

Alert!

**Chapter 52
National Treasury
Employees Union**

October, 2004

Final Action on Raise, Other Matters Put Off

FedWeek, October 6, 2004

Congress has passed a stopgap funding measure to carry agencies through November 20, leaving action on many appropriations measures for fiscal 2005 until a lame-duck session that will be convened November 15. Leaders gave up on adjourning completely for the year at the end of this week, although they still hold out hope that the lame-duck session will be a short one, possibly even over by November 20. While some in Congress still hope to pass the regular spending bills individually, it appears more likely that many of those bills--probably including the Transportation-Treasury spending bill, which contains a 3.5 percent average raise for general schedule employees--will be put in a catchall spending bill. Such a bill could either fund affected agencies through the remainder of fiscal 2005 or merely continue temporary authority into sometime in the new calendar year, leaving the work to be finished then.

With Congress still wrangling over many budgetary decisions, chances are increasing that the January 2005 federal raise won't be finally settled until after the new calendar year begins. In that event, a 2.5 percent across-the-board general schedule raise would kick in by default in the first pay period of January. In similar circumstances the last two years, after a final, and higher, raise figure was legislated, the boost was made retroactive--although in some cases, it was months before employees received their back pay and their increased salary rates.

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Time Line:

- Oct. 31, Daylight Savings Time Ends
- Nov. 2, Election Day
- Nov. 11, Veteran's Day Holiday
- Nov. 25, Thanksgiving Day Holiday
- Nov. 27, last day to schedule & get approval for U/L leave
- Jan. 8, 2005, last day to use U/L leave

Pay Gap Set at 16 Percent

FedWeek, October 6, 2004

If a January 2005 raise isn't set by the end of next month, under federal pay law President Bush would have to issue an executive order by November 30 to prevent an even larger raise from kicking in automatically. That's because that under the law, federal pay is supposed to be nearly comparable with non-federal pay by now. However, because of years of raises smaller than those envisioned by the law, the pay gap according to the official figure is now still 16.06 percent, according to a new Bureau of Labor Statistics computation. Thus, without an executive order setting a lower raise--one that almost assuredly would be issued--under the law's formula a net pay increase of about 13.1 percent would be required, with 2.5 percent of that across the board and the other 10.6 percent as locality pay.

Split Raise Recommended

FedWeek, October 6, 2004

Meanwhile, the Federal Salary Council, an advisory group on the GS locality pay system, has recommended that if a 3.5 percent raise is paid, 2.5 percentage points of that should go as across-the-board pay and the other percentage point should be divided up as locality pay. The legislation pending in Congress would leave it up to the President to decide how to split the raise. Accepting the recommendation presumably would produce raises somewhat above 3.5 percent in metropolitan areas that have their own locality zones and raises somewhat below 3.5 percent in the "rest of the U.S." locality outside those zones.

House Backs Improved Bonus, Other Authorities

FedWeek, October 13, 2004

The House has joined the Senate in passing legislation (S-129) to improve agency use of recruitment, retention and relocation payments, among other changes designed to aid agencies in hiring and keeping employees with skills in high demand. Under current policy, agencies may pay recruitment or relocation bonuses or retention allowances of up to 25 percent of basic pay. The measure would turn the retention payments into bonuses as well, impose service agreements on all three types of bonuses but allow payments of up to 50 percent of basic pay, subject to a cap over the course of the service agreement period of 100 percent of the starting basic pay. There are some differences between the House and Senate versions that will have to be worked out.

The measure also allows workers to take time off in exchange for travel outside of official duty hours. The general ban against being paid for such time long has been a sore point among employees who must travel on official duty; they argue that in effect they are being forced to contribute time to their agencies. Under current policy, travel time is paid only if the time spent is within the days and hours of the employee's regularly scheduled workweek, the travel involves the performance of work while traveling, is incident to travel that involves the performance of work while traveling, is carried out under arduous conditions, or results from an event that could not be scheduled or controlled administratively. Employees receiving compensatory time off for travel would not be entitled to payment for unused compensatory time they earned.

Overtime Rules Fight Doesn't Affect Feds— For Now

FedWeek, October 6, 2004

Attempts are making progress in Congress to overrule new overtime policy regulations from the Department of Labor that took effect August 23 despite objections from organized labor, including federal unions. However, for the meantime at least, the rules changes--which guarantee overtime to certain lower-paying employees not now getting it while giving management greater leeway in denying overtime pay for certain categories of other workers--will not have a direct effect on federal employees even if they are allowed to take effect. That's because federal employee overtime policy is set by a different set of rules, issued by OPM, which has not indicated an intent to revise those rules. In addition, federal employees in certain occupations potentially affected by the rules changes in the private sector, such as law enforcement officers, have their overtime policies set by law, which would take an act of Congress to revise.

Misunderstandings Remain on Case

FedWeek, October 20, 2004

Despite--or perhaps because of--the length of time the special rate suit was pending, there remains wide confusion regarding who is eligible for payments and how much money is involved. The case bounced among various levels of the courts for two decades before reaching a settlement that is producing payments to an estimated 129,000 current and former special rate employees who had annual raises improperly capped or denied in fiscal 1982-1988 under policies in effect at that time (special rate employees receive higher salaries for being in high-demand positions). The typical payment--including back pay, interest and an adjustment for diminished retirement benefits in some cases--is several thousand dollars, well below the windfall that many employees (or their survivors) were anticipating. However, payments for some are much higher, depending on their salary level and how their raises were handled during the years in question.

