

# Alert!

Chapter 52  
National Treasury  
Employees Union

August, 2004

## Key Spending Bill Progresses

*FedWeek, July 21, 2004*

The House has started work on the key annual spending bill affecting federal employee pay and benefits, with the Transportation-Treasury appropriations bill having passed the subcommittee level and possibly clearing the full Appropriations Committee this week. The full House, however, may not take up the bill until after Labor Day. One notable provision of the measure as it emerged from the subcommittee is language to effectively block a major provision of last year's revisions in contracting-out policy that allows decisions to be made on the basis of quality and other factors other than cost. The bill would require that formal cost studies be performed on any function involving more than 10 employees and would allow contracting-out only if savings would be at least 10 percent or \$10 million.

Backers of parity between federal civilian and uniformed military pay are expected to offer an amendment to the Transportation-Treasury bill at the full committee level to set the 2005 pay raise at the 3.5 percent slated for the military. Congress has backed pay parity in all but a few years in the last two decades, and earlier this year the House voted in favor of continued pay parity, although in a non-binding measure. The bill also typically caps pay raises for blue-collar employees, who are under a separate locality pay system than general schedule employees. Traditionally that cap was set at the average national GS pay raise but last year that language was changed to assure that wage grade employees get at least the same raise as GS employees in a given area.

For many years the Transportation-Treasury bill has carried several standard provisions and there has been no indication so far that they won't be included in the latest version. These include: a general prohibition on elective abortion coverage in the Federal Employees Health Benefits program; a general requirement that FEHB plans pay for prescription contraceptives; a ban on "lifestyle" and other training not directly related to an employee's official job duties; and a ban on releasing employee names and home addresses to labor organizations--which could then use them for recruiting purposes--except under court order or with the individual's permission.

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## **Much Work Left Unfinished**

*FedWeek, July 28, 2004*

Congress has taken its annual summer recess through early September, leaving behind a number of unfinished bills that will have to be taken up in what could be an intense period of several weeks of work before recessing again for the elections. Most prominent among those bills are the annual appropriations measures needed to keep agencies funded through the fiscal year that starts October 1. The House has passed nearly all of the regular 13 appropriations bills, with the notable exception for federal employees of the Transportation-Treasury bill, the major bill affecting federal pay and benefits. The House likely will vote in early September on the committee-approved bill. The Senate has cleared just two of the appropriations bills, largely due to procedural issues making it difficult for leaders to get individual bills to floor votes promptly. Officials say Congress most likely will have to turn to a catchall spending bill--or possibly a series of them--to keep agencies funded until the budget situation is finally settled. They say there is little chance of agency shutdowns of the sort that have occurred numerous times in the last two decades (although not since 1995-1996) when regular appropriations have not been enacted in time.

## **Another Raise Recommendation Could Be Coming**

*FedWeek, August 11, 2004*

The White House has another opportunity coming to stake out its position on the January 2005 federal pay raise, since under federal pay law the President may recommend by the end of August an "alternative" pay raise. Last year in a similar situation the White House repeated its budget proposal from the beginning of the year, favoring a 2 percent raise that took effect in January 2004 only to be overridden by later legislation boosting that increase to 4.1 percent. This year the administration might use its opportunity to recommend an "alternative" raise to once again advocate 1.5 percent. That would be one more factor at play in the appropriations process, which could be contentious as Congress works after reconvening following Labor Day on spending bills for the budget year that starts October 1.

## **Pitch for Targeted Raises Repeated**

*FedWeek, August 11, 2004*

A senior Bush administration official at a Senate hearing just before Congress took its August recess repeated the White House's position against general raises and in favor of targeted ones reflecting labor market conditions. Office of Management and Budget deputy director for management Clay Johnson III said that there are specific recruitment and retention problems, pay raises are generalized, resulting in some employees being overpaid.

He said the White House favors giving agencies "the tools they need to target salary increases where they need them to address specific recruitment or retention needs . . . we certainly should not grant all civilian employees the same increase no matter what the need because that wouldn't be focusing on the desired result; that would be providing too small an increase where we do have recruitment and retention problems, and too large an increase where we do not have a problem. We should be spending money where we need to, and not where we don't. We will eventually do this; we just need to decide when and in what series of steps." He said that such changes are possible "not in decades, but in a handful of years."

## **IRS Reorganizations Could Be Stalled**

*FedWeek, August 11, 2004*

The Transportation-Treasury spending bill also would effectively put off several personnel realignment initiatives underway at the IRS, involving 1,600 case processing and insolvency employees, 2,200 submission processing center employees, 780 modernization and information technology services employees and 260 transitional processing center employees. The committee said the agency's responses to its requests for information about the efforts has been "less than adequate" and directed the agency to "refrain from further RIF actions" until issuing a report next May on the planned actions. That would effectively push the issue into the fiscal 2006 appropriations cycle. The report would have to address issues such as the cost effect, the effect on productivity and "the cost of hiring and training new employees to do the same work that is currently being performed by the current employees"—language that carries skepticism about the agency's plans.



