

Alert!

Chapter 52
National Treasury
Employees Union

May - June, 2005

IRS To Close Taxpayer Assistance Centers

FedManager, May 31, 2005

The Internal Revenue Service announced that it plans to shut down 68 Taxpayer Assistance Centers (TACs) in 29 states by the end of September, resulting in the loss of up to 434 jobs. The agency says the move reflects “fundamental changes in how taxpayers file their taxes and access tax information,” but the President of the National Treasury Employees Union (NTEU), Colleen M. Kelley, calls the plan “incredibly short-sighted and foolish.”

IRS officials say the plan is justified because of the recent increase in the use of the agency’s website (www.irs.gov) to obtain tax information, and the sharp rise in electronic filing. This year, the agency stated, the majority of tax returns were filed electronically, marking the first time in history that e-filing outpaced paper returns. Additionally, the IRS reports that face-to-face interactions with taxpayers declined.

Closing down 68 of the 400 TACs will save the agency approximately \$45 million in fiscal 2006, IRS officials estimate. Qualifying employees may be offered early out retirements or buyouts, as the agency’s budget allows, or may be entitled to priority placement for other jobs within the IRS and other Treasury bureaus, officials say. “We’ve made significant improvements in service in recent years,” said IRS Commissioner Mark W. Everson. “The walk-in sites are our most costly service vehicle, and we find taxpayers prefer to use our toll-free phone lines where their questions can be routed to subject matter experts.” He added, “Like most other federal agencies, we’re being asked to create efficiencies and be responsible with taxpayers’ dollars. Using objective criteria, we’re creating these efficiencies where they’ll have the least impact on good service.”

But NTEU argues that some of the IRS’s numbers may be deceiving. According to the union, Taxpayer Advocate Nina E. Olson has said that the IRS has been steadily cutting back on the services offered at TACs, and has failed to account for those taxpayers left waiting in lines. Kelley warns that the shutdowns will lead to a dramatic reduction in customer service and a decline in taxpayer compliance. In addition, she says the plan cuts services for those most vulnerable - low-income people, seniors, and those facing language barriers.

NTEU is vowing to take the issue to Congress, and says that given the IRS’s increasingly strong efforts to drive taxpayers to the Internet for advice and services, the closings announced last week “may be only the tip of a very large iceberg.”

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Lawmakers, Taxpayer Advocate Reiterate Serious Concerns over IRS Customer Service Cuts

N.T.E.U. Press Release

Washington, D.C. - Government officials and members of Congress once again voiced serious reservations about plans by the Internal Revenue Service (IRS) to close a substantial number of its walk-in Taxpayer Assistance Centers (TACs) during a joint committee hearing on the IRS budget and strategic plan held yesterday.

IRS Commissioner Mark Everson told the Joint Taxation Committee that the agency expects to announce the closure of approximately 70 out of the 400 TACs nationwide within the next two weeks, and has requested authority to offer early-outs and buy-outs for eligible employees.

NTEU President Colleen M. Kelley has been an outspoken critic of the plan, warning that it will result in reduced assistance to taxpayers who are trying to comply with the complex tax laws at a time when the nation's tax gap continues to widen.

In testimony, Taxpayer Advocate Nina E. Olson took issue with the IRS's reasoning that fewer taxpayers are using the TACs. The data the IRS used in its "single-minded" decision is seriously flawed, Olson said. While the IRS claims that their data show a decline in TAC usage, Olson explained that the results are skewed since the agency has been steadily cutting back on the services offered at the centers and the agency only accounted for those taxpayers who made it through the doors, and not those left waiting in lines.

The IRS also claims that taxpayers can receive tax assistance through the IRS's web site. Olson disputed this logic, cautioning that the IRS "overestimates taxpayers' ability or willingness to conduct financial transactions in an electronic or self-service format. In today's society, some are comfortable with banking online, many are not."

Olson called on the IRS to conduct periodic taxpayer needs assessments before making decisions that could cause "irrevocable consequences" to taxpayers, such as closing TACs.

Also expressing reservations about the IRS plan was Treasury Inspector General for Tax Administration (TIGTA) J. Russell George, who expressed skepticism that the IRS has sufficient data to draw conclusions on the likelihood that taxpayers, who have used the centers in the past, will be able to use other methods of seeking help.

