



CPAC Newsletter

August 2003

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Transition to Oracle 11i

A reminder that the Department of Defense components will begin the transition to Oracle 11i, which is the web-based version of DCPDS. The transition will begin on 18 July and end on 1 August 2003. MODERN will be "down" from COB 18 JUL until 1 AUG.

Please note that during this transition period, the CPOC will continue to announce vacancies, issue referrals, and perform other work to minimize impact on employees.

CPOCMA has published some additional Oracle 11i training information

on the CPOCMA Oracle 11i web site - to include a training guide. Please use this web site for assistance to the migration to Oracle 11i (<http://www.cpocma.army.mil/oracle11i/index.htm>).

TSP Catch-Up Contributions

Do catch-up contributions have an annual limit?

Yes, catch-up contributions have their own annual limit separate from the IRS elective deferral limit for regular TSP contributions. The catch-up contribution annual limits are: \$2,000 in 2003; \$3,000 in 2004; \$4,000 in 2005; and \$5,000 in 2006; thereafter, increases will be indexed to inflation.

How can I get more information?

Additional information can be found in TSP Bulletin 03-4, 7 Feb 03. The bulletin is located on the TSP web site at <http://www.tsp.gov> under Info for Agency Reps and then TSP Bulletins.

How do I determine how much to have deducted each pay date from September 2003 to the end of the year?

How much you want to contribute each pay period is up to you. However, to spread the contributions

evenly over the remainder of the year, base the computation on the number of pay dates remaining in the calendar year. For example, assume your catch-up contribution election will be effective 7 September. There are seven pay dates remaining in the year. Yes, that's correct; seven--because October 2nd is the pay date for the pay period beginning 7 September. Based on this example, if you wish to contribute \$2,000 (the maximum for 2003), you



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will need to contribute \$286 each pay period. Remember, catch-up contribution changes can be made at any time because they're not tied to an Open Season. If you later discover your contribution amount will result in contributing less than the maximum allowable amount by the end of the calendar year, you can always go in and increase your contribution amount.

How do I sign up?

Employees will make catch-up contribution elections electronically through the Employee Benefits Information System (EBIS) or the Interactive Voice Response System (IVRS) automated phone system. **Hard copy election forms will not be accepted!** You will designate the amount you wish to contribute each pay period as a **whole dollar amount**. Percentages will not be used with catch-up contributions.

How will catch-up contributions be invested?

Catch-up contributions will be invested in the TSP funds according to your most recent contribution allocation.

I'm a FERS employee. Will catch-up contributions receive

agency matching contributions?

No, catch-up contributions are not eligible for agency matching contributions or for the agency automatic one percent contribution.

Is enrollment tied to an Open Season?

Catch-up contribution elections are not tied to Open Seasons. After the program is implemented, employees will be able to start, change, stop, or restart catch-up contributions at any time, which is different from regular TSP contributions. Employees may not make catch-up contributions by increasing the percentage of their regular TSP contributions. An election to make catch-up contributions is separate from the regular TSP contribution election.

May I write a check for catch-up contributions?

No. Catch-up contributions must be deducted from basic pay each pay period; therefore, employees must be currently employed by the Federal government and receiving pay.

Once I begin to make catch-up contributions, will they continue each year?

No, catch-up contributions will automatically stop with the last pay date in the calendar year or when you reach the maximum dollar

limit for the year. Because the annual IRS elective deferral limit for catch-up contributions changes each year, participants must make a new election each year.

Under what circumstances may an employee make up missed catch-up contributions?

There are only a few instances. These include situations where an agency error prevents a participant from making an election to contribute to his or her TSP account, or in which an agency fails to implement a contribution election properly submitted by a participant. In addition, a participant who is reemployed under the Uniformed Services Employment and Reemployment Rights Act (USERRA) may also make up any catch-up contributions he or she did not make as a result of being called to military service. (If the participant made catch-up contributions to his or her uniformed services TSP account while on active duty, he or she may not make additional catch-up contributions in excess of the annual catch-up contribution limit.)