## THE FUNDS – TSP Rates of Return

Rates of Return were updated on **August 2, 2004**.

	<b>G Fund</b>	<b>F Fund</b>	<b>C Fund</b>	<b>S Fund</b>	<b>I Fund</b>
July 2004	0.38%	1.00%	(3.24%)	(5.52%)	(3.76%)
<u>Last 12 Months*</u> (8/1/2003 – 7/31/2004)	4.38%	4.88%	13.11%	16.84%	24.55%

- 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

## TSP Open Season Bill Moves in House

*FedWeek, July 28, 2004*

The House Government Reform Committee has passed legislation (HR-4324) to allow employees at any time to begin investing in the Thrift Savings Plan or to change the amount of their ongoing investments. The measure would end the practice of holding twice-yearly open seasons in the TSP, which currently are the only times those decisions can be made.

However, the House measure differs in several ways from one (S-2479) that recently passed the Senate. The House bill would have automatic government contributions begin immediately for newly hired employees and matching contributions for FERS employees begin as soon as an individual starts investing his or her own money; the Senate measure would keep the existing schedule for government contributions, which do not begin until the second open season after hiring. The House bill also lacks provisions in the Senate version designed to improve education of employees about the TSP.

# The Power of Praise and Recognition

Research shows they are crucial for increasing employee productivity and engagement

*by Tom Rath and Donald O. Clifton*

*Excerpted from How Full Is Your Bucket? (Gallup Press, 2004)*

The concepts of "recognition" and "praise" . . . are two critical components for creating positive emotions in organizations. In fact, [The Gallup Organization] has surveyed more than 4 million employees worldwide on this topic. Our latest analysis, which includes more than 10,000 business units and more than 30 industries, has found that individuals who receive regular recognition and praise: increase their individual productivity increase engagement among their colleagues are more likely to stay with their organization receive higher loyalty and satisfaction scores from customers have better safety records and fewer accidents on the job . . .

## **Killing productivity**

Of course, there's a flip side. Right now, the majority of us don't give or receive anywhere near the amount of praise that we should. As a result, we're much less productive, and in many cases, completely disengaged in our jobs. According to the U.S. Department of Labor, the number-one reason people leave their jobs is because they "do not feel appreciated."

But the problem doesn't stop there.

One study of healthcare workers found that when employees were working for a boss they disliked, they had significantly higher blood pressure. According to British scientist George Fieldman, this boss-induced hypertension could increase the risk of coronary heart disease by one-sixth and the risk of stroke by one-third.

"There was both a statistically and clinically significant elevation during the time people had the boss they didn't like," says Fieldman, a psychologist and psychotherapist. "People who work with bosses they've really hated constantly for years would probably be quite vulnerable to heart disease because of the elevation of blood pressure in the long-term."

Where productivity is concerned, it would be better for organizations if people who are overly negative stayed home. When they do show up for work, they are counterproductive. We all know these types of people. They walk around the office with glazed looks or move from cubicle to cubicle stirring up trouble with whining, complaining, and even paranoia.

Our estimates suggest that there are more than 22 million workers -- in the United States alone -- who are extremely negative or "actively disengaged." This rampant negativity is not only disheartening, it's expensive: It costs the U.S. economy between \$250 and \$300 billion every year in lost productivity alone. When you add workplace injury, illness, turnover, absences, and fraud, the cost could surpass \$1 trillion per year, or nearly 10% of the U.S. Gross Domestic Product (GDP). These costs are not specific to the United States; they exist to varying degrees in every country, industry, and organization we have studied.

And our figures are conservative. To estimate costs accurately, we only accounted for the direct impact that "actively disengaged" employees have at work. We quantified the productivity -- or lack thereof -- occurring in each person's own workspace. In analyzing the data, we had to assume that each disengaged employee simply sat in his or her cubicle and didn't wreak havoc elsewhere -- an unlikely assumption, of course. Most disengaged employees do plenty of things each day that bring others down with their own sinking ship.

## **NTEU Wins Important Arbitration Decision Overturning IRS Education Requirements as a Violation of Law, Contract**

Washington, D.C.—The National Treasury Employees Union (NTEU) has won an important arbitration ruling in its lengthy and continuing challenge to an attempt by the Internal Revenue Service to impose arbitrary and unreasonable educational requirements on applicants for positions as IRS Revenue Agents.

NTEU President Colleen M. Kelley sharply criticized the IRS's effort to increase the number of college-level accounting credit hours required of RA applicants from 24 to 30 and impose five required areas of coursework as a "selective placement factor" for the position. She described the agency's effort as "a move to impose unnecessary obstacles on internal candidates."