Raymond T. Wagner, Jr., chairman of the IRS Oversight Board, agreed that the IRS has not adequately measured the serious impact the closings could have on taxpayers and cautioned that the closures could result in further expanding the tax gap and threatening hard-won customer service improvements at the IRS.

“These proposed reductions in customer service are raising concerns throughout the tax community,” testified Wagner. “Until meaningful and substantive tax simplification is enacted into law, taxpayers will need all the help they can get.”

Lawmakers responded to the testimony with reservations of their own. Rep. John W. Olver (D-Mass.) requested more details on the TAC closings, while Sen. Daniel K. Akaka (D-Hawaii) worried that the IRS plan would leave the most vulnerable taxpayers—the elderly, minorities and low-income individuals—with no other option than to use expensive, and sometimes unscrupulous, tax preparers.

“It is incredible to me that members of Congress and oversight officials continue to voice their opposition to this attack on critical taxpayer services, and yet the IRS is moving forward at full steam with this unwise plan,” President Kelley said. NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments, including some 98,000 in the IRS.

Questions and Answers for IRS Employees About the Announcement of TAC Closings

Timetable

When does the IRS want the TACs to close?

The IRS wants to have all the reductions take effect by September 30, 2005, before the start of the new fiscal year.

Employee Impact

What will happen to the impacted employees?

There is much information the IRS has yet to share and without the answers to many of NTEU’s questions, it is impossible to tell you exactly what will happen. Below are a number of questions and answers about what actions NTEU will take at the bargaining table.

With respect to the negotiations over the TAC closures, what has occurred?

At this point, the IRS has only given NTEU notice of its intent to reorganize the TAC structure. The agency has not provided NTEU with an Article 19 notice of RIF. However, that doesn’t mean the IRS won’t provide a RIF notice and begin bargaining at a later date as it rolls out this plan for closures.

What can we expect if the agency does provide NTEU with a notice of RIF?

Should NTEU receive an Article 19 RIF notice, we will take all steps necessary to ensure that the IRS offers all mitigation strategies that are available, including:

- A full six months of CTAP eligibility (which would provide TAC employees with priority selection for other Treasury positions);
- Reassignment preference which provides employees with priority job consideration for months prior to the issuance of CTAP notices;
- Early out (VERA) and buyout (VSIP) opportunities;
- Indirect buyouts (enhanced job swapping opportunities so that employees who want to retire can swap with employees who want to continue working for the IRS);
- Training opportunities for other positions at the IRS;
- Waivers of qualifications for IRS positions; and
- Assistance in job searches.

What about the pending reorganization of TACs? What can we expect to happen?

While we have not been briefed on the details of the Field Assistance Reorganization, we are in the process of appointing NTEU leaders to serve on the bargaining team. Once we have been briefed on the details, NTEU will seek feedback from our impacted employees and develop proposals to address how you will be treated during any transition. Examples of things we will negotiate for include:

- Sufficient transition period to allow enough time for effective mitigating strategies to avoid the need to conduct a RIF;
- Early outs (VERA) and buyouts (VSIP);
- Voluntary reassignments to continuing TACs;
- Voluntary reassignments to other IRS positions; and
- Moving expenses for reassignments outside of the commuting area.

Congress

Does Congress need to approve this plan before the IRS can close TACs?

Not really. The IRS has informed Congress of its plan as part its budget request for FY 2006. Congress gives tacit approval to the plan if the President's budget request, which calls for overall cuts in customer service of \$134 million, is approved with no changes. However, Congress can also stop the IRS from moving forward by increasing the agency's customer service funding or mandating that the IRS keep all the TACs open.

Other TACs

How did the IRS decide to close these specific TACs?

The IRS referred to a model that NTEU has yet to be briefed on. IRS Commissioner Everson has testified on the model, but only very generally. In hearings before House and Senate committees, both TIGTA and the Taxpayer Advocate have expressed strong reservations about the model. NTEU has many questions about the model as do many members of Congress. NTEU will aggressively be pursuing these questions.

What are the chances of more TACs being closed?

