

# Alert!

Chapter 52  
National Treasury  
Employees Union

May, 2004

## Raise Language Remains Pending

*FedWeek, May 11, 2004*

A measure that likely will serve as the indicator for the January 2005 federal pay raise has been stuck in a House-Senate conference, hung up over differences on unrelated matters. The budget "resolution" for fiscal 2005 will serve as an outline for appropriations bills to be passed later. However, even though the House and Senate passed their versions many weeks ago, conferees have been unable to find agreement on language that effectively would make it harder to pass tax cuts. Also at issue is whether a process called reconciliation--where individual committees, including those with jurisdiction over civil service spending, must find savings in areas they oversee--will be ordered for fiscal 2005. The Senate version calls for continued parity between military and civilian federal employee pay in 2005, effectively endorsing a raise of 3.5 percent for each group. The House version is silent on the raise but the House voted separately to endorse pay parity. The budget resolution is not binding but creates a presumption about certain policy and spending issues.

To date, congressional appropriators have held off moving the spending bills that will be needed to fund federal agencies in the upcoming fiscal year, waiting for instructions carried in the budget resolution. However, appropriators want to begin producing bills soon, since there is relatively little working time left in an election-shortened year. The key bill for federal employees is the Transportation-Treasury measure, which in many recent years carried the actual federal raise for the following January. The appropriations process last year further resulted in a tangle of policies affecting various agencies covered by various spending bills with regard to contracting-out policy. The administration would like to have the restrictions lifted, although once language gets into an appropriations bill it can be hard to get out.

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## **FSA Benefit Improvement Advances**

*FedWeek, May 19, 2004*

The House has passed, as part of a larger tax bill (HR-4279), language to improve flexible spending account benefits for federal employees and other workers eligible for such accounts by allowing them to roll over up to \$500 in unspent money at the end of each plan (calendar) year. Under current policy, FSA money is "use-or-lose," meaning that any unspent money, after the claims for the period are all paid, reverts to the plan provider--in the federal government, FSAfeds, operated by SHPS, Inc., under contract to the Office of Personnel Management. FSAs allow employees to put in up to \$5,000 a year pre-tax for certain dependent care expenses and up to \$4,000 for certain health care costs not covered by insurance. Under the bill, which now goes to the Senate, FSA enrollees could roll over up to \$500 either to the following year's FSA account or to a "health savings account." Those accounts have been authorized in the Federal Employees Health Benefits program for the 2005 plan year, although it's unknown how many FEHB carriers will offer them.

The current use-or-lose feature of FSAs is considered a major disincentive against opening such accounts; sponsors of the bill argued that for health care FSAs, especially, it's difficult for an individual to predict how much money will be spent in a year. That issue was one factor cited in the relatively low rate of participation after the executive branch started allowing FSAs effective last July 1 (there were other factors as well, including the inability of some agencies to meet the startup date and uncertainty regarding whether agencies would pay enrollment fees for their employees). Employees expressed concern about having to forfeit money, even though in many cases they might have come out ahead anyway due to what they would have saved on taxes. The Office of Personnel Management recently reported that while only 28,000 employees opened health care FSAs and only 7,000 had dependent care FSAs last year, those numbers rose to 118,000 and 18,000, respectively, for the 2004 plan year. The Bush administration has proposed allowing rollovers in its last several budgets, and the idea has garnered bipartisan support.

## **EEOC Issues Instructions to Agencies**

*FedWeek, May 19, 2004*

The Equal Employment Opportunity Commission has issued instructions to federal agencies on complying with its recently issued "management directive 715" which requires agencies to establish and maintain effective affirmative programs of equal employment opportunity. The instructions provide federal agencies with additional operational instructions on how to accomplish the requirements of the management directive, and emphasize what federal agencies should do to ensure that personnel actions are made free of discrimination. For a look at the instructions, go to <http://www.fedweek.com/HotFreeNews/default.asp>

## FROM THE HILL

*FedManager, May 18, 2004*

It may not be too long before IRS agents get some help from the private sector in collecting taxes. The Senate passed a measure last week permitting the IRS to contract with private-sector debt collection companies to collect tax debts. Part of a large corporate tax bill, the measure would require the private-sector collectors to adhere to the same standards as IRS agents. It also includes a 5-year termination date for the program, and requires the IRS to submit regular reports to Congress.

