



November 2007, Number 2007-10

**Inside:**

Benefits and Entitlements	
Social Security Benefits to Increase;	<a href="#">2</a>
Medicare Benefits, Premiums to Rise	<a href="#">3</a>
Death Benefits Increase in December	<a href="#">3</a>
No Change in TSP Contribution Limits	<a href="#">3</a>
Retiree COLA Effective in December	<a href="#">4</a>
Federal Long Term Care Insurance	<a href="#">6</a>
Accountability and Evaluation	
E.O. to Boost Program Performance	<a href="#">2</a>
Joint Leader Development	
DLAMP Transition Plan Is Underway	<a href="#">4</a>
ELDP Begins Twenty-Second Year	<a href="#">5</a>
HR Business, Information, and	
Technology Solutions (HR-BITS)	
DCPDS Login Will Soon Be Easier	<a href="#">5</a>
New Chief, Recruitment Assistance	<a href="#">5</a>
CPMS Personnel-ity Profile	<a href="#">6</a>
CPMS Employment	<a href="#">6</a>

## Understanding the NSPS Pay Pool Process

The performance appraisal cycle closed on September 30<sup>th</sup> for most of the 110,000 National Security Personnel System (NSPS) Spiral 1 employees. Supervisors and employees are now finalizing self-assessments and performance evaluations.

Under NSPS, an employee's pay and rewards are affected by work performance. The **pay pool process** is an important component of the performance management cycle of NSPS, developed to ensure that all managers and supervisors apply fair and equitable standards when rating employees in the organization.



The process also ensures that rewards provide incentives to the Department of Defense (DoD) workforce. During the pay pool process, individual and team accomplishments are recognized and rewarded by senior members of the organization.

The **pay pool panel**, a group of managers and supervisors from the organization or its functions, gathers to review employee evaluations and recommended ratings of record submitted by managers and supervisors. Employees receiving appraisals belong to the **pay pool**, which is a group of employees (generally 50 to 300) working in an organization who share performance payout funds. The term may also be used to refer to the shared funds.

*(Continued on page 2)*

## About CPMS Express

Click [here](#) to be notified when new issues are published. You may also use this link to unsubscribe. We welcome your feedback; please use the icon at the end of an article to e-mail us.

We invite you to reprint or excerpt articles, with attribution as follows: Reprinted (or excerpted) from the Civilian Personnel Management Service newsletter, *CPMS Express*.



## NSPS Questions? Ask FAS!

**Q:** Is January 3, 2008, the best date for NSPS employees to retire?

**A:** To be paid for more than the normal 240-hour annual leave carryover, you must retire before the leave year ends January 5<sup>th</sup>.

Consider the relative value of your leave and the performance payout you would forgo by retiring *before* the 2008 performance payout date January 6<sup>th</sup>

If you retire in January *on or after* the payout date, your retirement would begin on February 1<sup>st</sup>, and your annuity would begin on March 1<sup>st</sup> for the month of February.

If you choose instead to be paid for the carryover and any additional leave accrued in 2007, good dates to retire are December 31<sup>st</sup> under the Federal Employees Retirement System (FERS) or January 3<sup>rd</sup> under the Civil Service Retirement System (CSRS). —Classification and Pay





## E.O. 13450, Improving Government Program Performance, Is Issued

A November 13<sup>th</sup> Executive Order aims to improve Federal program performance and hold agencies accountable. Under the Order, agency heads must approve annual and long-term improvement goals, develop plans to achieve them, and establish metrics. The Office of Management and Budget (OMB) will issue instructions to agencies on the contents, and schedule for approval, of program goals.

Agencies will designate a Senior Executive Service member (or the equivalent) to lead their efforts. "Performance



Improvement Officers" will oversee development of program goals and plans, as well as the agency's annual performance plans.

The designees will convene agency personnel to assess the performance of individual programs and consider how to improve them. The Order indicates that agencies must be "sufficiently aggressive toward full achievement" of the initiative.

In the near future, OMB intends to establish a Performance Improvement Council, consisting of Performance Improvement Officers and an OMB representative. The Council will support agencies' policy implementation, information exchange, performance improvement, and status reporting.

The initiative will roll out over the next nine to 12 months, OMB says. "We want attention paid, at the highest level of every agency, to how programs perform," Deputy Director for Management Clay Johnson told the American Association for Budget and Program Analysis at a November 7<sup>th</sup> conference.

The Order builds on existing initiatives, such as the Program Assessment Rating Tool (PART). Agencies will continue to use PART, which consists of a scoring system for answers to 25 questions, to measure the success of their programs.