The IRS wants to cut \$134 million out of its customer service budget for FY 2006, but closing the announced TACs will only save \$45–\$55 million. The agency has yet to detail where the remainder of the cuts will come from, so additional rollbacks in customer service could be on the table. NTEU believes it is critical that we gain support from Congress and the public for ongoing operation of the TACs.

Action Needed

What can I do to help keep these TACs open and others from being marked for closing?

First and most important is to contact your representative and two senators and ask them to stop the IRS from moving forward. You know how valuable the TACs are and how many taxpayers we help each year. Make sure your elected representatives know this as well. NTEU is providing sample letters to Congress for you to use.

Also, get involved in your chapter's activities around this and work in your community to get signatures on the petition. The people most affected by the closing will be taxpayers, and they should be given an opportunity for their voices to be heard.

If you are not a member of NTEU, then join. There is strength in numbers, and we can be effective if we work together and present a unified voice to IRS management, Congress, and the public.

Where can I get more information?

Updated information will be available to NTEU members on the NTEU web site. Go to www.nteu.org and go to the “Members Only” button on the left-hand side. If you haven’t yet registered for the web site, you will need to do that first. Registration is free and only available to NTEU members.

A View from the San Antonio TAC Office

By Jason Krueger, Tax Specialist; Chapter Steward

This morning an elderly woman came to see me at a Taxpayer Assistance Center. She was frustrated that she could not get the tax advise she needed by calling the toll free line. It was difficult for her, as it is for the many elderly people who frequent Taxpayer Assistance Centers nationwide on a daily basis, to understand the application of tax law and her IRS account balance by telephone. In person, however, she is offered a visual explanation as well.

Many require face-to-face assistance. An individual who is fearful of not being able to buy groceries and pay rent cannot be expected to buy and operate a computer or learn tax law and its annual changes. This government is replete with assistance for individuals who do not have a generous income. If Taxpayer Assistance Centers are closed then why not repeal Earned Income Credit and Child Tax Credit? Why not mandate that states can no longer offer Welfare or Medicaid?

What do the employees at a Taxpayer Assistance Center do? Everything! If we cannot find a solution locally we find someone who can solve the problem. There are fifty-five matter codes used to document our traffic flow and what is the code selected the most? Other. In the overwhelmingly broad field of federal taxes all questions and concerns will be addressed.

Our primary duty is to assist the public. This assistance includes the research and explanation of tax law questions and tax obligations, collections, and adjustments. We also prepare electronic individual tax returns during filing season for those with income under \$36,000, among other restrictions. We offer paper tax return preparation all year. We offer a large variety of forms in addition to guidance and direction of IRS services available.

There has been a decrease in customer traffic in Taxpayer Assistance Centers due somewhat to the electronic age and phone service. Unfortunately, people are not receiving quick, optimal service in this manner. For instance, in 2003 TACs no longer provided transcripts for taxpayers. An acceptable decision, a devastating amount of traffic significantly declined. People were expected to request transcripts by mailing a Form 4506-T or via the toll free line. People were following this procedure, without alternative, and never receiving the transcripts. Many Form 4506-Ts are sent from the TACs. And often these same individuals return in a month stating the transcript ordered was never received.

Other factors have been influential. Taxpayer Assistance Centers have stopped addressing more complex tax law issues such as depreciation and rental income, the tax necessities for partnerships and corporations, royalties, estate returns, exempt organization concerns and resident alien income. These constraints were placed on TACs due to errors claimed by TIGTA in an unrealistic monitoring process. For example, a TIGTA agent monitors a TAC employee and asks two tax law questions. The employee answers each question correctly but forgets to give the agent a survey card. The entire contact is marked incorrect.

Secondly, most tax law and account activity is learned on the job under enormous time constraints. TAC employees are not provided the proper training. And so, some people stopped using the TACs, disliking a prolonged response time and a more difficult form of communication. I have performed R-mail duties, explaining tax law by telephone. Undoubtedly, face-to-face contact is much more appreciated.

An ironic reason why the number of visitors is lower is that TACs are often so busy people don't want to wait two to four hours to get tax assistance. Many people leave after waiting, thus they are not counted and categorized. The end result of the constant hiring freeze of TAC employees.

Granted, many individuals choose electronic and phone services because they have the means to do so. But, many, many individuals are not changing preference away from face-to-face customer service to obtain tax services electronically or via telephone. They are being forced to do so.

