduled to be mailed to the members on July 15, 2005. The Chapter will hold a special meeting to open and determine the winners on August 31, 2005. Please check with one of the committee members if you have any questions regarding this year's elections.
- Recently in the El Paso post of duty an employee won an EEO decision against the Agency for discrimination. The EEOC Administrative judge ordered several remedies, one of which was that a notice of findings were to be "**...posted for sixty consecutive days, in conspicuous places, including all places where notices to employees are customarily posted. The agency shall take**

reasonable steps to ensure that said notices are not altered, defaced, or covered by any other material.” The notice was finally discovered the other day, almost 45 days after it was to be posted, placed under other notices and postings, on one bulletin board in the El Paso post of duty. It appears some of the local management officials are upset that the Chapter is pushing for full disclosure and compliance of the EEO order. Ironic how some of management have a dual set of rules and perspective. For those in the El Paso post of duty who didn't see the notice and for the rest who are just curious, here is a facsimile of the notice, originally on EEO letterhead, as best as I can replicate it.

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
An Agency of the United States Government

This Notice is posted pursuant to an order by the United States Equal Employment Opportunity Commission dated 12-29-04 which found that a violation of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, 42 U.S.C. 2000e et seq. has occurred at the Internal Revenue Service in El Paso, Texas.

Federal law requires that there be no discrimination against any employee or applicant for employment because of the person's RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, AGE, or DISABILITY with respect to hiring, firing, promotion, compensation, or other terms, conditions or privileges of employment.

This facility was found to have discriminated against an employee on the basis of reprisal. The facility was ordered to award the employee proven compensatory damages. This facility was also ordered to provide relevant agency officials with training regarding their obligations under Title VII. This facility will ensure that officials responsible for personnel decisions and terms and conditions of employment will abide by the requirements of all federal equal employment opportunity laws and will not retaliate against employees who file EEO complaints.

This facility will comply with federal law and will not in any manner restrain, interfere, coerce, or retaliate against any individual who exercises his or her right to oppose practices made unlawful by, or who participates in proceedings pursuant to, federal equal employment opportunity law.

/s/ Susan H. Graham

Dated Posted: 2/24/05
Posting Expires: 4/25/04

29 C.F.R. Part 1614

Management Bullies

Tom Jones, President Chapter 52

Most organizations, as in this case the IRS, do not realize that the bullying of employees by managers results in excessive turnover, stress-related and health problems, lowered morale, lowered productivity, an increase in grievances, EEO complaints, excessive use of sick leave and a lack of team spirit. These tactics also

cause employees not to look forward to the workday, dread the thought of entering the office, apply for jobs with other agencies, spread gossip, and waste time.

Are these managers castigated, punished, or disciplined in any manner? NO! Instead management rewards these bullies because they are tough.

Dictators take power supposedly to help the masses, but in real life they only help themselves. Management seems to have its little dictators that are hell bent on helping themselves and ignoring the employees. As you have probably heard, power corrupts and absolute power corrupts absolutely.

Employees are more productive with less direction, fewer reviews, less restrictions and micro-management. Let them use their judgment, after all that's what they are paid for. It never ceases to amaze me the lengths managers go to instill their brand of control on employees from, "You do not speak to anyone in the group, or you do not speak to anyone in another group." Is free speech dead in the IRS? Instructing employees on how to work a case, even if it's contradicted by the IRM, and then threatening them with disciplinary action if they deviate from the manager's instructions. One manager was asked why he does this and he said he wanted to intimidate the group and make sure "they all know who the boss is". This does no more than to stifle initiative and creativity. This manager must be a student of Sun Tzu, the Chinese War Lord. Whose most memorable quote is: "If they fear you, they will respect you." I, on the other hand, believe in Sam Walton's Philosophy- "Outstanding leaders go out of the way to boost the self esteem of their personnel. If people believe in themselves, it's amazing what they can accomplish."

It appears to me that since the reorganization of the IRS we have lost several necessary ingredients to being a successful viable organization. Foremost of these ingredients is responsibility. No one seems to take responsibility for anything extra large or small or to any size in between. Management has a notion that one size fits all for any situation. In reality everyone has different individual needs to feel wanted, a part of the team. People want to be rewarded for their work and effort. They want to own what they produce.

Managers are increasingly treating employees like characters from the Land of Oz, where everyone's lines are scripted, all march along the same 'Yellow Brick Road' and everyone sings and dances to the same insipid tune. But unlike OZ, where Dorothy woke up from her dream world and came back to reality, managers in the IRS world think a hostile work place motivates workers. They're right: More and more employees are motivated to spend time worrying about their tormentor's next move- rather than working- and bailing out as fast as they can.

Is anyone surprised that IRS empires have spun out of control; harassment and bullying of employees have skyrocketed? That's just the way the IRS wants it. Will the beatings will continue until the morale and stats improve?

Three things the IRS Managers need to learn: If you don't know where you are going, you just might end up someplace else! And secondly, every leader needs to look back once in a while to make sure he/she has followers. Finally- Management works in the system. Leaders work **ON** the system.

TOM'S HUMOR PAGE



Q. What do you call an accountant who works from home?
A. A remote controller.

Q: What is an accountant's favorite Disney movie?
A: LIFO and Stitch.

A new client had just come in to see a famous accountant. "Can you tell me how much you charge?", said the client. "Of course", the accountant replied, "I charge \$200 to answer three questions!" "Well that's a bit steep, isn't it?" "Yes it is", said the accountant, "And what's your third question?"

An accountant visited the Natural History Museum. While standing near the dinosaur, he said to his neighbor:
"This dinosaur is two billion years and ten months old"
His neighbor reacted:
"Where did you get this exact number?"
The accountant replied:
"I was here ten months ago, and the tour guide told me that the dinosaur was two billion years old"

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

This **Chapter 52 Alert!** along with all other **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 this site.

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