"While NTEU fully supports the idea that employees must be skilled and qualified" for their positions, said President Kelley, "we believe the current educational requirements for Revenue Agents provide for that."

Arbitrator Carlton Snow struck down both IRS rules as violations of federal law which place stringent requirements on agency imposition of minimum education requirements. By law, minimum education requirements can be imposed only if an agency shows that the duties of the position can only be performed by an individual who meets those requirements. He provided NTEU and the IRS with 90 days to negotiate an acceptable remedy to the agency's violations.

Snow wrote in his decision that "clear and convincing evidence submitted by the parties establishes that the duties of a Revenue Agent can be and are being performed by individuals who have not completed the prescribed 30 hours of accounting and related courses."

He added: "Most persuasive is the fact that there are thousands of current Revenue Agents who do not meet the '30 hour' requirement and, nonetheless, are successfully performing their duties."

Another key NTEU argument was accepted by the arbitrator—namely, that the imposition by the agency of the five-course requirement was a separate violation of the NTEU-IRS contract. Snow determined that the parties had negotiated a high standard for imposing a selective placement factor such as the five-course rule. He noted in his decision that thousands of RAs perform their jobs successfully without one or more of the required courses.

## Who or What is the National Treasury Employees Union?

*Mick Eskew, Alert! Editor*

According to the dictionary a Union is: a uniting or being united; an agreeing or leaguely together for mutual benefit. That is just a couple of the meanings shown in the dictionary. The members are the Union, not the officers or stewards; they are merely the elected and appointed employees who handle the day to day needs and requirements of the members. Each elected officer, each appointed steward at the local level is a volunteer, no additional pay and often little credit or recognition. Each day our Chapter President, Tom Jones, talks to front line managers, territory managers and area directors about the problems and concerns of the members. He talks and meets with the Union attorneys, addresses arbitration concerns and is called to testify at hearings and attend numerous meetings. The chief steward, Bill Grace, does some of the same things and is heavily involved in grievances filed by the members through their steward. But these are only two of the many others that spend countless hours serving their fellow workers. The stewards are men and women who have regular jobs just like you do. They have to maintain a level of competency just like you in order to get an acceptable evaluation. They do all this and still attend group meetings, talk with members, managers, file and present grievances. They do this because they want to help people and try to provide a good place to work. Despite all our efforts there is still a lot to accomplish.

The National Union office, in Washington DC, is our representatives to Congress and the Treasury Department. Colleen Kelley, the national president, began her career as a Revenue Agent with the I.R.S.; she became a steward, and later a chapter president. She is a Certified Public Accountant and spends many hours talking and meeting with congressional leaders and commissioners. She has a professional staff of lawyers, lobbyist, negotiators and labor specialist working with her. They are not I.R.S. employees. Colleen and the executive vice-president must run for their office every four years and are elected by the delegates of the local chapters, at the national convention.

They are often called to testify at Congressional hearings to ensure that Congress knows what is needed and what is really going on in the real world. They are there to protect your job and benefits. I have met and talked with them many times, they truly have your best interest at heart. When they go to Congress, among other things, they are there trying to stop contracting out, reductions-in-force (RIFs) and abuses of management.

More locally the Union has a full time staff of labor lawyers known as Field Representatives. Our "Field Reps" are in Austin, Texas. They work hard to provide us with counsel, represent the members in arbitration hearings and they still find

time to provide the stewards with training. Arbitration is the final step in the grievance process, after all the managers still find no fault in their actions. Arbitration takes hours of preparation, presentation and the writing of legal briefs; and cost about \$5,000.00 to \$6,000.00, sometimes more. The Union pays for one half of the cost, the Agency the other. As a member, it doesn't cost you a cent more. It is part of your Unions dues. Fairly cheap insurance don't you think.

So out of your dues, you get someone to talk to your manager and possibly file a grievance if necessary, you get representation in Washington, you get lobbyist in Congress and you may get the services of an experienced labor lawyer. You may not know that the local chapter only gets about 18% of the dues that you pay in; the majority goes to the National Union Office. So out of \$17.00 Bi-weekly dues that you pay, we (the local chapter) receive about \$2.00 and the national office gets the other \$15.00, to pay their employees and expenses. Some people think that the \$17.00 (or whatever amount you pay) is a lot of money. Recently a new member told us that her husband has to pay over \$300.00 per month to belong to his professional union.

Congress and the agencies know just how many members each Union has and their attention is on those with the most members. With more members, we have a larger percentage of the entire workforce, which Congressional representatives take into account when they cast their vote. Because they know we can cast our votes at election time. A Union with a poor percentage of membership has less clout, and bargaining ability. The stronger the percentage of membership, the more clout a union holds.

