

October 2003

Alert!



NTEU

C

h

a

p

t

r

e

r

2

5

New Locality Boundaries Recommended

FedWeek October 15, 2003

The Federal Salary Council has recommended revising the boundary lines in the general schedule pay system in ways that would bring about 15,000 federal employees into higher-paying localities while keeping those now in one of the 31 metropolitan area localities in that pay area. The group acted in response to new definitions of standard metropolitan areas from the Office of Management and Budget. Under the new OMB map, thousands of employees in areas outlying some of the city zones could have been shifted to the catchall "rest of the U.S." locality zone, which carries the lowest salaries. The council also had to address requests--some of them long-standing--from employees in certain areas near metropolitan areas to be added to those localities.

The salary council generally followed the new OMB lines, which bring about 7,000 employees in about 80 counties into metropolitan zones; the largest number of them, around 1,400, are in Palm Beach County, Fla., which stands to join the Miami area. The council further adopted new rules for adding a nearby area to a metropolitan zone, assuring that virtually all employees now in a metropolitan locality--either because of the old OMB lines or because of earlier action by the council to add an area to a locality--would not get dropped into lower-paying ones. The exception is a handful of employees in Windham County, Conn., who would move from the New York locality to the Hartford locality. Among the roughly 8,000 employees to be switched from the "rest of the U.S." locality to a metropolitan locality under the new policy on adding adjacent areas, the greatest numbers work in Larimer County, Colo., which would join the Denver area, certain areas of western Massachusetts, which would join the Hartford area, Morgan County, W.Va., which would join the Washington, D.C. area, and Monroe County, Fla., which would join the Miami area.

Some cities could be dropped, or added. The salary council also recommended dropping three metropolitan areas and putting employees working in them back into the "rest of the U.S." locality on grounds that the measured pay gaps between federal and private sector jobs in those cities have been falling behind the gaps in the "rest of the U.S." locality. Those cities are Orlando, St. Louis and Kansas City, Kansas. The pay in those localities is only slightly above the rate in the "rest of the U.S." No localities have been dropped since the mid-90s. The group also recommended that Memphis, Phoenix, **Austin**, Buffalo, Raleigh, N.C. and Louisville, Ky. be studied to possibly become new localities.

Although the plan is still not finalized, the salary council's recommendations now go to the President's Pay Agent, a group of OMB, Office of Personnel Management and Labor Department officials who can approve or modify them. The Pay Agent's report is due at the end of November and a presidential order typically is issued in December to carry out its recommendations. In any case, there will be no changes in the current localities for 2004 because it is too late to make changes for next year. The new boundary lines and any decision to drop current localities would be effective in 2005 at the earliest, while new localities likely could not be created until at least 2005 and possibly later due to the need to perform pay studies in those areas.

Meanwhile, the salary council recommended that if the January 2004 general schedule pay raise is 4.1 percent--as would be provided under appropriations bills now pending in Congress--that 2.7 percentage points of that amount be paid out across-the-board to all GS employees and the funds available for the remainder be split up as locality pay. The action effectively would mean raises ranging from about 3.8 percent in the "rest of the U.S." locality to about 5.3 percent in the highest-paid locality, San Francisco-Oakland-San Jose. However, that recommendation, too, is subject to review by the Pay Agent and the White House is continuing to advocate only a 2 percent total raise, which it would split as 1.5 percent across-the-board and 0.5 percent for locality pay.

Consumer-Driven Health Plan Offers Consumers More

FedWeek October 15, 2003

This fall Federal and Postal employees have the opportunity to choose a special health plan through the American Postal Workers Union (APWU) Health Plan that was first introduced last year; it's called the Consumer-driven option, and it is administered by Definity Health. The Federal Times (Oct 7, 2002) described the APWU Consumer-driven option as "different from any other plan in the Federal Employees Health Benefits Program" and cited a key benefit of the health plan as "-- the possibility that enrollees can avoid paying any out-of-pocket costs, such as co-payments for doctors' visits or prescription drugs and deductibles that are required under traditional plans."