The National Treasury Employees Union (NTEU), which represents nearly 98,000 IRS employees, strongly opposes the legislation, citing a similar program in 1996 that led to "disastrous results, including harassment of taxpayers." "What is true then is true now," said NTEU President Colleen M. Kelley. "Privatizing the function is not only the most inefficient way to collect tax debts, it puts private and sensitive taxpayer information at unacceptable risk by making it available to the most complained-about industry in America – debt collectors."



### THE FUNDS – TSP Rates of Return



Rates of Return were updated on **May 3, 2004**.

	<b>G Fund</b>	<b>F Fund</b>	<b>C Fund</b>	<b>S Fund</b>	<b>I Fund</b>
April 2004	0.29%	(2.54%)	(1.52%)	(3.94%)	(2.31%)
<u>Last 12 Months*</u> (5/1/2003 - 4/30/2004)	4.05%	1.77%	22.74%	38.75%	39.27%

\* 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

### Reminder: TSP Open Season Nearing its End

TSP open seasons runs through June 30. During an open season, you may change the amounts of their investments. Investors under the FERS system may invest 14 percent of salary and those under the CSRS system may invest 9 percent, subject to the tax code dollar cap of \$13,000.

(Editor's Note: to change the allocation of your investment among the five funds, go to [www.tsp.gov](http://www.tsp.gov). To change the percentage to be withheld from your salary, go to [www.employeeexpress.gov](http://www.employeeexpress.gov). You will need a PIN or password with each.)

## Around the Office

*By Alert! editor Mick Eskew*

- Most of the San Antonio office has moved to the new facilities at 8700 Tesoro Dr. The Exam Division is about the only ones remaining at the Summit Tower. All remaining employees are scheduled to be in the Petroleum Towers at mid-June.
- The new San Antonio Union office is located in room 100A, adjacent to the employee's entrance of Taxpayer Service walk-in area. Tom's new phone number is 210-841-2046, mine is 210-841-2045, and the fax number is 210-841-2044. We still have a few boxes that need to find a home, but we are open for business, generally from 7:30 am to 4:00 pm each day. I will continue to work in the union office on Mondays & Tuesdays and every other Friday (due to AWS).
- The Austin Union office will be moving soon. The office will remain in the downtown FOB but will be moving to the second floor. No definite date, but the scheduled move will be sometime in June. The phone numbers will remain the same. Generally, Bill Grace will be in the Austin office on Wednesdays and Thursdays.
- The Chapter's web page [www.nteu52.org](http://www.nteu52.org) has had a make over, you now can go to a "Table of Contents" and navigate to all the pages available. The "What's New" page is still a good place to go to quickly review any changes recently made and get an idea of what new information is available to you.
- Mid term bargaining on the IRS and NTEU National Agreement starts this summer. Tom Jones and Trish Kelley our Executive vice president will be in Washington D.C. the week of June 1st to represent Chapter 52. NTEU is allowed to open 5 articles and add two new articles, as is the IRS. This meeting will decide which articles the NTEU wishes to re-open and what, if any, we would like to add.

## In Honor of Memorial Day

In lieu of Tom's Humor Page, Tom has asked that the following be used to remember those who have fought and gone before us. Let us not forget...

### Secretary Powell on Memorial Day

Every Memorial Day, my sister, Marilyn, and I would put on our Sunday best and accompany our parents to Woodlawn Cemetery in the Bronx to visit the graves of family members. Like all kids, my sister and I were happy to have the day off from school, and I can't say we were in a solemn frame of mind. But taking part in that annual rite of remembrance gave me my first sense of the importance of honoring those who have gone before.

I grew up and chose a soldier's life. I lost close friends in war. Later, I commanded young men and women who went willingly into harm's way for our country, some never to return. A day doesn't pass that I don't think of them. Paying homage to the fallen holds a deeply personal meaning for me and for anyone who ever wore a uniform.

In 1990, when I was chairman of the Joint Chiefs of Staff, I took my Soviet counterpart, Gen. Mikhail Moiseyev, around the United States. I wanted to give him a better understanding of what America is all about. We started in Washington, D.C. I especially wanted to take him to the Vietnam Veterans Memorial.

But I didn't take him there directly. First, I took him to the Jefferson Memorial. I pointed out a passage from the Declaration of Independence carved into its curved wall. All who have served in our armed forces share its sentiment. "And for the support of this Declaration," Jefferson wrote, "... we mutually pledge our lives, our fortunes, and our sacred honour." Then I asked the general to look up. Above the statue of Jefferson, in 2-foot-high letters on the base of the monument's dome, is this inscription: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

Here, I said, you see the foundation of America, a nation where "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights." I told the general that like Washington, Jefferson and all our Founding Fathers, Americans of every generation are ready to fight and die for those unalienable rights.

