
ARC Monthly Bulletin – December 2010

Valuable information for ARC's customers

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1. Successful Upgrades to Support DC Pensions System

ARC IT hosts and supports the integrated pension/payroll system, STAR, in support of Office of DC Pensions and District of Columbia Retirement Board. STAR is used for administering the retirement payments for District of Columbia retired police officers, firefighters, teachers and judges, and their survivors. Working in conjunction with the Office of DC Pensions, ARC recently completed successful platform upgrades to this system. These upgrades included a change from HP UNIX to Sun Solaris, a database upgrade from Oracle 10g to Oracle 11g, and an upgrade to People Tools 8.5.

For more information on STAR or People Tools, contact Brett Edwards at 304-481-7474 or Brett.Edwards@bpd.treas.gov.

2. MSPB Rules against FCIP

On November 2, 2010, the Merit Systems Protection Board ruled in favor of two veterans that the Federal Career Intern Program (FCIP) violated their veterans' preference rights. This case found FCIP to be inconsistent with the Civil Service Rules that govern placement of positions in the excepted service which bypass competitive service hiring requirements and veterans' preference rights. The Board's ruling requires the Office of Personnel Management (OPM) to match FCIP with regulations set in Title 5 of the U.S. Code within 120 days of the decision. OPM is reviewing the Board's decision, but in the meantime, many agencies are imposing an immediate moratorium on any new FCIP announcements and new FCIP job offers. It is also important to note that in May, President Obama directed OPM to review the FCIP and develop an improvement plan. A plan was submitted in September that proposes simplifying the process for students applying for Federal jobs, but the plan is not yet final. ARC's HR team is monitoring the FCIP situation and will notify our customers of new developments when they arise. For more information, Treasury customers please contact Brenda Cooper at 304-480-8369 or brenda.cooper@bpd.treas.gov. For non-Treasury customers, please contact Marti Johnson at 304-480-8396 or marti.johnson@bpd.treas.gov.

3. FEGLI Program Changes

Effective October 1, 2010, the Office of Personnel Management (OPM) announced several revisions to the Federal Employees' Group Life Insurance (FEGLI) Program. Changes to the FEGLI Program include: the expansion of the time frame for making initial optional insurance elections from 31 to 60 calendar days; allowing employees who experience Qualifying Life Events (QLEs) to elect any FEGLI coverage (no restrictions) within 60 calendar days of the QLE; and requiring final life insurance reduction elections to be made at the time of, rather than after, retirement.

For more information about the FEGLI Program changes, visit <http://www.opm.gov/insure/life/fegli/FEGLIProgramChanges.pdf> or contact Jennifer Baldwin at 304-480-8275 or benefits@bpd.treas.gov.

4. No Change to the TSP Contribution Limits for Tax Year 2011

The **Thrift Savings Plan (TSP)** regular contribution limit for tax year 2011 will remain \$16,500. For Federal agencies paid through the National Finance Center—including all of ARC's HR customers—the 2011 tax year spans from December 19, 2010, through December 17, 2011. To distribute \$16,500 over the entire tax year, employees should elect to contribute \$635 per pay period to the TSP. Employees should make this election between December 5 and December 18, 2010, for the change to begin with the new tax year.

Employees who will be age 50 or older during 2011 may again contribute up to an additional \$5,500 in tax-deferred "catch-up" contributions—only if regular contributions for the tax year will total \$16,500. To distribute the \$5,500 over the entire tax year, employees should elect to contribute \$212 per pay period to the TSP. This election should also be made between December 5 and December 18, 2010.

If Employees miss the window between December 5 and December 18, 2010, or have other calculation questions, the TSP's elective deferral calculator can be found at <https://www.tsp.gov/planningtools/electivecontributions/electiveContributions.shtml>. You can also read more about the TSP annual contribution limit at <https://www.tsp.gov/PDF/formspubs/oc91-13.pdf>. For instructions on changing your TSP contribution amount, contact Jennifer Baldwin at 304-480-8275 or send an email to benefits@bpd.treas.gov.

5. Upcoming Changes in Take Home Pay

Many employees will notice changes in their net pay during the upcoming months for a variety of reasons. Federal, state, and local tax changes and a possible annual pay adjustment could affect your take home pay amount in the coming weeks. In addition, there are a number of other factors that could affect your net pay, including changes in your Flexible Spending Account (FSA), Thrift Savings Plan (TSP), Federal Employees Health Benefits (FEHB), Federal Employees Dental and Vision Insurance Program (FEDVIP), and Combined Federal Campaign (CFC) contributions.

A more detailed description of changes in take home pay will be posted in early January on your agency's ARC customer web page at https://arc.publicdebt.treas.gov/customer_access_pages.htm. Please contact Jennifer Baldwin at 304-480-8275 or benefits@bpd.treas.gov if you have questions about these changes.

6. Convenience Checks and PayPal Logs

Within the next few weeks, the Supplier Section will send e-mail reminders to purchase cardholders with specific instructions on submitting the 2010 Convenience Check and PayPal logs. These logs are an integral part of the 1099 reporting process because this is our only source of information for reporting these payments. We will be asking purchase cardholders to submit their logs to ARC1099@bpd.treas.gov by December 31, 2010. For questions or additional information, please contact Connie McCloy at 304-480-7097.

7. OMB Increases Payment Recapture Efforts

On November 16, 2010, OMB released guidance to agencies on increasing efforts to recapture improper payments by intensifying and expanding payment recapture audits (IPERA). The intention of this memorandum was to provide agencies interim guidance for the payment recapture audits established under IPERA. The final guidance (expected to be issued by OMB in January 2011) will likely address programs that should be reviewed under payment recapture audit programs, what it means to have a cost-effective program and how recaptured funds should be used.

In accordance with the "Do Not Pay List" memorandum (<http://www.whitehouse.gov/the-press-office/presidential-memorandum-enhancing-payment-accuracy-through-a-do-not-pay-list>) released this past June, the Executive Branch was instructed to create a single portal linking relevant databases together to assist agencies in determining the eligibility of a recipient. In response to that memorandum, OMB announced the launch of www.verifypayment.gov, which links together databases with information on death, incarceration, and excluded parties.

Additional information on these announcements can be found on the OMB Director's Blog: <http://www.whitehouse.gov/blog/2010/11/16/improper-payment-progress>, www.paymentaccuracy.gov (the Improper Payments Dashboard), and on www.verifypayment.gov.

For questions on this article, contact Michael Adams at michael.adams@bpd.treas.gov or 304-480-7183.

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