Here's how it works: A Personal Care Account (PCA) is provided for you to use as needed. Benefit dollars in this account cover your first \$1,000 (or \$2,000 for a family) of healthcare and pharmacy expenses at 100%, with no co-pays. Each year up to \$400 (single) and \$800 (family) of the Personal Care Account can be used for dental or vision care. If you don't use all of your benefit dollars during the year, the remaining balance rolls over to the next year. To support your health, preventive care is covered at 100% in-network and is not subtracted from the Personal Care Account. And nurse Health Coaches are available 24/7 to help with all your healthcare decisions.

FSA Emphasis to Increase

FedWeek October 15, 2003

The upcoming open season for the Federal Employees Health Benefits program--running November 10-December 8--also will see a renewed push for employees to enroll in flexible spending accounts. FSAs allow employees (but not retirees) to set aside funds to pay certain health care and dependent

care costs on a pre-tax basis. During the enrollment period earlier this year for the plan year running the last six months of 2003, only about 30,000 employees signed up. That was due in part to uncertainty regarding whether agencies would pay the administrative fees on behalf of their enrollees--in the end, almost all of them said they would--as well as the late start in some agencies, notably the Defense Department, that could not get their payroll computers reprogrammed in time for the July 1 launch date.

Lack of publicity was another factor working against FSA enrollment for the 2003 plan year, officials say. With the contract to the carrier not awarded until early in the year, there simply wasn't time to launch an extensive educational campaign, they say. However, for the calendar year 2004 plan year, information on FSAs will be part of standard FEHB plan brochures, and both OPM and the carrier, SHPS, Inc., will be conducting more outreach. One agency where the take-up rate was especially high was the IRS, officials note, so one theme of the campaign could be: what do IRS employees know about saving on taxes that you don't?

Meanwhile, the IRS has announced that FSA enrollees can claim reimbursement for over-the-counter drugs that are available without prescription. The determination, in Revenue Ruling 2003-102, held that the law authorizing reimbursement from FSAs is broader than the itemized deduction for medical expenses when they exceed 7.5 percent of adjusted gross income--the deduction that in general serves as the guideline for what is or isn't reimbursable from an FSA. The IRS noted that many prescription drugs have moved to the over-the-counter market and that paying for them with tax-favored FSA money will effectively make those drugs more affordable. The IRS added that the cost of dietary supplements "that are merely beneficial to the employee's health" are not covered

What to do if a Reasonable Accommodation is denied.

FedWeek October 15, 2003

The Rehabilitation Act gives disabled employees the right to accommodations, which allow them to perform their job. If an agency denies a federal employee a reasonable accommodation, the employee must contact the agency EEO office within 45 days. When an employer ignores a request for a reasonable accommodation, the 45-day deadline for initiating a discrimination complaint begins when a "reasonably prudent person" would believe that the request is being denied. When an agency's denial is not explicitly stated, the overall facts will be considered on a case-by-case basis. When the agency ignores an accommodation request that requires a date-specific event (such as the request for accommodations to attend a conference), the deadline runs from the date of the specific event.

After contacting the EEO office, the employee should carefully follow the deadlines for filing a formal complaint (15-days after receiving the notice) and to seek review by an administrative judge at the Equal Employment Opportunity Commission or a federal court. During the agency's investigation of the EEO complaint, the employee should explain why he or she should have been given the accommodation. This explanation should include a description of the employee's diagnosis, prognosis and the major life activities affected by the disability. Most important, the employee should include a description and documents showing that he or she asked for and was denied--either explicitly or implicitly by being ignored--the accommodation. The employee should also show how the denial of the accommodation has affected him or her. It is important to ask the treating health care professionals to describe the impact of the agency's failure to accommodate. For example, the denial of the accommodation might cause the employee's disability to worsen, to progress more quickly, and to

have a significant long-term impact on the employee. Alternatively, the denial of accommodations may ultimately cause the employee to leave the job. In this case, the employee might leave the agency to take disability retirement.

