

Alert!

**Chapter 52
National Treasury
Employees Union**

July - August, 2005

FY2006 Senate Transportation-Treasury Appropriations Bill The Senate Transportation-Treasury Appropriations bill passes out of full committee

Thanks to the leadership of Senator Kit Bond (R-MO), Senator Patty Murray (D-WA) and Senator Barbara Mikulski (D-MD) the full Senate Appropriations Committee passed the FY 06 Transportation-Treasury Appropriations Bill with the following NTEU supported provisions:

1. A 3.1% pay raise for January 2006 (this is the same pay raise that has been recommended for the military). It will apply to wage grade as well as GS employees and covers DoD and DHS, as well as all other federal agencies;
2. Language that temporarily prohibits the closing of Taxpayer Assistance Centers (TACs) and call sites or any modifications to taxpayer services until Congress receives and reviews an in-depth analysis from TIGTA;

TAC CLOSURE ACTIVITY

Tom Jones, President Chapter 52

In June of this year the IRS announced that 68 TAC Offices around the Country would be closing. Chapter 52 was the first Chapter to Picket the TACs. We also had the customers sign petitions objecting to the closures and sent the petitions to members of Congress. We obtained over 1000 signatures in that week of picketing thanks to Chapter 247 who supported us in gathering the signatures. Specifically, these petitions went to Senators Hutchison and Cornyn, Congressmen Doggett, Smith, Cuellar, McCaul, Edwards, and Carter. We also sent the petitions to Governor Perry and Mayor Winn of Austin. It is interesting to note we received positive responses from all the individuals except Senator Cornyn, Congressmen McCaul, Cuellar Edwards and Carter whom failed to respond at all. With over 70,000 Austin area taxpayers visiting the Austin TAC yearly and the individuals above who failed to respond are they truly representing their constituents? As leaders they need to look back once in a while and see if anyone is following.

Inside this issue:

- **Administration Proposes Pay, Other Reforms**
- **NTEU Scores Major Legal Victory Striking Down As Illegal Key New DHS Personnel Rules**
- **Long-Running Saga Coming to End**
- **THE FUNDS – TSP Rates of Return**
- **Diversification in L Funds**
- **TSP Catch-Up Contributions Reminders**
- **Around the Office**
- **Do You Need Supplemental Insurance?**
- **Tom's Humor Page**

Administration Proposes Pay, Other Reforms

FedWeek, July 20, 2005

The Bush administration has put into formal legislative language a plan it has advocated since the start of the year to extend government-wide many of the reformed civil service practices on tap at the departments of Defense and Homeland Security. The administration seeks to end by 2010 the general schedule and replace it with a pay banding system in which money currently paid out as across-the-board and locality-based pay would be replaced with increases based on occupation, level of work and local labor market conditions. Money currently designated toward within-grade increases and promotions would be put into a pool and divided up according to performance. Unacceptable performers would get no raises. The Office of Personnel Management would have to certify agency performance management plans as meeting certain criteria, much as it does now for the Senior Executive Service. The plan--which has yet to find a congressional sponsor and whose chances of enactment are very much up in the air--also would restrict union rights in some areas, although not to the extent envisioned under an earlier draft of the plan or to the extent slated at DoD and DHS.

NTEU Scores Major Legal Victory Striking Down As Illegal Key New DHS Personnel Rules

NTEU News Release, August 12, 2005

Washington, D.C.—In a major victory for all federal workers, a federal judge tonight ruled in a suit brought by the National Treasury Employees Union (NTEU) that key personnel regulations sought to be implemented by the Department of Homeland Security (DHS) are illegal and cannot be put in place. This decision effectively stops DHS from implementing its new labor relations system on Monday, as it had planned.

NTEU argued that the regulations, issued jointly by DHS and the Office of Personnel Management (OPM), manufactured a system that failed to ensure employees' right to bargain collectively, as required by the Homeland Security Act (HSA). The U.S. District Court for the District of Columbia agreed and struck the regulations down as illegal, concluding that "significant aspects of the HR System fail to conform to the express dictates of the Homeland Security Act."

NTEU President Colleen M. Kelley called the decision by Judge Rosemary Collyer "an enormous and critically-important win for the rights of federal employees not only in DHS but in all federal agencies."

This legal victory, she said, "will reverberate through the entire federal employee community" inasmuch as the administration has proposed extending the DHS personnel model along with new rules it is attempting to implement in the Department of Defense (DoD) to every federal agency.

President Kelley said the judge's decision "vindicates completely" NTEU's arguments that DHS and OPM far overstepped the bounds of authority given to them by Congress in the HSA, which established DHS.

“There was never any reason for the Department of Homeland Security to so severely restrict the rights of the very employees who are on the front-lines of the war against terrorism—a war whose goal is to protect and preserve rights enjoyed by all Americans,” Kelley said.