So who or what is the Union? As it states in our name, it is the "Employees". You are, you can make it or break it. We can unite together for a common cause; league together for mutual benefit or we can let the Agency and Congress walk all over us. It is a free country, your choice.

## **Why Should I Pay Union Dues?**

**(Or: Say Farewell to AWS, Pay Raises, Subsidies – And Jobs)**

*Reprinted with Permission of Clyde Waltermate, President Chapter 36*

Our workplace benefits never have been entitlements; they are hard-fought and won. Without NTEU, our workplace could change without even a single stroke of a pen. I truly hope the day never comes when we lose NTEU through legislation or other governmental action. But what if...?

What would it be like if no one paid union dues – because there was no NTEU? We would have no one to fight to keep alternative work schedules and alternative work sites for employees. Getting laws on the books was easy compared to the arduous negotiations to get AWS in the IRS workplace.

Without NTEU, no one would make the case for locality pay and pay increases. The entire GS scale would be dramatically lower than it is today without higher pay increases we won the past 20 years. And, “but for” those pay increases, FERS contributions and retirement amounts would be less.

No one would be there to work tirelessly with the OPM. It took *many* years for NTEU – and NTEU alone – to bring the “premium conversion” feature to FEHBP plans. We now pay no income taxes (and FERS employees pay no FICA) on health insurance premiums purchased thru the FEHBP. An election for premium conversion saves at least \$250 - \$300 annually.

Even as NTEU staff was prevailing on premium conversion, they were pressing the OPM for flexible spending accounts. Anyone who has signed up for a FSA is probably saving hundreds of dollars on co-pays and / or dependent care. We also do not pay the nearly \$50 / year administrator fees for our FSA because NTEU convinced the IRS to pay the fees out of savings in employer's taxes.

Without NTEU, the IRS would not have cared, much less fought – for years – to win upgrades from a GS-3 to a GS-4 to a GS-5 for our secretaries. NTEU is now trying to get secretaries GS-6 journey level. Taxpayer Service Reps (TSR) would likely still be GS-7 instead of a GS-9 journey level.

There would be no NTEU General Counsel to plead our causes in the U.S. Supreme Court or work with TIGTA. Anyone interviewed by TIGTA knows that employees must sign a form acknowledging their right to have a union steward present during TIGTA interviews. NTEU won that right.

If not for NTEU, employees with taxable travel would have received bills for back taxes, interest and penalties. They would also have been explaining to

TIGTA why they had not met their tax obligations. The law permits the IRS to pay this from discretionary funds, but they do not have to do so.

So, without NTEU, what are we willing to give up *first*? AWS? Pay increases? Subsidies such as childcare, transit, HRIF, FSA, taxable travel? Performance Awards? An absence of NTEU would not be in a vacuum long. The first thing to go might be AWS, but many more workplace benefits would soon follow. Downgrades, “reductions in force” and lowering of annual appraisals would undoubtedly become the order of the day.

There's an old adage that we never miss the water until the well runs dry. For all these reasons and many more, I sincerely thank each of you for your continued membership in and support of *our* NTEU.

# Voter Registration

Mick Eskew, Alert! Editor

In the Chapter 52 area, only 93 members or about 16% of the 600 bargaining unit employees are registered to vote. In Bexar County, you can get a voter registration card by calling 335-6625; for other counties, look in the Blue Pages "County Government" of the phone directory. Through the Internet you can go to [www.sos.state.tx.us](http://www.sos.state.tx.us), click [Voter Information](#), then click onto [Registration Application](#). The address for each county's voter registrar is also provided, so you can mail your request in. Voting is one of those things, if you don't use it, you might lose it. Act now, so you can vote later.

## TOM'S HUMOR PAGE

### Notable Quotations:

- For every action there is an equal and opposite government program. -**Bob Wells**
- Government is too big and too important to be left to politicians. -**Chester Bowles**
- After two years in Washington, I often long for the realism and sincerity of Hollywood. -**Fred Thompson**
- You know what's interesting about Washington? It's the kind of place where second-guessing has become second nature. -**George W. Bush**
- Every decent man is ashamed of the government he lives under. -**H.L. Mencken**
- I believe that all government is evil, and that trying to improve it is largely a waste of time. -**H.L. Mencken**
- It is dangerous to be right when the government is wrong. -**Voltaire**
- I don't make jokes. I just watch the government and report the facts. -**Will Rogers**
- There's no trick to being a humorist when you have the whole government working for you. -**Will Rogers**
- Half our life is spent trying to find something to do with the time we have rushed through life trying to save. -**Will Rogers**
- Everything is funny as long as it is happening to Somebody Else. -**Will Rogers**
- The income tax has made more liars out the American people than golf has. -**Will Rogers**
- We are all here for a spell; get all the good laughs you can. -**Will Rogers**



**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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