(Editor's Note: This article was written several weeks before the announcement to close any TAC offices. It is not a response to the closing of other offices.)



THE FUNDS – TSP Rates of Return

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

	G Fund	F Fund	C Fund	S Fund	I Fund
May 2005	0.37%	1.05%	3.15%	6.05%	(0.40%)
Last 12 Months* (6/1/2004 - 5/31/2005)	4.51%	6.84%	8.21%	13.05%	14.20%

*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

S Fund Leads TSP Returns

FedWeek

The small and mid-sized U.S. company stock (S) fund led the Thrift Saving Plan in monthly returns in May, gaining 6.05 percent, bringing its 12-month total to 13.05 percent. The international stock (I) fund leads in 12-month returns, at 14.2 percent following a 0.40 percent loss in May, while the large U.S. company stock (C) fund gained 3.15 percent last month for a 12-month return of 8.21 percent. The bond (F) fund and the government securities (G) fund gained 1.05 and 0.37 percent, respectively, in May for 12-month returns of 6.84 and 4.51 percent.

No Word yet on Raise

FedWeek

Although Congress is starting to move the appropriations bills for the upcoming fiscal year, one measure that remains in the starting blocks is the Transportation-Treasury measure, the traditional vehicle for setting the following year's federal pay raise. Congressional backers of "pay parity"—setting the federal raise at the same figure as the military increase—have written the Appropriations Committees urging them to continue the practice in January 2006. That would effectively boost the January 2006 federal raise from the 2.3 percent that President Bush recommended to the 3.1 percent that military personnel stand to receive under DoD budget measures that, are moving forward. The Transportation-Treasury bill could be a late starter because of perennial disputes about spending on transportation programs and because this year the House will be funding the Housing and Urban Development Department, with associated controversies over housing programs, through that bill. Also, the Office of Personnel Management has yet to produce a report on federal pay and compensation, which was due three months ago, that appropriators wanted to take into consideration in this budget cycle.

Lack of Gratitude

Tom Jones, President NTEU Chapter 52

It's that time of year again as Annual Performance Appraisals are coming to an end for this year. Hopefully you have provided management with a self appraisal, if not start thinking about this aspect as the new appraisal year starts. This is a right you have as covered in the contract Article 12 Section 4 B 5. Help us help you when your appraisal is received. You can do this best by preparing a self appraisal and today is not too soon to start.

Why do I mention this? I have noticed over the last year that appraisal scores are continuing to drop. This appears to be a concerted effort by managers. It does not appear on the surface to be a lack of work ethic, effort, or diminished dedication on the part of employees, but rather a corporate attitude change towards employees.

The only reward system in the IRS is the NTEU/IRS Annual Performance Awards. The IRS passes out pins for years of service. Yes, it's nice to be recognized for

length of service. But, is this all the recognition employees need or deserve? I think not! Most employees excel when they are recognized publicly for a job well done. When is the last time we've had a ceremony recognizing the employees for their efforts in accomplishing the goals and plans of this agency? It has been quite a while.

I have heard over the past several months from managers that there is no such thing as a 4.8 or 5.0 performer. If this is the case then the IRS has set standards that are impossible to meet. This again violates the National Agreement Article 12 Section 3 A that states the employer has determined that it will not use critical job elements and standards that impose an absolute or unreasonable standards unless authorized by law. The law in this case is 5 U.S.C... Performance Appraisals must be objective and the standards must be obtainable, if the standard is not obtainable as one manager stated then the appraisal criteria is faulty. The standards used must be thrown out and new standards developed.

The only standard that managers seem to use is that all Appraisals must be lowered. Again, these same managers are violating the contract- they fail to counsel employees when they arbitrarily lower appraisals. This again is covered in the Contract Article 12 Section 4 M. This is also supported by a couple arbitration decisions.

So what do we have lowered annual appraisals, no counseling of employees, review after review, no recognition for a job well done, no promotions, RIF's and possible RIF's, contracting out, A-76 Studies, and competitive sourcing The results is no morale. Management's response –Let the beatings continue until morale improves.