San Antonio and Austin Federal Employees to Rally Friday, Oct. 29 Over Impact of Government Policies on Taxpayers

Austin—Federal employees who are members of San Antonio and Austin-based Chapters 52, 72 and 247 of the National Treasury Employees Union (NTEU) will join with other federal workers at a rally on Friday at the Federal Building Plaza. Their plan is to demonstrate their serious concerns about the impact on them—and on local taxpayers—of the current administration’s continuing attacks on federal workers. These policies include efforts to contract to the private sector as many as one out of every two federal jobs.

The three NTEU Chapters represent more than 6,000 employees at the Austin Service Center of the Internal Revenue Service (IRS), and IRS employees in South Texas. Nationally, NTEU is the largest independent union of federal workers, representing some 150,000 employees in 30 agencies and departments, including about 98,000 in the IRS. Federal employees at the rally, which is scheduled for 11:30 a.m. to 1 p.m., are expected to be joined by a representative of Rep. Lloyd Doggett (D-TX), a long-time supporter of federal workers; a representative of John Kerry, (D-TX), a long-time supporter of federal workers, by Karen Felthouser, candidate for the Texas state House who has actively opposed contracting both state and federal jobs to the private sector; by the presidents of the three NTEU Chapters --- Jan Smith, president of NTEU Chapter 72, representing IRS employees on the Austin Campus, Thomas Jones, president of NTEU Chapter 52, representing IRS employees in South Texas, and Edward F. Walker, president of Chapter 247, representing workers at the IRS Austin Compliance Center; and by other union members.

Chapter 72 President Jan Smith was particularly critical of the administration’s contracting out efforts, including its program of outsourcing the collection of tax debts. “That will put sensitive personal tax information in the hands of the private sector,” Smith said, “as well as subject taxpayers to the worst abuses of the debt collection industry.” In addition to contracting out, Smith said the rally will address administration attacks on the collective bargaining rights of federal workers, its repeated proposals for inadequate pay raises for the federal workforce, and its unwillingness to provide adequate funding for federal agencies.

“The steps this administration has taken over much of the past four years are making it increasingly difficult for the federal government to attract and retain the high-quality employees the public demands and has a right to expect,” Smith said.

“As the federal workplace becomes less and less competitive when compared to the private sector as a place to work, and with federal agencies working with minimal budgets, the quality of service to the public is bound to suffer—and that’s something everyone should care about,” the Chapter 72 president added.

With the rally occurring only two days before Halloween, participants are expected to carry signs referring to federal contracting as “trick” rather than a “treat,” reminding taxpayers how “scary” it is to be a federal employee facing these kinds of workplace problems.



THE FUNDS – TSP Rates of Return

Rates of Return were updated on **October 1, 2004**.

	G Fund	F Fund	C Fund	S Fund	I Fund
September 2004	0.38%	0.29%	1.11%	3.92%	2.05%
<u>Last 12 Months*</u> (10/1/2003 - 9/30/2004)	4.34%	3.61%	13.87%	18.21%	21.63%

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 has Arrived

FedWeek, October 13, 2004

The Thrift Savings Plan on Friday (October 15) began one of its twice-yearly open seasons, an opportunity for eligible employees not currently investing in the program to begin investments and one for those currently participating to change their levels of investment. During the open season, which runs through the end of the calendar year, FERS system investors may raise their biweekly contributions to as much as 15 percent of salary and those under CSRS may raise theirs to up to 10 percent, with both subject to an annual dollar cap, which itself is rising in 2005, to \$14,000. The percentage of salary limits are set to end a year from now, although the annual dollar caps will remain.

This could be the last of the TSP's open seasons, a fixture of the plan since its inception; legislation is pending in Congress to abolish open seasons and allow new enrollments or changes in investment amounts at any time. If that measure is enacted this year, the TSP would issue rules which presumably would take effect before the scheduled start of the following open season, next April 15. The Senate has passed its version and the House Government Reform Committee has passed its own version, which differs mainly in that it would allow government contributions for newly hired employees to start immediately, rather than remain on the same waiting period schedule currently used--a schedule that can mean a delay of nearly a year in some cases. That has proven to be a hang-up, since the Congressional Budget Office has estimated the additional cost of that provision at \$1.1 billion over 10 years.

Note: If you are age 50 or older, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional catch up contributions up to \$3,000 for 2004, and \$4,000 for 2005.

TOM'S HUMOR PAGE

You know you're living in 2004 when...



1. You accidentally enter your password on the microwave.
2. You haven't played solitaire with real cards in years.
3. You have a list of 15 phone numbers to reach your family of 3.
4. You e-mail the person who works at the desk next to you.
5. Your reason for not staying in touch with friends is that they don't have e-mail addresses.
6. When you go home after a long day at work you still answer the phone in a business manner.
7. When you make phone calls from home, you accidentally dial "9" to get an outside line.
8. You've sat at the same desk for four years and worked for three different companies.
10. You learn about your redundancy on the 11 o'clock news.
11. Your boss doesn't have the ability to do your job.
12. Contractors outnumber permanent staff and are more likely to get long-service awards.

AND THE REAL CLINCHERS ARE...

13. You read this entire list, and kept nodding and smiling.
 14. As you read this list, you think about forwarding it to your "friends."
 15. You got this email from a friend that never talks to you anymore, except to send you jokes from the net.
 16. You are too busy to notice there was no #9
 17. You actually scrolled back up to check that there wasn't a #9
- AND NOW U R LAUGHING at yourself !!

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

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