

TALKING POINTS FOR EMPLOYEE BENEFITS

The 109th Congress of the United States attempted passage of several pieces of legislation supported by NASCOE and RASCOE. NASCOE and RASCOE applaud those Congressional Representatives supporting this legislation. It is hoped that the 110th Congress will, at a minimum, address the inequities described below;

- ❖ **Social Security Windfall Elimination Provision.** This provision greatly reduces the Social Security benefit of a retired or disabled worker receiving an annuity based on his/her own earnings. The formula for calculating a federal employee's retirement under this provision reduces our annuity by as much as 60%. Our employees earning income from sources subject to social security deserve to have their benefits calculated the same as someone earning all their income from social security covered sources. This provision should be repealed to make federal employment comparable to the private sector. Current legislation addressing this issue includes H.R. 82 and S. 206.
- ❖ **Government Pension Offset.** This provision affects government retirees collecting a government annuity based on their own work and social security benefits based on their spouse's work record. The law requires two-thirds of the government annuity be offset on whatever social security benefit would be paid as a spouse of a social security covered worker. Many workers receive retirement benefits from sources other than social security, yet this provision unfairly targets government employees. Action to make federal employees comparable to the private sector must include repealing Government Pension Offset.

NASCOE and RASCOE express appreciation to members of the 110th Congress who have introduced or voiced support via co-sponsorship of legislation (H.R. 82 and S. 206) to correct the discrepancies described above. All Members of Congress are encouraged to join in this effort of "fairness." Congressional support of this legislation demands that it be brought to the floor for a vote in 2007.

- ❖ **Cost of Living Adjustments.** Cost of living (COLA) adjustments for employees and retirees should be maintained and increased in the same general amount received in the private sector. Congress must grant and improve these adjustments for its employees and retirees to maintain a quality workforce. The 1990 Federal Employee Pay Comparability Act was designed to equalize pay between federal and non-federal workers within 10-years. According to the American Federation of Government Employees' website www.afge.org, the average pay for FSA employees lags 8 to 12% behind comparable jobs in the private sector. Congress needs to assure federal salaries continue to attract a quality workforce.

An article by Karen Rutzick, from www.govexec.com cites the tools used by the Federal Deposit Insurance Corporation (FDIC) to retain high quality workers. Higher pay, higher contributions toward health insurance, subsidized vision and dental coverage, additional retirement savings accounts with matching agency contributions, agency match to TSP for CSRS employees and special accounts for "life cycle" needs are part of FDIC's compensation package. Glen Bjorklund, the agency's deputy director in administration, attributes the above average compensation

package to a need to retain a high quality workforce and to the requirement that pay and benefits must be negotiated with an employee union.

- ❖ **Health Insurance.** NASCOE and RASCOE support several changes to the health insurance programs offered our employees. Increasing the government contribution would assist in alleviating some of the salary discrepancies, now in effect, between government employees and the private sector. Current and former employees are experiencing a decrease in their purchasing power as health insurance premiums continue to increase by 10% each year since 1998.

Many employees in the private sector receive remuneration for declining participation in health insurance programs. Federal employees given this option may opt to be covered under other programs with possible cost savings to the government. Employees choosing not to participate in a government sponsored health plan should receive monetary compensation.

The age of discontinuing health benefits for dependents should be raised from 22 to 25. In many cases, students are unable to complete their studies by age 22 and they are dropped from the employee's health plan. As a non-wage earner, this creates a hardship for the employee's family.

NASCOE and RASCOE support revisions to the law, which allow retirees to use pre-tax dollars to pay health costs. This will help our retirees maintain a portion of the COLA Congress gives them each year. H.R. 1110 introduced in the 110th Congress would allow retirees to subtract the amount they pay for health insurance from their reportable income. We also support dental and vision coverage, which is affordable. We believe the health benefits afforded FDIC employees should be made available to USDA employees. Our workforce assures a stable food supply for the Nation. Is this task any less critical than that of FDIC? We need to assure retention of the capable workforce within FSA by providing health benefits similar to those provided FDIC employees.

A recent budget proposal revises our retiree's health benefits by requiring coverage during the last 10 years of employment for full benefit upon retirement. Presently retirees are eligible for full benefit with 5 years of coverage prior to retirement. Our organizations are counting on Congress to assure this provision does not become law.

- ❖ **Retirement.** Federal County Office Employees dedicate their career to serving the Agricultural Community with a promise of certain retirement benefits. Congress must assure employees that their retirement benefits will be calculated using the high three salary years. Many federal employees would be very disappointed if Congress made a change in the retirement formula at this time.
- ❖ **Leave.** Federal Employees covered under the Federal Employee Retirement System (those hired since 1/1984) should be rewarded for conserving their sick leave. Civil Service Retirement allows retirees to credit unused sick leave to their years of service. FERS employees should be afforded the same opportunity. NASCOE and RASCOE support a General Accounting Office (GAO) study to determine how this loss of benefit affects the usage of sick leave among federal employees.

Congress has provided employees with some very useful tools to protect employees suffering from a catastrophic illness. Fellow employees can donate unused annual leave to needy individuals if they are in the same employee system (CO vs. GS.) We support removal of the requirement for the employees to be from the same employee system. We also support removal of the limitation that donated leave be annual leave. Many employees fully utilize their annual leave but would consider donations if it was sick leave. This would help those in need and would encourage FERS employees to conserve sick leave for those truly in need.

❖ **Liability Protection.** Congress must act to revise 7 CFR Subtitle A to include former USDA employees. Current employees have the benefit of OGC representation and the Freedom of Information Act. Former employees should be afforded this same protection for acts taken while working for USDA.

❖ **Whistleblower Act.** Federal Law provides a secure channel through the Whistleblower Protection Act where federal employees, former federal employees, and applicants may make confidential disclosures of the following: abuse of authority, violations of law, gross mismanagement, waste of federal funds and evidence of specific danger to public health and public safety. Federal law also protects the same groups from any retaliation related to any persons that have filed a whistle blowing complaint.

Title 7 Employees (non-Federal County Committee employees) of USDA who work within the federal system for the Farm Service Agency are currently not protected under the Whistleblower Act as are their Federal counterparts.

Non-federal County Committee Employees are USDA employees, and pursuant to the Federal Crop Insurance Reform Act of 1994, these non-federal county committee employees are used interchangeably in the local USDA offices with Federal USDA employees in the implementation of programs and activities assigned to the Farm Service Agency. The omission of coverage under this protection act makes for an inequity between non-federal county committee employees and the Federal Civil Service employees. All Farm Service Agency employees should be protected with this act.

Congress can address this oversight by adding language to include non-federal county office employees in the Whistleblower Protection Enhancement Act (H.R.985) and the Executive Branch Reform Act (H.R.984) as introduced in the 109th Congress...

NASCOE and RASCOE ask that Congress consider ways to make federal employment more comparable to the private sector. We believe enactment of legislation to address the above issues will allow USDA to continue providing the high quality of service the farm community has become accustomed to, and to continue to attract high quality employees in the future.