What are "catch-up" contributions?

Catch-up contributions are supplemental tax-deferred contributions available to

"Catch-up contributions must be deducted from basic pay each period."

TSP participants age 50 or older who are already contributing either the maximum TSP contribution percentage or a dollar amount which will result in reaching the IRS elective deferral limit by the end of the year. In 2003, the maximum regular TSP contribution for FERS employees is 13 percent and for CSRS employees is 8 percent. The Internal Revenue Service (IRS) elective deferral limit for 2003 is \$12,000. For 2004, the maximum regular TSP contribution for FERS employees is 14 percent and for CSRS employees is 9 percent. The IRS elective deferral limit for 2004 is \$13,000.

What happens if I enter into a non-pay status after catch-up contributions begin?

Catch-up contributions

stop while you are in a non-pay status and resume on return to pay status. You may not make up the contributions missed while in a non-pay status, but you can submit a new election increasing the catch-up contribution amount withheld each pay period and thus make the maximum catch-up contribution allowed by law for that year.

When can I make my election?

Implementation of the catch-up contributions program for each Federal agency is dependent on payroll and personnel systems being adapted to allow for catch-up contributions to be withheld. Within the Department of Defense (DoD), these systems are not expected to be ready by the dates the Thrift Savings Plan is publicizing. We anticipate the payroll and personnel

systems will be ready in September 2003, but that date is not firm. When we have a concrete implementation date, we'll let you know. **Until then, catch-up contribution enrollments will not be accepted.**

Who is eligible to make catch-up contributions?

A TSP participant is eligible to make catch-up contributions as long as he or she is in a pay status; is contributing either the maximum TSP contribution percentage or a dollar amount which will result in reaching the IRS elective deferral limit by the end of the year; is age 50 or older by 31 December of the year the catch-up contribution election is made; and is not in the six month non-contribution period following receipt of a financial hardship in-service withdrawal.

Free Electronic Newsletters for Federal Employees

There are several websites available that offer electronic newsletters that provide useful information about issues affecting civilian and government employees such as financial planning, pay and benefits, homeland security, travel and per diem, TSP, retirement planning, insurance, investing, and

more. Also provided is information on upcoming conferences, seminars, and training. There is even a website that offers a discussion forum in the event that you would like to share your opinions, views, and comments with others on various topics.

All newsletters are FREE. For more information and

if you wish to receive any of the newsletters, click on the links below and sign up for a free email subscription:

- www.fpmi.com
- www.fedmanager.com
- www.govexec.com
- www.federalsoup.com
- www.fedweek.com



Frequently Asked Questions for Transfers



Transfers

A career or career-conditional employee of one agency may transfer, without a break in service of a single workday, to a competitive service position in another agency without competing in a civil service examination open to the public. A transfer eligible may apply under vacancy announcements open to status candidates. An employee may transfer to a position at the same, higher, or lower grade level.

Who is Eligible to Transfer?

Present Federal employees who are serving in the competitive service under a career or career-conditional appointment have eligibility for transfer to a position in the competitive service.

To transfer, you must meet the qualification requirements for the position. Written tests are not common but if one is required, arrangements will be made for you to take it.

Employees must be found suitable for employment in competitive service positions. If your current appointment is subject to a suitability investigation, that condition continues after you transfer.

Generally on transfer, a career employee remains a career employee and a career-conditional employee remains a career-conditional employee.

How Do I Apply for Transfer?

You must conduct your own job search. Transfer eligibility does not guarantee you a job offer. Hiring agencies have the discretion to determine the sources of applicants they will consider.

Individuals usually apply to agencies in response to vacancies announced under the merit promotion program. Some agencies accept applications only when they have an appropriate open merit promotion announcement, while others accept applications at any time. If you are seeking a higher grade or a position with more promotion potential than you have previously held, generally you must apply under a merit promotion announcement and rank among the best-qualified applicants to be selected. Status applicants include individuals who are eligible for transfer.

How Can I Find Out About Agency Merit Promotion

Announcements?