-Accountability and Evaluation



## NSPS Pay Pool Process Is Underway

(Continued from page 1)

Each pay pool panel has a designated **pay pool manager** who is responsible for overseeing the process of reconciling the rating and reward decisions. The pay pool panel ensures consistency of standards and ratings throughout the organizations, and it also ensures that managers and supervisors have rated employees fairly based on their performance.

Communication between employees and their managers or supervisors is critical to the pay pool process. Just as managers are responsible for explaining how the pay pool process works, employees under NSPS should make sure they have a clear understanding of the pay pool process and the decisions made by the pay pool panel.

The process preserves the integrity of the NSPS performance management system by providing a higher-level review during the appraisal period. In addition, the process makes certain that all decisions regarding work performance are made within the context of the mission and the organization.

For more about the pay pool process, see the "Pay Pool Management at a Glance" brochure on the home page of the NSPS Web site, [www.cpms.osd.mil/nsps](http://www.cpms.osd.mil/nsps).

-NSPS Program Executive Office

## Social Security Benefits Will Increase

Social Security benefits increase automatically each year, based on the rise in the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the prior year to the corresponding period of the current year. This year's increase in the CPI-W was 2.3 percent. Accordingly, the monthly Social Security benefits for more than 54 million Americans will increase 2.3 percent in 2008.

Other changes take effect in January of each year based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (i.e., the "taxable maximum") will increase in 2008 to

(Continued on page 3)



## Death Benefits for Survivors Increase in December

Children's survivor benefits effective December 1<sup>st</sup> are \$444 (single orphan) and \$532 (double orphan). If a benefit is payable to more than three children, the rates payable to be divided by the number of eligible children are \$1,332 (single orphan) and \$1,598 (double orphan).

Under FERS, a basic employee death benefit is payable to the surviving spouse (or former spouse) of a deceased employee, provided the employee has at least 18 months of creditable service.

The law provides that this lump-sum benefit is an amount equal to half the employee's final annual pay (or average pay, if higher) plus \$15,000 adjusted for cost of living allowances (COLAs) under CSRS rules.

The CSRS COLA, which will become effective on December 1<sup>st</sup>, will increase the basic employee death benefit for deaths occurring on or after that date to half of the employee's final annual pay (or average pay, if higher) plus \$28,093.54.

-Benefits and Entitlements



## TSP Contribution Limits

During calendar year 2008, employees may contribute up to \$15,500 to their Thrift Savings Plan (TSP) account, with taxes on earnings deferred. This amount remains the same as in 2007.

Those age 50 or older who are contributing the maximum under their regular TSP may make an additional "catch-up" TSP contribution of up to \$5,000. This limit is also unchanged.

If you do not increase or decrease your regular TSP contribution, the payroll office will continue to make payroll deductions for you at the level you previously established.

However, if you are now making catch-up contributions, you must submit a new form to continue doing so during 2008, or your catch-up contributions will cease.

To adjust your TSP contributions for 2008, access your Component's employee benefits system and follow the instructions. While you may adjust your regular contribution at any time, doing so in December allows you to spread your TSP payroll deductions evenly throughout the year.

If you are a FERS employee, you should not reach the dollar limit before the end of the year in order to maximize agency matching contributions.

If you are a CSRS employee, however, you might choose a higher deduction amount in order to complete TSP contributions by the end of the third quarter of 2008. This gives you a bit more take-home pay

*(Continued on page 4)*

## Medicare Benefits and Premiums Will Also Rise

*(Continued from page 2)*

\$102,000 from \$97,500. The amount of earnings required for a credit or "quarter of coverage" will increase to \$1,050 from \$1,000.

For 2008, the retirement earnings test exempt amount for individuals who have not yet reached the full retirement age for Social Security is \$13,560 per year. The corresponding figure for 2007 was \$12,960.

In the year an individual reaches the full retirement age, the amount will be \$36,120 per year, up from \$34,400 in 2007. However, this limit applies only to earnings for months prior to attaining the full retirement age.

There is no limit on earnings beginning the month an individual attains the full retirement age under Social Security.

The maximum Social Security benefit for an individual retiring at the full retirement age will be \$2,185 a month during 2008, up from \$2,116 in 2007.

Turning now to Medicare, the deductible for Part A hospital insurance will rise from \$992 per benefit period in 2007 to \$1,024 in 2008.

The Part B medical insurance premium will rise from \$93.50 to \$96.40 for most Medicare beneficiaries. However, a small percentage of Medicare beneficiaries will pay higher Part B premiums based on their income level.

For more information, see Social Security Administration Publication 05-10161, "Medicare Part B: New Rules for Beneficiaries with Higher Incomes," which is available online at <http://www.ssa.gov/pubs/10161.html>.

