



Retirement systems modernization 'on track'?

One of the most onerous jobs facing a federal employer and the employee during the work years of the employee and upon his/her retirement is the collection of data to affect the retirement process. For years (at least since Ben Franklin started keeping them), each record of employment generated reams of paper records. These records were in reality the work life of an employee.

The Office of Personnel Management (OPM) currently houses more than 145,000 filing drawers of retirement files. This paper-based approach to records no longer serves the federal retirement process very well. In an average month, OPM processes over 4,000 applications for retirement. During the January through March "peak period," that figure goes up to 5,000 per week. With this workload, any improvements result in a better and more accurate retirement process.

For several years, the USPS has been moving toward digital or computer-stored records. While the Postal Service by all accounts is leading the federal sector in that area, it is still a long way from completed. That long way will be a short time in arriving. OPM has now mandated that all employers under the Civil Service Retirement System and the Federal Employees Retirement System must provide computerized records for all employees' federal, military and civilian employment records. This mandate requires that beginning February 2008, every active federal employee will be retired in the new records system. Currently, only about one-half of active employees' records are fully computerized. Additionally, the 2.4 million current retirees' records are also being electronically formatted so that any future records needs will also be available.

One of the problems that has always existed in the retirement process is that the first time that OPM met a retiree was not until after that person actually retired and their paperwork was sent to OPM for processing. Only after OPM finalized the data could the retiree's future annuity be determined. Under the new system, the employee's entire work record, including any military time, will be immediately available online. This, in effect, allows the employer and OPM to be looking at the same work record at the same time. Under the new process, when a person contacts the HR Shared Services Center to start the retirement process, Shared Services and the employee will be looking at the same data that OPM will use to finalize the process.

One huge advantage of this will be the immediate deter-

mination of one's annuity value. The plan is that within five days of receipt, OPM will have the annuity determination finalized. This will mean that the first check that a new annuitant receives will be the full benefit check without the "partial annuity" or "special payments" that new retirees are currently subjected to. It will also allow the employee to know prior to retirement what his or her annuity will be. Another advantage of this process will be the availability for those with Thrift Savings Plans to project their retirement income years prior to their actual retirement, allowing true planning for retirement.

While current retirees and future retirees will benefit from this new retirement systems modification, those current employees and future retirees who will be subject to the Windfall Elimination Provision and the Government Pension Offset would receive a much better benefit with the elimination or modification of those provisions. While the NALC as well as other organizations that represent federal/postal employees continue to work for these changes, the bottom line remains that the current budget process in Washington is so awash in red ink that any changes will be hard to facilitate. That does not mean that we will not continue to fight to get legislation passed, but it does mean that we will have to be even more diligent in our appeals to both houses of Congress for these changes.

In closing, during the past few months I have been privileged to travel and meet with many of our members. I am continually amazed by the dedication and commitment of the members of our organization. From Customer Connect to Carrier Alert, the yearly Food Drive to Muscular Dystrophy Association collections, and with many other local endeavors, the NALC membership continues daily to be a vital part of each community. Let's only hope that someone in Postal Service headquarters will come to their senses and allow the city letter carriers to continue their fine tradition of serving America's public. ☒

NALC Retirement Department

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from 10 a.m. to noon and from 2 to 4 p.m. (Eastern time)
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