Merit Promotion announcements are posted on USAJOBS when jobs are announced outside of an agency's own workforce.

USAJOBS consists of Internet – The official worldwide website for jobs and employment information, may be accessed at <http://www.USAJOBS.opm.gov>. It is convenient, user friendly, accessible through the computer or telephone and available 24 hours-a-day, seven days-a-week.

Probationary Period

An employee is not required by the civil service rules and regulations to serve a new probationary period after transfer. However, the employee continues to serve the remainder of any probationary period, which he/she was serving at the time of transfer. In most cases, an employee must wait at least three months after his/her latest non-temporary competitive appointment before he/she may be considered for transfer to a position in a different line of work, at a higher grade, or to a different geographical area. OPM may waive the restriction against movement to a different geographical area when it

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is satisfied that the waiver is consistent with the principles of open competition.

Positions Restricted to Veterans

Some positions in the competitive service such as guard, messenger, elevator operator, and custodian have been restricted by law to

persons entitled to preference under the veteran preference laws. Generally, a non-veteran employee cannot be transferred to such positions if there are veterans available for appointment to them. This restriction does not apply to the filing of such positions by the transfer of a non-veteran already serving in a federal

agency in a position covered by the same generic title. For example, a non-veteran who is serving in the positions of guard may be considered for transfer to the position of patrolman, guard, fireman, guard-laborer, etc.

AS OF: 10-26-2000.

ART/CSU Password

Every 90 days now, you will be required to change your ART/CSU user-id's password. When you log into the ART Tools and only see "External Applications" option from the menu, please do the

following:

- Continue to log into CSU application.
- Click on OK
- Click on Password
- Select a new password.
- Log out of CSU
- Log out of ART
- Log back into ART using the password.
- Your normal ART Tools menu should then be restored.

Tax Law Changes for Individuals

Public Law 108-27, *The Jobs and Growth Tax Relief Reconciliation Act of 2003*

was signed by President Bush on May 28, 2003. Described below are the major changes made by the new law that affect tax years beginning in 2003. Be sure to take these changes into account when figuring any future estimated tax payments due for 2003.

The 2003 Tax Rate Schedules have been

revised to reflect the following changes.

1. The tax rate brackets of 27%, 30%, 35%, and 38.6%, have been reduced to 25%, 28%, 33%, and 35%, respectively.
2. The 15% rate bracket for married taxpayers filing jointly and qualifying widow(er)s has expanded to twice that of single filers.

3. The maximum taxable income subject to the 10% tax rate has increased to \$7,000 for single taxpayers and married taxpayers filing separately (\$14,000 for married taxpayers filing jointly and qualifying widow(er)s).

The basic standard deduction for married taxpayers filing jointly and qualifying widow(er)s has increased to \$9,500 (twice that of single filers). The

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standard deduction for married taxpayers filing separately has increased to \$4,750 (the same as that of single taxpayers).

The maximum child tax credit has increased from \$600 to \$1,000 per child. Beginning on July 25, 2003, checks will be mailed to taxpayers who claimed the child tax credit for 2002. The checks are an advance payment of the increased portion of the child tax credit for 2003, up to a maximum of \$400 per child, and will be based on 2002 tax return information using the number of qualifying children under age 17 as of December 31, 2003. No action is required by any taxpayer to receive an advance payment check. The checks will be mailed to qualifying taxpayers on the dates shown in the Mailing Schedule for Advance Child Tax Credit Payments. The advance

payment reduces the amount of the child tax credit allowed for 2003. Any advance payment that is more than the child tax credit for 2003 does not have to be paid back.

The alternative minimum tax exemption amount has increased to \$40,250 for single taxpayers and taxpayers filing as head of household; \$58,000 for married taxpayers filing jointly and qualifying widow(er)s; and \$29,000 for married taxpayers filing separately.

The maximum tax rate on net capital gain (i.e., net long-term capital gain reduced by any net short-term capital loss) has been reduced from 20% to 15% (and from 10% to 5% for taxpayers in the 10% and 15% tax rate brackets) for property sold or otherwise disposed of after May 5, 2003 (and installment sale payments received after that date).