With respect to collective bargaining, Judge Collyer wrote in her decision that “collective bargaining has at least one irreducible minimum that is missing from the HR System; a binding contract.” The court was troubled that the regulations provided the Department with a huge loophole through which it could void any provision in a collective bargaining agreement and that management sought to reserve to itself the authority to implement unilaterally its position on every condition of employment. Essentially, all the Department needed to do was issue an agency-wide directive that could invalidate provisions of a negotiated agreement and clear the way for it to implement unilaterally its position. The judge said that under this arrangement “collective bargaining agreements would no longer be legally binding on the Secretary or enforceable by the Unions if management exercised its un-reviewable discretion to declare some aspect of a contract inimical to the Department’s mission.”

In addition to ruling in NTEU’s favor on its collective bargaining argument, Judge Collyer also upheld its challenge to DHS’s efforts to dictate the role of the Federal Labor Relations Authority (FLRA) in the system. She held that DHS lacked authority to direct the operations of an independent agency. Similarly, the court struck down as “unfair” the regulation severely limiting penalty mitigation standards that apply to DHS employees. Judge Collyer’s injunction also bars these regulations from taking effect, sending DHS and OPM back to the drawing board.

Follow-up: August 18, 2005

The Department of Homeland Security responded to a call from NTEU President Colleen M. Kelley for a meeting which was held Aug. 18. President Kelley, meeting with DHS Deputy Secretary Michael Jackson, suggested that the Aug. 12 court decision offers a key opportunity to reexamine the entire proposed DHS personnel system, including those aspects of it not involved in the court suit.

Long-Running Saga Coming to End

FedWeek, July 27, 2005

The final payments, from the remaining \$78 million in the settlement fund, end a saga that started with a lawsuit filed by the National Treasury Employees Union and that bounced through the federal courts for two decades before finally reaching the settlement. Many individuals kept a vigil on the suit even though there were long stretches in which there were no new developments. Despite the length of time the suit was pending--or perhaps because of it--several common misconceptions arose regarding it. The case involves only those who had special rate raises improperly capped or denied in the 1982-1988 period and in many cases the amount due came out to be far less than the individuals were hoping for. The deadlines for filing claims have passed, and no exceptions are allowed.



THE FUNDS – TSP Rates of Return

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

	G Fund	F Fund	C Fund	S Fund	I Fund
July 2005	0.37%	(0.84%)	3.67%	5.59%	3.07%
Last 12 Months* 8/1/2004 - 7/31/2005)	4.39%	4.85%	13.99%	27.14%	21.09%

*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

Diversification in L Funds

FedWeek, July 6, 2005

The Thrift Savings Plan set an August 1 launch date for its lifecycle (L) funds, which has been in development for many months. As the Thrift Savings Plan launches its new lifecycle (L) funds, investors will be encouraged to look at their current investment profiles to decide whether they might benefit from greater diversification in their investments. The L funds will provide investors an opportunity to put money into one of five different pre-determined allocations of investments in the other five TSP funds--a current income fund for those already making withdrawals (such as by equal monthly payments), or target withdrawal date funds for 2010, 2020, 2030, 2040. The farther out the withdrawal date, the more aggressive the allocations will be.

Overall, investors have about 40 percent of their assets in the government securities (G) fund and 41 percent in the large U.S. company common stock (C) fund, with the bond (F), international stock (I) and small company U.S. stock (S) funds only about 6-7 percent each. A TSP analysis two years ago showed that about 11 percent have all of their money in one or more of the stock funds, and only 6 percent of investors have money spread among all five funds.

Meanwhile, the launch of the L funds will provide an opportunity for investors to consider whether their asset allocations are either too risky or too conservative for their age and financial situations. For example, of FERS employees--who overall tend to be younger than CSRS employees — one third, have all of their money in the G fund, the most conservative of TSP investments.

Nearly a quarter of CSRS employees have all their money in the G fund--which may make more sense for them overall, since they generally are closer to the date at which they will want to draw out the money. However, even the current income L fund will have only three quarters of its money in the G fund, with the rest split among the other four funds in order to keep a higher potential growth element in the mix. On the other hand, some investors may decide--after comparing their investment allocations with the L fund model for their expected withdrawal date--that they are invested too aggressively.

TSP Catch-Up Contributions Reminders

FedWeek, July 13, 2005

Employees are eligible to make catch-up contributions to their Thrift Savings Plan accounts of up to \$4,000 if they are already age 50 or will turn 50 in 2005. In addition, they must be making contributions to their regular TSP account at either the maximum percentage allowed by their retirement plan or an amount that will result in reaching the IRS annual elective deferral limit (\$14,000 for 2005) by the end of the year, must be in a pay status, and may not be in the six-month non-contribution period following a financial hardship in-service withdrawal. Catch-up contributions are over and above the normal dollar cap or percentage of salary limits. The form to use for a catch-up contribution is the TSP-1-C. When you submit your election you will elect a whole dollar amount to be withheld each pay period; take care not to specify an amount that will exceed your net income per pay period or no TSP contributions (either catch-up or regular) will be withheld. If you wish to divide your contributions evenly over the remainder of the year, divide \$4,000 by the number of pay dates remaining. Check with your payroll office regarding the effective date of the election and how many pay periods will be left in the year at that point. Catch-up contributions stop automatically once the annual maximum has been reached or as of the last pay date in the year, whichever comes first.