When an employee takes disability retirement because of the denial, the employee should amend her complaint to include the involuntary disability retirement (again, within 45 days). By doing so, the employee can argue for a larger award if the claim succeeds. The employee may be entitled to an award for future income, which the employee will not earn because the agency has effectively denied the employee the ability to work by not providing reasonable accommodation.

IRS Tax Assistors Aren't the Problem

By Robert A. LeBaube, News & Record of Greensboro, NC, Sept. 4 article, "IRS centers heard giving bad answers."

I was the assistant commissioner for taxpayer services with the **IRS** in 1989 and testified before Congress with respect to this "problem." Since then, I retired from government service and spent 10 years with Price-Waterhouse-Coopers (formerly Coopers and Lybrand), a nationally recognized accounting firm. I am a certified public accountant, retired, and spent my entire working career, 44 years, involved with the tax structure of this nation.

This article could have been written 14 years ago, verbatim. Nothing has changed. There are three things wrong with the tests performed to determine the accuracy of answers given to questions asked of **IRS** taxpayer assistors:

1. The questions do not mirror actual questions asked by taxpayers. They are crafted questions designed to extract portions of the law that generally do not involve the situation described by a taxpayer. Lawyers and CPAs from the **IRS**, Treasury, the General Accounting Office and Congressional Oversight Committees spend months trying to agree on the questions and answers to use. The result is a compromise that even the lawyers and CPAs cannot answer in the limited time a taxpayer assistor has to answer a call.
2. The questions are not asked in the ratio of frequency that actual questions are received. Certain questions are received much more frequently than others and should be tested accordingly. This will not correct the problem of erroneous answers completely, but it would show the problem more accurately.
3. The tax law is far too complex and is changed too often to be administered by workers employed on a part-time basis. Significant portions of the Internal Revenue Code are changed by Congress almost every year. The public (or its representatives) does not want to fund the **IRS** to solve this problem, so it will continue to exist.

There are a myriad of problems extant with the tax system and this letter will not solve them. It is unfair to paint the workers and administrators as incompetent. The problem exists solely due to the unwillingness of Congress to simplify the Internal Revenue Code. When I went to work for **IRS** in 1956, the Internal Revenue Code in use then was 236 pages long. At my last count, the same document was approximately 3,000 pages in length. CPA candidates must pass a section on tax law to qualify for a certificate. Their average score rarely exceeds 80 percent. If the brightest and best cannot get better than that, how can high school graduates with no tax law or accounting training be expected to do better.

TIGTA Begins Employee Audits

Mick Eskew, Editor

Our National Union office has advised us that TIGTA will begin to initiate employee audits this month. Every year TIGTA has different programs for employee reviews. One such review checks for a spouse on the health insurance designations and compare that to the employees' filing status. If the employee has designated a spouse on their group health insurance but filed head-of-household status on their tax return, they may be selected for an audit. The criteria for audit selection for the new program is unknown at this time. Speculation (rumors) covers, combination of Schedule C losses and EITC claim; deaf employees; Schedule C and no outside employment authorization; and co-habituating couples and the Texas common law marriage. There is no basis for any of these rumors. NTEU inquiries have not been able to provide us with the real criteria for these audits.

Employees must remember this is a TIGTA program. Employees may be subject to discipline action as a result of the audit, even though a TIGTA agent is not present during that audit. The auditors performing these audits have been given temporary non-bargaining unit positions specifically for this program. The auditor will provide the same Forms 8111 and 8112 for employee signature (pages 147 and 149 of your National Agreement) that would be provided in a regular TIGTA interview. Form 8111 verifies that the employee has been made aware that they can request NTEU representation. A NTEU steward can attend the audit, be a witness and take notes but cannot help the employee in a tax preparer capacity. You will be notified through the mail if you have been selected. Contact the Union office if you wish to have a steward attend the audit with you. The National Agreement allows for administrative leave to the employee, see Article 36, Section 4, to attend the audits. Employees will not have to use their annual leave.