The reduced rate applies for both the regular tax and the alternative minimum tax. The higher rates that apply to unrecaptured section 1250 gain, collectibles gain, and section 1202 gain have not changed.

The same 15% (or 5%) maximum tax rate that applies to net capital gain also applies to dividends paid by most domestic and foreign corporations after December 31, 2002. Certain dividends from regulated investment companies (such as mutual funds), real estate investment trusts, and certain foreign corporations do not qualify for the reduced rates. The 2003 Form 1099-DIV and 2003 Instructions for Form 1099-DIV will be reissued in June 2003 to add a box for the reporting of qualified dividends subject to the reduced rates.



Modern DCPDS—Oracle 11i Migration

Following the MODERN downtime period in July for transition of MODERN DCPDS to the web-based version, the MODERN system will be up and running 2 AUG 03. When MODERN comes back on line in AUG, users will note that the MODERN inbox will look slightly

different, the process of filling out RPAs (Requests for Personnel Action) will be slightly different, and printing features will have changed.

In order for users to get acquainted with these upcoming changes in MODERN, CPAC

suggests that users access the following website to learn about the various changes and become familiar so that in AUG when MODERN is back on line, users will be accustomed to the new features:

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<http://www.cpscma.army.mil/oracle11i/index.htm>

Click on: ScreenCam "How To" Movies for Oracle 11i

The three movies most beneficial for MODERN users to view are:

1. Overview
2. Inbox
3. Printing

If you do not have sound capability at your workstation computer, you may read the information contained in these movies by clicking on "SCRIPT".

Users will find other valuable information regarding the MODERN

update by reading the information found by clicking on the above website and selecting: Oracle 11i Training page

Some of the changes with the new MODERN (beginning in AUG 2003) include:

1. No List of Values (LOV) button on the toolbar. The list of values will now be obtained by clicking in the field on the RPA, rather than clicking the LOV button on the toolbar.
2. Civilian Inbox is being renamed to Workflow Inbox.
3. When in the Workflow Inbox, users will find that there is no "direct" way to

Respond to an RPA. First users will need to click on "Open", and then "Response".

4. Users will need to maximize the screen once in MODERN in order to see all the buttons and to avoid scrolling.

5. Users will now move from one page to another in the RPA by selecting the "TAB" for that particular page, rather than selecting the "next" or "previous" page button.

If you have questions regarding the MODERN update, please contact your servicing CPAC specialist.

"The MODERN system will be up and running 2 AUG 03."

National Personnel Records Center

The National Personnel Records Center (NPRC) is working to make it easier for veterans with computers and Internet access to obtain copies of documents from their military files. Military veterans and the next of kin of deceased former military members may now use a new online military personnel records system to request documents. Other individuals with a need for documents must still complete the Standard Form 180 which can be downloaded from the

online web site. The new web-based application was designed to provide better service on these requests by eliminating the records center's mailroom processing time. Also, because the requester will be asked to supply all information essential for NPRC to process the request, delays that normally occur when NPRC has to ask veterans for additional information will be minimized. Veterans and next of kin may access this application at:

<http://vetrecs.archives.gov>

Please note there is no requirement to type "www" in front of the web address.



FEHB—Premium Conversion



Federal Employees Health Benefits (FEHB) Program: Table of Permissible Changes for Employees Electing Premium Conversion

OPM is currently in the process of revising Standard Form (SF) 2809, Employee Health Benefits Election Form, to include this table. The following will give you an idea of some of the changes and permissible events. The complete table can be found at www.opm.gov/insure/health

Until further notice, the current Table of Permissible Changes in Enrollment in the July 1999 edition of SF 2809 must be used by: (1) employees who do NOT participate in premium conversion, (2) former spouses under the spouse equity provisions of FEHB law, and (3) individuals eligible for coverage under the temporary continuation of coverage (TCC) provisions of the law.