-Benefits and Entitlements





## Retiree COLA Effective in December

The COLA for CSRS and FERS retirees takes effect on December 1<sup>st</sup>. The COLA will first be reflected in annuity payments dated January 2, 2008. The CSRS full COLA is 2.3 percent, and the FERS full COLA is 2.0 percent.

The amount of a retiree's first COLA is prorated, based on the number of months from the annuity commencement date to the effective date of the first COLA after the commencement date. Retirees receive one-twelfth of the applicable COLA for each month, not to exceed 12 months, in which they are in receipt of an annuity before December 1<sup>st</sup>.

To receive the full December 1<sup>st</sup> COLA, a retiree's commencing date for retirement can be no later than December 31<sup>st</sup> of the previous year – in this case, 2006. The matrix below shows the prorated percentages that apply to annuitants who have not been retired for 12 months.

The prorated percentages vary for CSRS versus FERS employees. For instance, a CSRS employee who retired in June 2007 receives a 1.2 percent COLA, while a FERS employee who retired that month receives 1.0 percent.

Monthly Annuity Commenced in—	Proportion of Full COLA	CSRS Retirees	FERS Retirees
December 2006 or earlier	12/12	2.3%	2.0%
January 2007	11/12	2.1%	1.8%
February 2007	10/12	1.9%	1.7%
March 2007	9/12	1.7%	1.5%
April 2007	8/12	1.5%	1.3%
May 2007	7/12	1.3%	1.2%
June 2007	6/12	1.2%	1.0%
July 2007	5/12	1.0%	0.8%
August 2007	4/12	0.8%	0.7%
September 2007	3/12	0.6%	0.5%
October 2007	2/12	0.4%	0.3%
November 2007	1/12	0.2%	0.2%

-Benefits and Entitlements



## DLAMP: The Transition Plan

Major changes are underway in joint civilian leader development. Key among these are the phased drawdown of the Defense Leadership and Management Program (DLAMP) and the start, by late 2008, of the next generation Defense Senior Leader Development Program (DSLDP).

Earlier in 2007, the DLAMP Council endorsed a plan to strengthen the overall approach to developing joint senior leaders across the Department. Accordingly, curriculum requirements, selection criteria, policies, and procedures are now being developed in order to stand up DSLDP.

DLAMP will sunset at the end of fiscal year (FY) 2010. Although admission ended with the Class of 2006, approximately 625 participants remain engaged in various program elements. They will be able to complete the program as it is currently configured, within firm yet realistic timeframes.

Deadlines for exiting DLAMP are phased by class year, so that transition to the new program can be completed by the end of FY10. Participants were notified of the plan on October 5<sup>th</sup> and are working with DLAMP staff to document individual plans for their remaining DLAMP activities.

The May 2008 DLAMP graduation may be the largest ever. As many as 200 participants plan to apply for graduation. Component endorsements are due to the DLAMP Office in February 2008. -Joint Leader Development



## TSP Contribution Limits Unchanged

(Continued from page 3)

during the 2008 holiday shopping season. Once you select the number of pay periods during which contributions will be made, you can use the [calculator](#) on the TSP Web site to determine the amount of regular contributions to make each pay period. The site does not include a catch-up calculator.

For Department of the Army civilian employees, the first deductions for 2008 will be made in the pay period ending December 22<sup>nd</sup> (pay date is January 3, 2008). For employees of other DoD Components, deductions for 2008 will begin in the pay period ending January 5, 2008 (pay date is January 11, 2008). -Benefits and Entitlements





### *Easier DPCDS Login*

Your common access card (CAC) and personal identification number will soon be all you need to login to the Defense Civilian Personnel Data System (DCPDS) Human Resources (HR) Professional, MyBiz, and My Workplace applications via a new Web portal.

This DCPDS portal eliminates the need for the hard-to-remember user identifications (IDs) and passwords now in use.

On your first DCPDS portal visit, you will register your account. This associates your account and the data you can access with your CAC. Registration is a one-time setup consisting of a few simple steps.

Easy-to-follow Quick Guides have been developed and will be made available before “CAC enablement,” i.e., the effective date for the CAC login process.

CAC access will be mandatory. Existing accounts will be modified, and new accounts will be built for CAC-only access.

Under certain circumstances, account holders may be designated as authorized non-CAC users and will be able to access applications with their existing user ID and password. This requires special account modification by system administrators.

Your Component DCPDS representatives will notify you of the CAC enablement date. Stay tuned!

-HR Business, Information, and Technology Solutions (HR-BITS)



### **ELDP Begins Its Twenty-Second Year**

The Executive Leadership Development Program (ELDP) began its twenty-second year with orientation in Alexandria, VA, on September 5-6. This year’s 54 participants were briefed by CPMS Director Brad Bunn and other DoD senior leaders.