How to Create a Trusting Environment

Excerpted from Trust Me: How to Rebuild Trust in the Workplace, by William J. Morin, (DBM Publishing).

Copyright 2001 Drake Beam Morin

In the relationship between a manager and a subordinate, one of the most critical aspects of nondependent trust (in which the subordinate takes responsibility for his or her own career and future) is a mutual sense of openness, the belief that each individual can be trusted to speak his or her mind openly, knowing that the other will listen with a helpful ear.

In such a trusting environment, subordinates feel free to speak their minds, knowing that they'll at least get their "day in court." They may not get their way, but they will be heard. When individuals realize that they can speak up and be listened to, they are more likely to follow management's lead, whatever direction it may take. The more direct and open the communication, the better. In fact, the manager's role in creating and nurturing a trust-based relationship involves reacting in a positive, supportive manner even when subordinates disagree or challenge. This may not be easy in real life.

If the lines of open communication are established, the subordinate sees the manager as a helper, or even a mentor, not as a judge. The manager sees the subordinate as someone who is competent, involved, and willing to produce-and produce not just good work, but a trust environment as well. Both are aware of their own, and the other's, responsibilities. The manager's responsibilities may include the following.

- * Communicating directions clearly
- * Delegating tasks and responsibilities
- * Permitting freedom and latitude in work methods
- * Encouraging risk-taking by subordinates
- * Treating failures as "lessons learned" that will avoid future mistakes
- * Making no unreasonable demands about objectives
- * Encouraging subordinates to request help
- * Permitting subordinates to question and disagree
- * Encouraging discussion of disagreements

The subordinate's responsibilities may include the following.

- * Reviewing directions and asking questions if the directions aren't clear
- * Accepting new responsibilities quickly
- * Thinking tasks through before beginning them
- * Asking superiors for guidance when necessary
- * Taking risks
- * Making decisions
- * Accepting-and even asking for-constructive criticism
- * Admitting mistakes and bringing them to the attention of management
- * Learning from mistakes
- * Raising questions, disagreeing, talking out problems
- * Recognizing the manager's responsibility to make final decisions
- * Following through on those decisions

What can you as a manager do to improve your trust relationship with a subordinate? One priority should be to create an environment in which trust can flourish. One tactic for accomplishing this involves spending some time together away from the office. Begin such a session by developing a list of things you and your subordinate share. Where do your attitudes and philosophy agree? What do you both want for your company or department? You don't need to discover earth-shattering areas of agreement to start the process. I recall a speech I gave in Tokyo not long ago. I simply wasn't getting through to my audience of Japanese businessmen, who didn't crack a smile at any of my jokes. (I really couldn't blame them. I'm not the world's most accomplished storyteller.) At a reception following the speech, however, these formerly unsmiling individuals found that they could joke with me about my height (I'm 6'5"). All of a sudden, with one simple topic to share, we were laughing together and actually communicating with one another. Their polite but unresponsive looks disappeared for good.

Once you've found common ground with your subordinate, you can move ahead to two or three items on which you disagree. Discuss ways in which they might be resolved or minimized. Keep your discussions task-related. Instead of telling the subordinate, "You don't do this properly," ask, "Why do you think you and I approach the situation so differently?"

One of the most sensitive-and most important-times for building trust with subordinates is during performance reviews. The situation offers opportunities to cement relations or to destroy them. Everyone is nervous at review time. Managers are ill at ease, because they almost always have some negative news to deliver. Subordinates worry that their reviews won't go well at all. The employee and his or her superior may start the session with points of view that are 180 degrees apart.



THE FUNDS – Rates of Return

Rates of Return were updated on **October 1, 2003**.