Employees Affected

All employees participating in the FEHB Program automatically participate in premium conversion UNLESS they elect to waive participation. Taxes on your FEHB premium are deferred under premium conversion,

however under premium conversion you can cancel or change to a self only plan ONLY during the annual open season or when a qualifying life event (QLE) occurs. You can find additional information at www.opm.gov/insure/health/pretaxfehb.

Table of Permissible Changes for Employees Receiving Premium Conversion Tax Benefits

Is a combination of the events given in both the FEHB and the Internal Revenue Service (IRS) regulations. IRS regulations govern elections to participate in or waive participation in premium conversion, as well as to cancel an enrollment, or change to a self only enrollment.

Because IRS regulations permit changes in a health plan only when the employees experience a QLE or during the open season, employees can no longer change to a self only plan or cancel their FEHB enrollment at any time. OPM created a separate column in the table to specify when employees can make these elections. Additionally, OPM added a section, Premium Conversion Election Change that May Be

Permitted, that shows if employees may elect to participate in or waive participation in premium conversion.

Events not affected by premium conversion - Employees may enroll in the FEHB Program, make an open season health benefits election, and participate in or waive participation in premium conversion. Events permitted by both FEHB and IRS regulations - Employees may make any election that is consistent with the QLE for events listed. Event included in the FEHB regulations only - Employees may only enroll, change from self only to self and family or change from one plan or option to another. Events permitted by IRS regulations only - Employees may only change from self and family to self only, cancel, and elect to participate in or waive participation in premium conversion.

General Rule for Effective Date

For most FEHB enrollments and changes, the effective date is the first day of the first pay period that begins after the date the employing office receives an appropriate request and

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“The complete table can be found at www.opm.gov/insure/health.”

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that follows a pay period during any part of which the employee is in pay status. We refer to this as the "General Rule". For each event, we discuss the effective date. If this is the applicable effective date, we will state "General Rule".

FEHB Elections -

Employees may enroll or waive participation in premium conversion only under this event. Participation in premium conversion is automatic for all employees who enroll under this event unless they waive it.

Time Limit - They must enroll within 60 days after becoming eligible.

Effective Date - General Rule.

PREMIUM CONVERSION Elections - IRS regulations governing premium conversion, like FEHB regulations, permit employees to make any type of election during the annual open season. For all open season enrollments, participation in premium conversion is automatic unless waived. Remember premium conversion election remains in effect until you elect to change it during a future open season or when a QLE occurs.

Time Limit - OPM announces the date of an

open season. Generally, open season is held from the Monday of the second full work week in November to the Monday of the second full work week in December. Employees must submit their elections during this period.

Effective Date - Open season enrollments are effective on the first day of the first pay period that begins in the next year and that follows a pay period during any part of which the employee is in pay status.

Employees in non-pay status (including LWOP) during the open season who want to enroll may do so. However, this enrollment cannot become effective until they are in pay status.

An open season enrollment change is effective on the first day of the first pay period that begins in January of the next year.

A cancellation made during the open season is effective at midnight of the day before the first day of the first pay period that begins in the next year.

Elections - Employees may make any election as shown on the table. Generally, employees may make a change to a self only enrollment only if the QLE causes the last family

member to be ineligible for FEHB coverage, or if they can show that the QLE caused all eligible family members to acquire other coverage. Employees may cancel their FEHB coverage only if they can show that the QLE caused them and all eligible family members to have other health insurance coverage.

When both an employee and spouse are Federal employees, FEHB regulations permit them to enroll in two self only plans when their last child becomes ineligible for FEHB coverage. Please coordinate with the spouse's agency to prevent any gap in coverage.

Time Limits - Generally, the time limit is within 60 days after a change in family status. **EXCEPTION:** Employees who enroll, change from self only to self and family, or from one plan or option to another, may do so 31 days before the event to assure coverage when the change in family status occurs.

Effective Date:

1. Generally, a change to self and family due to marriage is effective according to the general rule. However, if you receive the request the pay period before the date

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of the marriage, the enrollment change is effective the first day of the pay period in which the marriage occurs. The spouse is not eligible for FEHB coverage as an eligible family member, however, until the date of the marriage.