Do You Need Supplemental Insurance?

Accidents and illness, by nature, are unexpected. But supplemental insurance can help cover some of the unexpected expenses associated with them so you can focus on getting better. The advantage of supplemental insurance is that it gives your benefits package flexibility so you can purchase coverage that meets your special needs and the needs of your family. Do you and your family need supplemental insurance? To help you answer that question, ask yourself the following types of questions.

- Is any of my current coverage portable? Can I keep it if I change jobs or retire?
- Would the amount or type of my current coverage change if I changed jobs?
- Does my spouse have benefits coverage?
- How would my family be affected if my spouse or I lost our income for a period of time?
- Do I have a family history of health problems?
- Do I have enough savings to pay for unexpected medical expenses?

Supplemental insurance is available to NTEU members in several forms: cancer insurance, disability insurance and life insurance. You choose the products that help meet your individual needs and you pay for the coverage. You can use benefits you receive to cover co-pays, out-of-pocket medical expenses and deductibles.

How Can You Get It?

Supplemental insurance is available to NTEU members through Colonial Life & Accident Insurance Company. Do you need supplemental insurance? If your answer is "yes," contact your Colonial representative to apply for coverage for the unexpected—*for what happens next.*

For more information

Contact your local Colonial representative, Donna Thomas, at (210) 798-7877.

Colonial Supplemental Insurance products are underwritten by Colonial Life & Accident Insurance Company. Coverage is subject to policy exclusions and limitations that may affect benefits payable. Benefits vary by state and may not be available in all states. For more information, contact your Colonial representative or visit www.coloniallife.com. Similar products, if approved, are underwritten in New York by a Colonial affiliate, The Paul Revere Life Insurance Company.

Around the Office

Alert! Editor, Mick Eskew

- Chapter elections are almost over; the votes are to be counted on September 30, 2005. Go to our chapter web site for additional information.
- New officers will take office on October 1; Tom will be retiring at the end of December.
- Labor Recognition Week will be held the week of September 19, 2005. Keep an eye open for flyers prior to the event, for details in your POD. Each employee is allowed one hour of administrative time to attend the festivities.
- The Colonial Life & Accident Insurance Company, see their letter above, will be sponsoring the refreshments for the Labor Recognition week activity. A representative will be available to answer any questions you may have regarding their supplemental insurance that is only available to the NTEU membership.

TOM'S HUMOR PAGE

Oxymorons....

- 1. Is it good if a vacuum really sucks?**
- 2. Why is the third hand on the watch called the second hand?**
- 3. If a word is misspelled in the dictionary, how would we ever know?**
- 4. If Webster wrote the first dictionary, where did he find the words?**
- 5. Why do we say something is out of whack? What is a whack?**
- 6. Why do "slow down" and "slow up" mean the same thing?**
- 7. Why do "fat chance" and "slim chance" mean the same thing?**
- 8. Why do "tug" boats push their barges?**
- 9. Why do we sing "Take me out to the ball game" when we are already there?**
- 10. Why are they called "stands" when they are made for sitting?**



- 11.** Why is it called "after dark" when it really is "after light"?
- 12.** Doesn't "expecting the unexpected" make the unexpected expected?
- 13.** Why are a "wise man" and a "wise guy" opposite?
- 14.** Why do "overlook" and "oversee" mean opposite things?
- 15.** Why is "phonics" not spelled the way it sounds?
- 16.** If work is so terrific, why do they have to pay you to do it?
- 17.** If all the world is a stage, where is the audience sitting?
- 18.** If love is blind, why is lingerie so popular?
- 19.** Why do you keep worthless junk in the garage and your expensive vehicle outside?
- 20.** Why do you drive on a parkway and park on a drive way?
- 21.** Why do you press harder on the buttons of a remote control when you know the batteries are dead?
- 22.** Why do we put suits in garment bags and garments in a suitcase?
- 23.** How come abbreviated is such a long word?
- 24.** Why do we wash bath towels? Aren't we clean when we use them?
- 25.** Why doesn't glue stick to the inside of the bottle?
- 26.** Why do they call it a TV set when you only have one?
- 27.** Christmas oxymoron: What other time of the year do you sit in front of a dead tree and eat candy out of your socks?

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.

Chapter 52 Board:

President, Tom Jones

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

Send comments and/or articles to:
 8700 Tesoro Dr. Stop 1700SANC
 San Antonio, Texas 78217
 fax 210-841-2044, attention Alert!
 Editor/Compiler Mick Eskew