How about a hand written note thanking you for the work you do. Fifty-nine minutes off for a job well done, a QSI, a managers award, a special act award. Rewards should have some value to the employee not just empty words. They should be appropriate to the accomplishment, but like I said there is a lack of gratitude that permeates this organization.

Around the Office

Alert! Editor, Mick Eskew

- The Austin Rundberg TAC office has been targeted for closure. This office has 15 bargaining unit employees and one manager. During the week of June 6th, our chapter along with the help of chapter 247 from the service center, held a week long informational picket and petition signing in front of that office. Austin news crews were there to report on our efforts to make our voice heard in opposition to the closing of this office and other TAC offices. Our members were on the picket line from 8:00 a.m. to 4:00 p.m. each day of the week. Over 1000 signatures were obtained on the petition that will be forwarded to our political representatives.
- At a recent NTEU training session, we were told that hundreds of IRS bargaining unit employees have lost their jobs due to the RIFs at service centers and other offices around the country. But not one manager has lost their job during the

layoffs. Management has always been able to reassign them to another position; it appears they do take care of their own.

- All the information regarding TAC closings is just too numerous to put into this newsletter. I strongly encourage you to visit the National NTEU's web site at www.nteu.org to read more about these important issues. There you can also review letters sent by Congressional Representatives and Senators urging the Agency to reconsider these closings.
- From the national web site you can also send letters to your representative regarding several other issues that we are facing at this time. So check out the "Cap Wiz" portion of the web site. First it was the mail rooms, a service center, and now the walk-in centers. They are currently working on collections, what's next...you? Act now to preserve your job and support your fellow members.
- Chapter 52's elections are just around the corner. A new page has been added to our web site, www.nteu52.org/chapter_elections.htm, that will give you details and timeline of the election events.
- NTEU National Negotiators have reached a verbal agreement with the IRS to offer buyouts/early outs to ALL field assistance employees. This offer will include employees even in those TAC centers not targeted in the closure. The window for applying will be June 20 to July 1. The offer includes an off the rolls date of August 1. There will also be a job swap provision put in place for field assistance employees. Additional details once the agreement has been signed.

TOM'S HUMOR PAGE

Congratulations, you are a Survivor...

First, we survived being born to mothers who may have smoked and/or drank while they carried us.



They took aspirin, ate blue cheese dressing and didn't get tested for diabetes.

After that trauma, our baby cribs were covered with bright colored lead-based paints.

We had no childproof lids on medicine bottles, doors or cabinets and when we rode our bikes, we had no helmets, not to mention, the risks we took hitchhiking.

As children, we would ride in cars with no seat belts or air bags.
Riding in the back of a pick up on a warm day was always a special treat.

We drank water from the garden hose and not from a bottle.

We shared one soft drink with four friends, from one bottle and no one actually died from this.

We ate cupcakes, bread and butter and drank soda pop with sugar in it, but we weren't overweight because WE WERE ALWAYS OUTSIDE PLAYING!

We would leave home in the morning and play all day, as long as we were back when the streetlights came on.

No one was able to reach us all day. And we were O.K.

We would spend hours building our go-carts out of scraps and then ride down the hill, only to find out we forgot the brakes. After running into the bushes a few times, we learned to solve the problem.

We did not have Playstations, Nintendo's, X-boxes, no video games at all, no 99 channels on cable, no video tape movies, no surround sound, no cell phones, no personal computers, no internet or internet chat rooms.....WE HAD FRIENDS and we went outside and found them!

We fell out of trees, got cut, broke bones and teeth and there were no lawsuits from these accidents!

We made up games with sticks and tennis balls and ate worms and although we were told it would happen, we did not put out very many eyes, nor did the worms live in us forever.

We rode bikes or walked to a friend's house and knocked on the door or rang the bell, or just walked in and talked to them!

Little league had tryouts and not everyone made the team. Those who didn't had to learn to deal with disappointment. Imagine that!!

The idea of a parent bailing us out if we broke the law was unheard of. They actually sided with the law!

This generation has produced some of the best risk-takers, problem solvers and inventors ever! The past 50 years have been an explosion of innovation and new ideas.

We had freedom, failure, success and responsibility, and we learned how to deal with it all! And YOU are one of them! CONGRATULATIONS!
Kind of makes you want to run through the house with scissors, doesn't it?!

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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