2. An enrollment or change due to the addition of a child as a new family member is effective on the first day of the pay period in which the child is born or becomes an eligible family member. See footnote 2 on the Premium Conversion Table.

3. A change to self only is effective on the first day of the first pay period that begins after the date the employing office receives the request. However, at the employee's request, and upon a showing satisfactory to the employing office that no family member was eligible for coverage, you may make it effective on the first day of the pay period after the one in which there was no family member. See footnote 2 on the Premium Conversion Table.

Employees who enter active military service have the opportunity to terminate coverage. See footnote 3 on the Premium Conversion Table. If they decide to terminate their coverage or it terminates

after the 18 months permitted by Uniformed Service Employment and Reemployment Rights Act (USERRA), their coverage is automatically reinstated on the date they are restored to their civilian position under 5 CFR Part 353. Employees who are not eligible for automatic reinstatement can reenroll within 60 days after the date of reemployment.

Additional information on the FEHB coverage of employees who return from active military service will be forthcoming.

The FEHB enrollment terminates on the last day of the pay period in which the employee separates from service. However, employees are eligible for a 31-day temporary extension of coverage after that date. The purpose of this event is to provide coverage for a child in the event it is born during the 31-day extension period. Separating employees can then enroll in Temporary Continuation of Coverage that begins on the 32nd day after the date of separation.

Events permitted by IRS regulations only

These new events are included only in the IRS regulations. Consequently, FEHB regulations do not permit employees to enroll, change from self

only to self and family, or change from one plan or option to another when these QLEs occur.

Election - Under IRS rules, employees may only cancel or change to self only, and/or elect to participate in or waive participation in premium conversion.

Time Limit -Within 60 days after the QLE.

Effective Date - A cancellation is effective at midnight of the last day of the pay period in which the employing office receives the request to cancel.

A change to self only is effective on the first day of the first pay period that begins after the date the employing office receives the request.

Employees have 60 days from the date they enroll in Medicare, enter active military service, or retire under Chapter 67, title 10 to request a change to self only, to cancel, or to elect to participate in or waive participation in premium conversion. Otherwise, they must wait until the next FEHB open season.

Employees who change from one type of TRICARE coverage to another may not cancel FEHB or change to self only unless they are within 60 days of a QLE that

“A cancellation is effective at midnight of the last day of the pay period in which the request to cancel is received.”

Federal Employees Group Life Insurance (FEGLI)

The Federal Government established the Federal Employees' Group Life Insurance (FEGLI) Program on August 28, 1954. It is the largest group life insurance program in the world, covering over 4 million Federal employees and retirees, as well as many of their family members.

FEGLI provides group term life insurance. As such, it does not build up any cash value or paid-up value. It consists of Basic life insurance coverage and three options. In most cases, if you are a new Federal employee, you are automatically covered by

Basic life insurance and your payroll office deducts premiums from your paycheck unless you waive the coverage. In addition to the Basic, there are three forms of Optional insurance that you can elect. You must have Basic insurance in order to elect any of the options. Unlike Basic, enrollment in Optional insurance is not automatic -- you must take action to elect the options.

The cost of Basic insurance is shared between you and the Government. You pay 2/3 of the total cost and the Government pays 1/3. Your age does not affect

the cost of Basic insurance. You pay the full cost of Optional insurance, and the cost depends on your age.

The Office of Federal Employees' Group Life Insurance (OFEGLI), which is a private entity that has a contract with the Federal Government, processes and pays claims under the FEGLI Program.

Information pertaining to FEGLI is also available on the ABC-C web site, <https://www.abc.army.mil>



Non-Appropriated Funded Vacancies

Child & Youth Program Assistant - \$9.24/ hour flex positions at the Child Development Center

Recreation Aid - \$6.50/ hour flex position at the Community Activities Center

Food Service Worker - \$8.65/hour flex position at the Community Activities Center



Civilian Personnel Advisory Center

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