	G Fund	F Fund	C Fund	S Fund	I Fund
September 2003	0.40%	2.68%	(1.14%)	(1.35%)	3.08%
Last 12 Months* (10/1/2002 - 9/30/2003)	4.08%	5.49%	24.16%	32.78%	25.89%

* 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 to Begin

FedWeek October 15, 2003

Starting October 15 and running through the end of the calendar year the Thrift Savings Plan will conduct an open season during which employees not participating in the program may join it and current participants may raise the level of their biweekly investments. The open season provides an opportunity for investors to increase their contributions to a maximum of 14 percent of salary for those in FERS and 9 percent for those in CSRS, subject to a dollar cap in 2004 of \$13,000. Changes in contributions can be effective as early as the first pay period of December.

Around the Office

By Alert! editor Mick Eskew

- The work on the new San Antonio location continues. According to Connie Jacobson, Senior Facilities Management Consultant, the demolition on all the floors has been completed to make way for the agencies needs. Final floor plans have been approved and the ordering of new office furniture will begin soon. So far the construction is on schedule.
- A member contacted me with concerns about a rumor that the new building had asbestos and undrinkable water. So I went to an official from the Austin facilities and asked. This is what I was told; “GSA requires in the Solicitation for Offers (SFO) that buildings offered have to certify they meet state, city, EPA and OSHA regulations and standards to provide safe and healthful conditions in order to be considered for Lease Award. The SFO which becomes a binding part of the lease contract specifically provides the restrictions for asbestos and the criteria that must be met.” I was also assured the water is drinkable and the reports regarding the two concerns would be sent to me as soon as possible. It appears the rumors were unfounded.
- Contact the Union office anytime you are asked to meet with TIGTA. There are those who have not, and they are those who aren’t with us anymore. Our stewards have experience with TIGTA interviews; remember there will always be two agents at the interview. Never, ever lie to the agent at the interview that alone is grounds from removal.

- Chapter 52 along with Chapters 17, 32, 33, 46, and 222 filed an Unfair Labor Practice against the Appeals Information Systems Office (AISO). Representing the chapters at the National Office was our own Patricia Kelley, Executive Vice-president of Chapter 52. The grievance alleged that the AISO under the actions of a Supervisory IT Specialist, Infrastructure Section Midstates Territory erred by issuing an expectation memo request to the employees, which violated several articles of the National Agreement and Sections of the United States Code. The Union prevailed in the grievance and Management will rescind the expectation memo and either return or destroy the signed/unsigned documents submitted by the employees. It was also agreed that the Union will presented with any future expectation memo and the Union will be invited to all formal meetings with employees where discussions of working conditions or changes in work practices are likely to occur.

How Does Your Manager Stack Up?

By Tom Jones, President Chapter 52

This month we are featuring SB/SE Insolvency West offices that include the Dallas, Phoenix, Oklahoma, Houston and Austin offices for comparisons. The figures below are based solely on CJE average scores from appraisals given between October 1, 2002 and March 31, 2003. Scores are listed from the lowest average score to the highest average score. The results for other divisions will follow in subsequent issues.

Score	Territory	Group	Manager	POD
3.8	10	4	Gonzalez	Dallas
3.96	10	3	Bishop	Dallas
4.0	11	6	Unger, C	Phoenix
4.09	11	5	Unger, W	Phoenix
4.20	16	4	Foxx	OKC
4.22	10	1	Madison	Dallas
4.23	16	5	Wigley	OKC
4.44	10	2	Sanders	Dallas
4.45	11	1	Hunka	Austin
4.45	11	2	Whitaker	Austin
4.47	11	3	Boyd	Houston
4.60	11	4	Huffines	Houston

TOM'S HUMOR PAGE



"You should check your e-mails more often. I fired you over three weeks ago."



"You said I should spend more time with our children, so I turned their faces into icons."





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

This **Chapter 52 *Alert!*** and all *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 the 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:
5835 Callaghan Rd. Stop 1700SANW
San Antonio, Texas 78228
fax 210-706-5376, attention Alert!
Editor/Compiler Mick Eskew*