Then, to show Gen. Moiseyev the kind of sacrifices Americans are willing to make, I took him to the Lincoln Memorial, where Lincoln's words at Gettysburg are engraved. There, Lincoln said we had fought the bloodiest war in our history so our nation "shall have a new birth of freedom" and so "government of the people, by the people, for the people shall not perish from the earth." I wanted Gen. Moiseyev to see how sacred those words are to Americans.

I showed the general the final lines of Lincoln's second inaugural address: "With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan..."

I then walked the general part of the way down the Lincoln Memorial's steps to the place from which Dr. Martin Luther King Jr. delivered his "I Have a Dream" speech. I explained that the unfinished work of which Lincoln spoke was still unfinished a century later, so from the very spot on which we stood, King challenged his fellow Americans to make the promise of our Founding Fathers come true for all Americans.

Only now was I ready to take Gen. Moiseyev to the Vietnam memorial. We walked the short distance from the Lincoln Memorial to the Wall. I showed the general how to find someone's name on it. I looked up Maj. Tony Mavroudis. Tony and I had grown up together on the streets of New York. We went to college together. We became infantrymen together. And in 1967, on his second tour of duty in Vietnam, Tony was

killed. The memorial book directed us to Panel 28 East, and there we found ANTONIO M MAVROUDIS carved into the black granite. It was an emotional moment for me, and not just for me. Gen. Moiseyev reached out gently and touched the Wall. The infantryman in him understood.

Thankfully, our forces no longer face the prospect of war with the Soviet Union. Today, we are cooperating with Russia's evolving democracy and with other former foes against 21st-century dangers common to us all.

Today's deadly threats come from rogue powers and stateless networks of extremists who have nothing but contempt for the sanctity of human life and for the principles civilized nations hold dear.

I do not know or care what terrorists and tyrants make of our monuments to democracy and the memorials we dedicate to our dead. What's important is what the monuments and memorials say to us. They can teach us much about the ideas that unite us in our diversity, the values that sustain us in times of trial, and the dream that inspires generation after generation of ordinary Americans to perform extraordinary acts of service. In short, our monuments and memorials tell us a great deal about America's commitment to life, liberty and the pursuit of happiness for all.

The haunting symbolism of the 168 empty chairs at the Oklahoma City National Memorial, the heartbreaking piles of shoes in the U.S. Holocaust Memorial Museum, the carefully tended headstones bearing crosses, crescents and Stars of David standing row-on-row in Arlington and our other national cemeteries - all speak to the value we place on human life.

The Vietnam Women's Memorial of the three servicewomen and the wounded GI; the Korean War Veterans Memorial's haggard, windblown patrol trudging up the rugged terrain; and the memorial of the flag-raising on Iwo Jima do not glorify war - they testify to the glory of the human spirit.

The Civil War battlefields and the monument in Boston to Robert Gould Shaw and his 54th Massachusetts Regiment of Negro soldiers who rode together into the jaws of death for the cause of justice tell us of the price past generations have paid so we might live in a more perfect union. They remind us also of the work our generation must do.

This Memorial Day weekend, we will join in celebrating the opening of the National World War II Memorial honoring the great generation of Americans who saved the world from fascist aggression and secured the blessings of liberty for hundreds of millions of people around the world.

Today, their descendants are fighting the global war against terrorism, serving and sacrificing in Afghanistan and Iraq and at other outposts on the front lines of freedom. The life of each and every one of them is precious to their loved ones and to our nation. And

each life given in the name of liberty is a life that has not been lost in vain.

In time, lasting memorials will stand where the Twin Towers once etched New York City's skyline, near the west side of the Pentagon, and in the Pennsylvania field where doomed heroes died on Sept. 11, 2001, using their last moments to save the lives of others and most probably the Capitol or the White House - symbols of our living democracy.

All of us lead busy lives. We have little time to pause and reflect. But I ask of you: Do not hasten through Memorial Day. Take the time to remember the good souls whose memories are a blessing to you and your family. Take your children to our memorial parks and monuments. Teach them the values that lend meaning to our lives and to the life of our nation. Above all, take the time to honor our fellow Americans who have given their last full measure of devotion to our country and for the freedoms we cherish.

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/>

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