The Class of 2008, ELDP staff, and team leaders completed core curriculum training in Southbridge, MA, October 21–November 2.

Participants examined elements of leadership and worked toward the program’s five terminal learning objectives: know yourself, express yourself, build teams, manage organizations, and understand the DoD mission.

The first deployment of the training year will begin in December. ELDP participants will travel to the Pacific Command (PACOM) to train in the field with the Navy and Marines, and

thus gain a greater understanding of the PACOM area of responsibility.

Training with the Navy and Marines will extend into a January 2008 deployment to San Diego, CA, which will also include the Coast Guard. Subsequent deployments will include –

- February 2008: Various Air Force installations;
- March 2008: Forward Deployed Forces, Republic of Korea;
- April 2008: Allied Forces, North Atlantic Treaty Organization, and Supreme Headquarters Allied Powers Europe – European Command (Belgium, Germany, and Italy); and
- May 2008: Fort Benning, GA.

The Class of 2008 will present its capstone briefing at the Pentagon on June 11, 2008, and graduate the next day. –Joint Leader Development



### *Carin Otero Is New Chief, Recruitment Assistance*

CPMS Director Brad Bunn has announced the selection of Carin Otero as Chief, Recruitment Assistance Division. She replaces Mark Smith, who accepted a position with the Investigations and Resolutions Division.

Ms. Otero was previously the senior HR advisor for strategic planning with Washington Headquarters Services, establishing long-term HR programs for DoD “Fourth Estate” entities.

Her career in HR management spans nearly 15 years, with more than a dec-

ade of experience in strategic recruitment. She has worked in HR-BITS on such projects as NSPS implementation and HR line of business.

“She brings with her a wealth of experience and knowledge in strategic recruitment, diversity outreach, human capital management, and other human resources initiatives,” Mr. Bunn said.

“She will be a great addition to our leadership staff. We welcome Carin back to the CPMS family.”

-CPMS



	<p><i>CPMS Personnel-ity Profile</i></p> <p>RESULTS DRIVEN</p>
<p><b>EXECUTIVE SUMMARY</b></p>	

**Name:** Sharon Stewart

**Position:** Deputy Director of CPMS

**Duties:** Support the Director of CPMS in planning, formulating, and managing civilian HR programs, to include:

- Policy support;
- Enterprise HR information systems; and
- Department-wide civilian HR administrative services for the Military Departments and Defense agencies.

**Quote:** “As an HR professional, I endorse this insight about the value and importance of all individuals who do their jobs well:

‘An excellent plumber is infinitely more admirable than an incompetent philosopher. The society that scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water’ (John W. Gardner, former Secretary of Health, Education, and Welfare).”

## Need More than a Little TLC? Check Out Federal Long Term Care (LTC) Insurance

Federal employees have the option of obtaining Federal long term care insurance (LTC) coverage at group rates. The Long Term Care Security Act (Public Law 106-265), September 19, 2000 (codified at title 5, United States Code, Sections 9001-9009) is the basis for this relatively new benefit.

“Families today provide *80 percent* of the long term care needed by older persons and can reasonably expect to spend *more time* caring for an older relative than raising their own children,” said Janice R. Lachance, then-Director of the Office of Personnel Management, when the law was signed.

She noted that many Federal employees “are struggling with the challenges of caring for loved ones who require assistance with the everyday activities of life that we take for granted.”

LTC insurance can help. It pays benefits toward the cost of skilled and unskilled services provided to individuals who cannot care for themselves due to a chronic mental or physical condition.

For example, LTC insurance may cover the costs of home health care, adult day care, or on-site residence in a nursing home or assisted living facility.

An employee may require LTC coverage due to an accident or illness that creates a need for substantial help with two or more activities of daily living, such as eating, dressing, or bathing.

Benefits are also payable in cases of significant cognitive impairment, such as Alzheimer’s disease.

Employees, annuitants, and qualified relatives are eligible to enroll in this program. Newly hired Federal and Postal employees, as well as uniformed service members, may apply within 60 days upon entering a position that conveys eligibility.

The effective date of coverage is the first month *after* approval of the application. Employees and members of the uniformed services must be actively at work on that date.

Benefits received (claims) under the Federal LTC insurance program are not subject to Federal taxes. However, long term care insurance premiums may be deductible as medical expenses, subject to Internal Revenue Service rules.

Additionally, some states may offer tax incentives to encourage individuals to consider long term care insurance purchases.

For more information, refer to the Federal LTC insurance program Web site, [www.ltcfeds.com](http://www.ltcfeds.com).

-Benefits and Entitlements



### CPMS Employment

CPMS vacancies are posted on USAJOBS. To access employment opportunities for status candidates, click [here](#).

For other CPMS vacancies, click [here](#).